

# MAKING CLICK AND COLLECT A POSITIVE, PROFITABLE EXPERIENCE.



## How Voice-Directed Technology Helps Today's Associates Master New Tasks Like Click and Collect Fulfillment while Keeping the Focus on Shoppers.

When the global health crisis hit in 2020, the retail landscape changed drastically. Non-essential businesses were forced to close their stores entirely, while essential businesses were required to operate with restrictions.

Physical distancing and stay at home orders forced consumers to behave differently and accelerate their move to online. In a survey by McKinsey & Company, 40% of consumers tried a new shopping method and 73% intend to continue that behavior.<sup>1</sup>

In an effort to meet shopper demands, retailers began offering new or expanded services including curbside pickup; same day home delivery; and buy online, pick up in-store (BOPIS). By the end of August 2020, 44% of the top 500 merchants with brick-and-mortar stores were offering curbside pick up.<sup>2</sup>

Tight margins and intensifying competition make satisfying these demands in an efficient manner – and still turning a profit – more challenging than ever. Click and collect/buy online, pick up in store (BOPIS) is a prime example. According to a recent survey, 45.6% of retailers rated logistics and inventory tracking as the biggest challenge they face while managing BOPIS.<sup>3</sup>

The issue is that many of these logistical activities – especially those related to fulfillment of click and collect orders – traditionally have not been part of the daily flow of retail. The key, then, is for brick-and-mortar retail operations to integrate click and collect activities effectively by connecting people, assets and merchandise in new ways.

## RESPONDING TO CHANGING CONSUMER BEHAVIOR

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of consumers tried a new shopping method and 73% intend to continue that behavior.<sup>1</sup>

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**Honeywell**

Breaking down barriers among associates, shoppers, mobile devices, operational software and inventory can help stores make the most of their physical store operations in ways that deliver for both their shoppers and their bottom line. The good news is that stores still bring great value, enabling ship-from-store and click and collect services – key customer experience differentiators that can also help retailers limit shipping costs as online order volumes grow.



**50%**

of shoppers pick where they shop online based on having a click and collect option<sup>5</sup>

**75%**

of shoppers who have used BOPIS say they are likely to make an additional purchase.<sup>3</sup>

**49%**

of shoppers made additional purchase while picking up their items in-store.<sup>3</sup>

**THE OPPORTUNITY FOR THOSE WHO GET FULFILLMENT RIGHT**

Nearly 70% of U.S. consumers have made multiple click and collect purchases – and the vast majority of those people have sprung for impulse buys when picking up their orders.<sup>5</sup>

Customers who shop across all of a retailer’s channels are more engaged and profitable, which is why a high-quality, consistent experience matters most. According to an Aberdeen study, companies with strong unified commerce strategies retain 89% of customers on average, compared to 33% for retailers with weaker initiatives.

Customers have high expectations when it comes to making click and collect purchases and retailers need to meet them.

Consumers want the pickup process to be as convenient as possible. In fact, more than a third of consumers (34.3%) said they would be more likely to use click and collect more often if the retail brought their items to their vehicle. Whether they enter the store or pick up curbside, consumers expect short wait times. Nearly 36% of consumers said waiting to pick up their items was the No. 1 factor in a poor click and collect experience.

They are also looking for fast order fulfillment. Some retailers are able to fulfill same day or even in 2 hour windows. 20% of consumers said they would use click and collect more often if orders were fulfilled more quickly. Retailers who are able to fulfill orders quickly and accurately fare much better than the competition.<sup>6</sup>

**WHY IN-STORE EFFICIENCY IS SUCH A PUZZLE**

It’s not uncommon for retail associates to balance competing demands, handling operational tasks while interacting with customers and immediately responding to their requests in order to bolster the all-important in-store experience.

It’s more an art than a science. And it’s not well suited to overcoming the challenges of rising consumer demand for seamless, error-free e-commerce services while dealing with reduced staff and increased competition.

For example, a typical ad hoc click and collect order picking process might involve:

- Checking a central computer to see where items are located
- Printing a paper list to keep track of picks
- Walking to storage locations on the floor and returning to a computer for verification

These practices consume store associate time that would be better spent with customers. There is also a lack of immediate verification of each pick, which can lead to mispicks and other errors that drive up costs, cut into profits and disappoint shoppers.

Consider that about 45% of click and collect shoppers say they choose this option to save them time in the store.<sup>7</sup>

If they take the time to pick up in store, only to find that an associate has picked the wrong item, they may not shop at your store again.

**TOWARD A MORE SCIENTIFIC APPROACH**

The competitive demands and cost centers of unified commerce require optimizing all processes to improve tracking and efficiency. Today’s distribution and fulfillment centers provide inspiration for how to do so. These task-oriented, process-focused environments operate more as a science than an art. They have a history of applying technology to capture data and manage work, covering everything from labor optimization to inventory visibility and process refinement.

Just as fulfillment centers traded paper-based, manual workflows for voice technology decades ago, forces are aligning for retail stores to make the same shift. Proven voice direction technology easily adapts to the demands of workflows such as order fulfillment, gap scanning, shelf replenishment, inventory management and more.

The key is that retailers need to preserve the flexibility to attend to the customer experience and respond to impromptu demands. They also must consider existing IT commitments, evaluating compatibility with hardware and software platforms already in use.

**IN-STORE EXECUTION MAKES A BIG DIFFERENCE**

In a recent secret shopper study, satisfaction with the click and collect experience dropped 17% when orders were not actually available for pick up as promised.<sup>8</sup>

**81%**

of Internet users reported placing click and collect orders<sup>7</sup>

**45%**

chose to do so to save them time in the store<sup>7</sup>

**BUT ONLY**

**1/3**

of global retailers said they are able to fulfill these orders same day<sup>5</sup>





## ROLLING WITH THE REALITIES OF THE SALES FLOOR

Unstructured and sometimes unpredictable, the retail floor demands a multi-modal workflow that equips users with a variety of tools to handle whatever comes their way.

### Honeywell Guided Work for Retail

solution can help. It's a technology-directed, worker-focused hardware and software system that improves retail associates' efficiency and accuracy, and gives retail operations the boost needed to compete.

Intuitive technology with integrated voice direction accelerates replenishment and supports click and collect services, satisfying more shoppers while elevating efficiency.

Honeywell Guided Work for Retail solution with voice direction guides the associate to work efficiently and accurately. It integrates with mobile computers, such as the Honeywell CT40 XP or CT45 XP on the Mobility Edge™ platform, to help keep associates on task as well as in sync with other associates and store operations.

This all comes together to drive greater efficiency and productivity while improving the customer experience. Step-by-step instruction and natural voice dialogue

reduce training time for new associates and/or temporary labor, while driving consistent execution. Managers can determine clear accountability, with software tracking both the assignment of tasks and acknowledgement by employees, and take advantage of greater inventory visibility by tracking products from dock to shelf.

Operational visibility and predictability go hand in hand. Management can build an understanding of how long certain tasks take, leading to better estimates of when orders will be ready to be picked up. This data then fuels labor models to build staffing requirements, determining how much labor is necessary to fulfill orders and run normal store operations. Ultimately, this fuels data-driven decisions to avoid overstaffing while ensuring on-time, accurate order fulfillment and an optimal checkout experience.

### APPLICATIONS OF THE TECHNOLOGY

While the demands of click and collect fulfillment are often the catalyst for adopting this new technology, the application of voice technology is not limited to order fulfillment, but extends to other store operations and compliance workflows.

## MULTIMODAL BENEFITS

### ASSISTANCE FINDING AN ITEM

Use the screen to view stock location and a picture of the product.



### NOTICE AN OUT-OF-STOCK ITEM?

Scan the shelf tag to alert the system and trigger replenishment.



### STORE OPERATIONS

**Gap scanning:** Enable associates to act fast in the event they notice an item is out of stock. Simply scan the shelf tab to automatically create a list of items in need of replenishment from backroom storage.

**Restocking and inventory replenishment:** Improve efficiency and visibility of restocking processes via hands-free instruction and confirmation. Track inventory from dock to shelf with system-driven receiving, staging, and put-away.

**Load to cart:** Keep shelves stocked and maximize labor productivity by sorting mixed-load pallets into different carts for more efficient store aisle replenishment.

**Stock counting:** Minimize lost sales due to out-of-stocks through regularly scheduled cycle counts. Connected workflows handle the complexity of greater SKU variety while eliminating paper document management, double data entry, and other manual issues.

### COMPLIANCE

**Planogram auditing:** Ensure items are in correct, optimized locations to maximize sales and quality. This helps keep fast movers easily visible in high-traffic areas and allows grocers to ensure freshness.

**Annual stock count:** Enable the workforce to assist with financial compliance by tracking and reporting inventory through a secure, managed process.

### GUIDED WORK IN ACTION – OPTIMIZING IN-STORE FULFILLMENT

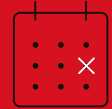
To help increase fulfillment efficiency across its store network, a grocer decided to pilot a Guided Work for Retail solution at one of its branches.

The legacy manual workflow involved employees checking a central computer to see where items were located and using paper lists to keep track of picks, walking to storage locations on the floor and returning to the computer for verification. This required unnecessary walk time and lacked the real-time verification to prevent picking errors. With Guided Work for Retail, associates take the computer with them, using a headset and mobile device to track work and receive direction, complete with exact item location, quantity and confirmation.

### ADVANTAGES OF GUIDED WORK FOR RETAIL

- Significantly **reduces walk time**
- **Provides real-time confirmation** of item SKU and quantity
- **Improves accuracy and time pooling**
- Enables the store to **fulfill more orders in less time**, with the same amount of staff

### RETURN ON INVESTMENT



**Time:** Expected payoff in **9-12 months**



**Scope:** Basic capital investment suitable for small and large enterprises

### COST-SAVING FACTORS:



Order fulfillment capacity: **Fulfill 2X the orders** with the same staff



Order fulfillment accuracy: Up to **9.9% order accuracy**



Training time: Train staff in as little as **20-30 minutes**



Task duration: **20% less** with connected Retail Solutions



CT40 Mobile Computer



## **THE WAY FORWARD: INTEGRATED, DATA-DRIVEN PROCESS EFFICIENCY**

With the rise in ecommerce and click and collect, retailers face more complexity than ever, with expanding inventories, tighter margins and the need to deliver a high-quality customer experience no matter the channel. And greater complexity also brings greater opportunity.

Technology is one of the keys to cracking the modern multi-faceted retail code and gaining a competitive edge.

With a comprehensive approach that incorporates software, edge devices and lifecycle services, Honeywell is aligned to help stores take full advantage of the opportunity.

Guided Work for Retail and other valuable Honeywell in-store solutions bring together associates, shoppers, mobile devices, enterprise systems and merchandise to help meet increasing click and collect demand and create what matters most – a consistently great and profitable retail experience.

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### **For more information**

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