

CLICK-AND-COLLECT: BROKEN OR CHANGING, YOU DECIDE



By **Sean Fleming**
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Since the aftermath of 2015's end-of-year peak season there's been a growing recognition that retailers won't always be able to rely on in-store collection to ease the burden on their home delivery networks.

The previous year click-and-collect was lauded for saving Christmas, but as the popularity of in-store collection grew capacity constraints started to reveal themselves. Once shoppers start to grumble about waiting too long for an in-store collection, or that parcels couldn't be retrieved, the game is up as far as enhanced customer experience is concerned.

So what's next for click-and-collect? In this, the final (for now) part of a series asking people from the industry whether they think click-and-collect is a busted flush, I hear from Collect+ and Doodle, two of the biggest names in alternative collections, and Parcelly, a relative newcomer with a different approach to convenience.

It's more than 10 years since click-and-collect first appeared. Back in 2003 Argos and Woolworths were among its pioneers. At that time Neil Ashworth, CEO of Collect+ (which launched in 2009), was working at Woolworths. "Home delivery was always regarded as the holy grail," he says. "But after about five or six years it was apparent there was a major challenge – customers always weren't in."

Missing a delivery is never convenient. It is that search for convenience that drives the whole click-and-collect proposition. "Different retailers have different collection offers. Some realise the customer is making a choice that's all about convenience," Ashworth says.

"The customer wants quick and easy collection, but the retailer wants you to dwell. Some put the collection desk at the back of the store, or on the top floor."

That question of collection point location is more than superficially interesting. As a retailer do you think of click-and-collect as a storage headache, or a customer relationship building exercise? In-store dwell time is a more important consideration to some than others, and there might not always be the luxury of available space. But regardless of how well your collections are working most of the year, they'll always come under pressure eventually.

"Capacity is a seasonal issue," says Tim Robinson, CEO of Doddle. The collection store network known for its railway station locations, changing rooms, and purple livery, has started branching out into new areas – including the [Doddle Runner](#) service which launched last year, the more recent [Doddle Neighbour](#) initiative, and now a partnership with Hermes that sees some Doddle stores form part of the myHermes ParcelShop network.

"The average shop handles manageable volumes, most of the year. If you've got 100 people coming in to collect items that's not a huge problem, although that collection rate will fluctuate throughout the day. It's during peak when it all becomes a problem.

"Some retailers, such as New Look, will shut off in-store click-and-collect around Christmas, and I think that's the right thing to do."

That decision to forcibly remove pressure points echoes some of the points made by Yodel's Dick Stead in the wake of the 2014 Black Friday series of problems, when he called on retailers to stop offering next-day delivery at unsustainable levels.

But while it might be the right thing to do, operationally, denying customers a collection choice is a bit of a blunt instrument, and no one's idea of offering convenience.

"Retailers are starting to do more with the tech that connects their stores and warehouses," Robinson says. "Shipping replenishment stock to a store is easy. But having to start sending specific items to a store is a real challenge.

"It's in peak that reputations can become damaged. And that's changing the way retailers are thinking about this."

A bolder take on changing the way things are thought about comes from Parcelly, which – via a smartphone app – lets shoppers develop their own personal collection and delivery network. Rather than pick from a list of options provided by a retailer, users of Parcelly's app can pre-determine the location they want their parcels shipped to, even if their chosen destination isn't part of the retailer's standard offer.

"I don't think click-and-collect is broken, but it's definitely changing," says Sebastian Steinhauser, Parcelly's CEO.

"Customers are very keen to have more control. You don't need to put your schedule on hold with click-and-collect. It could be the best solution for the last mile. Home delivery is an environmentally poor choice; on-the-fly changes don't help.

"Lockers and other collection spaces don't need to be created, they are already available in existing business premises."

Tapping into existing businesses who may want to become collection points is one thing, Steinhauser says. Making it work for them is another, for while the issue of customer convenience is clearly very important, so too is the question of whether being part of a collection network is convenient for the third party.

“Many existing concessions based collection locations were set up to suit the needs of the carrier,” Steinhauser believes. “It doesn’t always end up working brilliantly for the small shop, for example, who find they have to fit in with the carrier’s way of doing things. They don’t get great support and they only get low compensation rates. These low fees don’t encourage the shopkeeper to invest in that side of the business. They end up with bulky terminals, questionable footfall, the commissions are too low.

“Retailers are capable of providing more convenient click-and-collect options. If the retailers want great service across all points of the delivery network, they’ll have to pay for it.

“Happy business owners will promote the service, and they’ll give great service.”

Convenience is, of course, a subjective thing. For some people the very idea of buying something online and having to pick it up from the retailer’s store is absurd, while for others it is their first choice.

The rough edges are having to be removed from delivery and collection offers faster and faster; as customers grow accustomed to more and better services they will expect them wherever they shop. Degradation in service levels may be tolerated to a degree during peak, but patience will wear thin quickly if delays and problems are visibly being caused by a lack of investment or preparedness.

In-store collection will remain one of the most significant and successful collection offers for those retailers who stop thinking of it as an off-shoot of the warehouse. Those who can’t make that leap, however, will struggle to make it work regardless of capacity.

Web link: <http://edelivery.net/2016/06/click-collect-broken-changing-decide/>