How to Guide for
Doing BOPIS and
Curbside Pickup Right

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The growth of omnichannel fulfillment programs such as buy online, pick up in-store (BOPIS) and curbside pickup of online orders has been a retail industry trend for several years now. That trend reached a tipping point in the last 12 months, as the COVID-19 pandemic led consumers to seek out safer, contactless shopping experiences. Equally embraced by consumers and retailers alike, and for many of the same reasons (e.g., cost savings on last-mile order delivery), BOPIS and curbside have transitioned from nice-to-have to must-have services for brands with physical storefronts.

According to Accenture Strategy's Holiday Shipping study, released in December 2020, 65 percent of retailers either offer BOPIS or curbside pickup (or both) vs. 52 percent that did so in 2019. When looking specifically at curbside pickup, the growth is even more stark. According to Digital Commerce 360, the percentage of Top 500 North American e-commerce retailers offering curbside pickup jumped from just 6.9 percent in December 2019 to 43.7 percent in August 2020.

Retailers are simply reacting to consumer behavior and demand for these types of omnichannel services. Half of all consumers have decided where to shop online based on whether they could pick up their order in-store, according to a study from Invesp. Furthermore, at the time the Invesp research was released (June 2020), 67 percent of shoppers in the U.S. had made a BOPIS transaction in the previous six months.

Demand for BOPIS and curbside pickup isn't a pandemic-induced trend. Rather, it's a permanent behavioral shift. In fact, it figures only to increase as consumers come to appreciate the convenience, cost savings, and immediate gratification associated with these types of omnichannel services. Therefore, retailers must identify how they can improve upon existing BOPIS and curbside pickup programs, many of which were hastily rolled out by retailers at the outset of the pandemic as a means to keep their businesses afloat.

POWER OF DATA IN IMPROVING BOPIS/CURBSIDE EXECUTION

Merely offering BOPIS or curbside pickup to online shoppers is no longer enough, especially considering the retailer adoption levels cited above. The experience has to be a positive one for customers, from the checkout page on your website through to picking up the order in-store or curbside. If it's not, the customer won't come back.

And as it currently stands, retailers have plenty of room for improvement when it comes to their BOPIS and curbside pickup programs. According to a survey of 2,510 U.S. shoppers conducted by Incisiv in July 2020 and August 2020, 81 percent rated three stars or lower when asked about stores' availability of preferred pickup date and time. Other areas of friction cited by consumers using BOPIS and curbside services included availability of pickup slots, wait times for pickup once at the store, and order/inventory accuracy.

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To help address these challenges, retailers are turning to technology. Specifically, integrated data solutions, including inventory and order management systems, are integral in providing the seamless BOPIS and curbside experiences that customers expect — and will keep them coming back to purchase again.

For example, having integrated inventory and order management systems that are being updated in real time with BOPIS and curbside pickup orders ensures that correct inventory counts are being displayed to customers (and employees), preventing the sale of out-of-stock items to BOPIS and curbside pickup customers. There's no more surefire way to lose a customer than to promise an item is in-store and available for pickup, have a customer drive to the store to pick up the item, only to learn that the item is not in stock — all because the retailer's inventory and order management systems weren't integrated.

With synched inventory and order management systems, updated inventory counts can be shown to online shoppers in real time, a critical first step in facilitating frictionless BOPIS and curbside orders. Equally as important, store employees can access this integrated data to ensure that inventory accounted for in BOPIS and curbside orders is removed from store shelves and/or stock rooms and allocated for online orders, making it available for the customer when they arrive to pick up their order. With the ability to share product and customer data via integrated technology systems in real time, retailers can elevate their BOPIS and curbside pickup programs to meet consumers' rising expectations.

MEASURE, ANALYZE, OPTIMIZE: A STRATEGY FOR BOPIS AND CURBSIDE PERFORMANCE GAINS

With most retailers' BOPIS and curbside pickup programs still in their infancy, there's plenty of opportunity to improve upon them. In order to do so, retailers will need to be able to accurately measure customers' BOPIS and curbside pickup purchase experiences, at every touchpoint in the journey. So, what should retailers be looking at to better understand their BOPIS and curbside customers' likes and, more importantly, dislikes?

- **Percentage of overall sales that are BOPIS or curbside pickup orders:** This number should grow as your programs mature. The idea being that if customers have a good first experience with your brand using BOPIS or curbside pickup, they'll be more likely to come back and purchase again in the same manner. Also, evaluate the impact that offering BOPIS and curbside pickup has on your website's conversion rate. This data can provide insight into consumer demand for the services. An increase in total site conversion rate with the addition of BOPIS and curbside pickup indicates your customers are interested in these services, and thus you should work to optimize their experiences while using them.

- **Repeat purchase rate:** What percentage of your BOPIS and/or curbside pickup customers come back and purchase again using the service(s)? Does that number compare favorably or unfavorably to your e-commerce site's overall repeat purchase rate? A higher repeat purchase rate for BOPIS/curbside orders is a good indication that customers are satisfied with their experiences, whereas a lower repeat purchase rate signals that improvements are likely needed.

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- **Customer satisfaction scores:** Ask your BOPIS and/or curbside pickup customers about their level of satisfaction with their purchase experience. This can be done through Net Promoter or other survey-based tools, and should assess each step of the process, from transacting online to the communication pre- and post-order fulfillment. Again, if your NPS or other customer satisfaction score for BOPIS/curbside is higher than your overall site, you're doing something right. If the score is lower than your overall site score, there are likely areas of the process that need to be improved upon.

- **Speed of fulfillment:** On an individual store basis, track how long it takes for BOPIS and curbside orders to be picked, packed and ready for the customer to pick up. There should not be a wide disparity in that time across your store network. With the proper training and technology systems in place, employees should be fulfilling BOPIS and curbside orders in roughly the same amount of time across your store network. Furthermore, as your programs mature and are enhanced with technology, the time it takes to fulfill orders should be shortened. Speed is a primary reason that consumers are opting for these services in the first place, so give it to them.

- **Accuracy of fulfillment:** While retailers need to work toward expedited fulfillment of BOPIS and curbside orders, they can't do so at the expense of accuracy. For example, identify stores with high rates of split shipments (i.e., a store receives an entire order to fulfill, but outsources part of the order to another store). This data can indicate poor employee training or an inventory accuracy issue, such as the company's website showing that the store had all of the products in-stock when it really didn't. Use this information to take prescriptive action, such as offering more employee training and/or investing in technology solutions that provide better inventory visibility across channels.

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- **Return rate for BOPIS/curbside orders:** This metric closely aligns with the point above on accuracy of fulfillment. Are store employees receiving the correct customer, order and inventory data, which would help minimize product returns? Without the right data technology systems in place, there's a higher likelihood that store associates will pick and pack the wrong merchandise, leading to returns. Compare your return rate for BOPIS/curbside customers vs. non-BOPIS/curbside customers. A spike in returns for BOPIS/curbside customers could indicate both a need for more employee training as well as investments in technology systems such as data analytics, order and inventory management systems.

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HIBBETT SPORTS WINS WITH CURBSIDE PICKUP

Hibbett Sports, a leading athletic-inspired fashion retailer with more than 1,000 stores, sought to leverage those brick-and-mortar locations to its advantage as it built out its e-commerce business. As such, Hibbett Sports recently rolled out curbside pickup of online orders. The retailer has focused on the customer experience as it looks to rapidly scale curbside pickup, with such orders spiking during the pandemic. Bill Quinn, senior vice president, digital commerce at Hibbett Sports, detailed the retailer's curbside pickup program in a recent **webinar** with Radial.

To optimize its curbside pickup program, Hibbett Sports has focused on three key areas: customer experience, technology, and innovation.

> **Hibbett Sports has a robust order management system that enables it to accurately pinpoint what inventory it has, where it is in the supply chain, and how quickly it can be fulfilled for curbside orders.**

- **Customer Experience:** Shoppers want clear instructions on the pickup process for curbside orders, including where to park; who to alert when they arrive, and how to do so; and how long the process should take. Hibbett Sports provides this information to the customer before they arrive at the store via order confirmation emails. Its philosophy is to overcommunicate without making it complicated. This applies to both customers and employees.

- **Technology:** Hibbett Sports has a robust order management system that enables it to accurately pinpoint what inventory it has, where it is in the supply chain, and how quickly it can be fulfilled for curbside orders. Without an OMS, Hibbett Sports wouldn't be able to quickly switch on and off its store locations for curbside fulfillment while still maintaining accurate inventory counts.

- **Innovation:** Hibbett Sports was willing to test a new process — curbside pickup — and improve upon it as the company learned more about its customers' experience using the service. It collected customer feedback (via a survey post-purchase) and identified key metrics (sales, attachment rate, speed of fulfillment) to measure the success of its curbside program. Then it leveraged that data to iterate.

While Hibbett Sports doesn't break out curbside-only sales, the retailer did report in its 2020 annual report that e-commerce sales increased 41 percent year-over-year, which was driven in part by the introduction of curbside pickup at its 1,000-plus brick-and-mortar stores.

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BEST PRACTICES FOR IMPROVING BOPIS/ CURBSIDE PICKUP PERFORMANCE

1. **Collect the right data, including customer, inventory, and order.** Many retailers quickly rolled out BOPIS and curbside pickup at the outset of the pandemic as they were forced to offer the types of contactless shopping experiences that consumers were seeking. Now, a year later, they should have valuable data on BOPIS and curbside performance (e.g., customer satisfaction, time it takes to fulfill a BOPIS/curbside order, inventory accuracy for BOPIS/curbside orders, etc.). Use that data to identify areas of strength, doubling-down on them, as well as areas of weakness, where additional resources will need to be allocated.

2. **Invest in technology systems that integrate customer, inventory and order data that facilitate seamless BOPIS and curbside purchase experiences.** Technology such as order management systems, inventory management systems, and predictive analytics provide the level of inventory visibility, in real time, that is at the center of any successful BOPIS and/or curbside pickup program. Integrated technology systems can lead to better decision making, optimized experiences, happier customers, and increased loyalty. Furthermore, the right technology solution can not only yield increased sales, but cost savings as well through improved demand planning, inventory allocation, and labor optimization.

3. **Collect customer feedback and use it to make program improvements.** Post-purchase surveys, sent via email or text message after the customer has picked up their order, are a great way to learn about how your customers feel about the BOPIS and curbside experiences that your stores are providing. This first-party data is valuable for refining and optimizing processes, which can lead to a boost in repeat purchase rate.

4. **Conduct self-audits.** What better way to learn about the BOPIS/curbside experiences that your company is offering than going through the process yourself. Test different store locations, different pickup options (in-store, curbside), different days of the week and times of day, different products, etc., to gain a truly complete understanding of the customer experience.

5. **Implement continual employee training.** The role of the retail store associate looks much different than it did five years ago. From picking online orders for BOPIS to delivering items to customers' vehicles curbside, there are a number of new tasks that many of your in-store staff may not be familiar with. Training is going to be required to get them up-to-speed, including on the devices that they will need to execute such tasks, including updating inventory counts, checking available inventory at their store as well as surrounding stores, and communicating with customers throughout the process.

6. **Find the right partner.** Investing in the right technology is more than just finding solutions with all the bells and whistles. Yes, that's important. You need solutions that are customized to your company's needs, and are scalable as your business grows. However, it's also necessary to find a partner that offers the support and resources needed to help your business grow. A true partnership that's built on a shared vision of success.

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Radial, Inc., a bpost group company, is the leader in omnichannel commerce technology and operations. Premier brands around the world confidently partner with Radial to deliver their brand promises, anticipate and respond to industry disruption, and compete in a rapidly evolving market. Radial's innovative solutions connect retailers and customers through advanced omnichannel technologies; intelligent payments and fraud protection; efficient fulfillment, supply chain services; and insightful customer care services – especially where high-value customer experiences are critical. We are flexible, scalable, and focused on our clients' business objectives.

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Total Retail is the go-to source for retail executives looking for the latest news and analysis on the retail industry. Featuring a daily e-newsletter (Total Retail Report), robust website, virtual and live events, comprehensive research reports, podcast channel, and more, Total Retail offers retail executives the information they need to do their jobs more effectively and grow their professional careers. Visit myTotalRetail.com.

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