Maximizing Omni-Channel Opportunities With Click-and-Collect
U.S. Consumers Demonstrate the Pros of Online and Offline Convergence

Key Takeaways

- More than half (53%) of online shoppers use click-and-collect.
- Avoiding shipping fees, getting the item(s) quicker and assuring the merchandise will be available when visiting a store are top reasons for using click-and-collect.
- More than three-fifths (61%) of consumers who buy online and pick up in stores do so at least once per month.
- Nearly half (47%) of click-and-collect users say they now use this purchasing channel more than a year ago.
- Over four-fifths (86%) of consumers using click-and-collect are satisfied with the experience they had when buying online and picking their orders up from a physical location.
- The most popular type of retailer for using click-and-collect is discount department retailers.
- For consumers using click-and-collect, a quick and easy experience ordering the item(s) online and order status updates are the most important parts of their journeys.
- Once in store picking up their order, click-and-collect consumers stress the importance of receiving the right product they selected online, quickly and efficiently.
- For items that are in stock at the preferred pick-up location, 85% expect to be notified about picking up their purchases within 24 hours.
- More than one-third of consumers say that as a direct result of their click-and-collect use, they are visiting stores more often than they did previously and they are generally spending more because it is easier and more convenient to make purchases.
- Almost half of consumers who buy online and pick up from a store in a shopping center say they typically spend at and/or visit at least one other retailer/tenant in the same center.
- As a result of click-and-collect, consumers are returning/exchanging significantly fewer items they order online.

New consumer expectations in terms of convenience and speed at which they get products have resulted in alternative shopping/purchasing channels satisfying any preference for buying and obtaining goods.

Click-and-collect, one of the options that is becoming increasingly popular, allows consumers to buy online and pick up their item(s) at a physical location. This method, which retailing analyst Michelle Mallison describes as “customer-centric, channel-agnostic,” aims to seamlessly merge e-commerce and physical stores.1

A recent Reuters article confirmed the popularity of click-and-collect shopping and its growth.2 Citing numbers from Adobe Analytics, Reuters reports that click-and-collect grew 47% during November and December 2018 compared with the same period in 2017. They also cite figures from consulting firm GlobalData Retail that during those same months, store pickups accounted for nearly one-third of U.S. online sales, up from 22% a year earlier.

While the expansion of click-and-collect is certainly noted, the benefits to retailers, landlords and consumers of allowing shoppers to buy online and pick up in store are widely recognized as well. Eliminating the time and expense associated with the final phase of transporting an item to the customer, combined with emphasizing convenience, maximizes the advantages of the physical and digital channels, according to a 2017 ICSC report.3

To build upon this prior research, ICSC conducted a consumer survey to look at the current use of click-and-collect, including frequency, products bought, types of retailers purchased from as well as consumer expectations, preferences and behaviors when using this method.

Widespread Adoption of Click-and-Collect

Consumers have many choices when shopping. First, they can visit stores, which past ICSC surveys indicate most still do. Consumers can also shop through pure-play internet retailers and have their purchases shipped to them, or they can buy online from traditional brick-and-mortar retailers and have their orders shipped as well as pick up their merchandise themselves.

Currently, among consumers who shop online, just over half (53%) of them use click-and-collect.4 Within the remaining group of consumers, a total of just over one-quarter say they have either used the service in the past, but do not anymore (4%) or they have no plans to try click-and-collect (23%). Interestingly, however, one-fifth (21%) of online shoppers say that although they do not buy online and pick up in stores now, they would be willing to try it for the first time this year.

The most common reason given for using click-and-collect, cited by almost half (49%) of those using it, is to avoid shipping fees. Consumers also mentioned the ability to get the item(s) quicker (40%), assurance that the merchandise will be available when they visit the store (33%), incentives offered to use the service (26%) and greater convenience (25%).

These findings are similar to a 2017 Bell and Howell consumer preference study.5 The largest share of respondents said they selected click-and-collect to save on shipping charges, followed by needed the item the same day, the store was nearby and the retailer’s promotional offer.

Within the group of active click-and-collect users, more than three-fifths (61%) use the method at least once per month—nearly one-third (31%) use it at least once per week, while almost as many (30%) use it about once per month. The remaining two-fifths (39%) buy online and pick up in stores once every couple of months or three to four times per year. (See Chart 1.)

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4 These results and others in this report are based on a representative poll of 1,004 adults in the U.S., conducted between February 21 and 24, 2019, by Engine Insights on behalf of ICSC.
5 Bell and Howell, “2017 Click and Collect Retail Consumer Preference Study,” p.10.
Expect an increase in usage soon, however, More than half (54%) of those already using click-and-collect say they plan to use it more often this year.

Millennials have adopted click-and-collect more than any of the older generations. Over three-fifths (63%) of Millennials currently click-and-collect, whereas 56% of Gen Xers and 42% of Boomers do so. (See Chart 2.) This is unsurprising given that in nearly all previous ICSC consumer surveys, higher shares of the youngest consumers indicate using tech-related means of shopping compared to Gen Xers and Baby Boomers. The youngest cohort also uses click-and-collect more often. (See Chart 3.)

Illustrates that urban consumers use this purchase channel more frequently. This makes sense given that click-and-collect requires a store visit and obviously physical locations are more prevalent in urban and/or suburban areas where getting to a store can be relatively quick compared to rural areas. Overall, nearly half (47%) of click-and-collect users say they now use this purchasing channel more than a year ago and approximately one-third (34%) are using it just as much as they did the year prior. The remaining users said they used it less or were unsure of their usage.

There is even potential to expand usage among consumers who are not currently using click-and-collect or are using it infrequently:

- One-fifth of consumers not using click-and-collect or using it only a few times per year are unaware if the retailers they shop at offer the ability to buy online and pick up in store;
- Over one-tenth (12%) say there are items shown online that are not available for immediate pick up using click-and-collect;
- Just over one in 10 (11%) say the retailers they shop at do not provide the ability to buy online and pick up in store.

Hence, additional traction with click-and-collect could come through more businesses offering the service, advertising the availability of the option to the existing customer base and beyond, and ensuring that all products found online could be purchased there and then picked up in person.

**Click-and-Collect Experiences Satisfy Consumers**

Given that a majority of online shoppers currently use click-and-collect and do so often, it is no surprise that an overwhelming majority (86%) of them are satisfied with the experiences they have had with the method. Just 2% of consumers who currently buy online and pick up in store expressed dissatisfaction and the remainder had neutral feelings. There were no differences in overall satisfaction with click-and-collect by generation, but more urban (89%) and suburban (86%) consumers are pleased than those using it in rural communities (79%).

Click-and-collectors demonstrate their satisfaction by reiterating their loyalty to buying online and picking up in stores. About two-fifths say that if a retailer does not offer this option to them for the item(s) they want to buy, they will abandon the purchase and look for another retailer who provides the service. Additionally, nearly half (48%) admit that even as same-day delivery services improve, they would still use click-and-collect and make the effort to visit a store. This is welcome news given that same-day delivery is something companies are working to improve as they look for even more ways to provide convenience and speed.

**Discount Department Retailers Most Popular for Click-and Collect**

The most popular type of retailer for using click-and-collect is the discount department store. Following those are electronics retailers, supermarkets, traditional department stores and building supply/hardware retailers. (See Chart 4.)

In their article, Reuters highlighted a similar trend when reporting on last holiday season. They report that, “Among those [companies] reporting big increases in click-and-collect sales are chains such [as] Best Buy Co. Inc, Target Corp., Walmart Inc. and Home Depot Inc.”

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8 Balu and Cavale, “How U.S. Retailers Turn Their Bane Into Boon With Click-and-Collect.”
ICSC’s study also found that the less popular formats for click-and-collect are health/beauty supply retailers, off-price retailers and furniture/home furnishing retailers.

By generation, all cohorts indicate discount department retailers as most popular for using click-and-collect. However, when it comes to the second and third most popular retailer types for click-and-collecting, there are differences. Millennials indicate electronics retailers then supermarkets; Gen Xers, supermarkets, then electronics retailers; and Baby Boomers, electronics, then building supply retailers.

Consumers in urban and suburban communities cite discount department retailers, electronics retailers and supermarkets as the most popular when buying online and picking up in store. The largest shares of rural consumers also use click-and-collect at discount department retailers followed by supermarkets and electronics retailers.

By product type, groceries and other everyday household/convenience items (41%) were cited most when it comes to using click-and-collect. Electronics (37%), apparel/footwear (34%), health and beauty/personal care products (31%), and craft/office supplies (23%) are among the remaining top five.

The above finding on click-and-collecting for groceries is supported by an article from TechCrunch, an online publisher reporting on the tech industry, which discussed Walmart’s Q4-2018 e-commerce sales.7 The article notes that Walmart attributes the strong e-commerce growth to the expansion of its grocery pickup and delivery businesses. Walmart’s grocery pick-up service is currently available at over 2,100 locations and expects to expand that to 3,100 by the end of 2020.

Ensuring an Engaged Click-and-Collect Journey

With the many shopping options now available and the competition among businesses to win over and retain consumers, it is imperative that all experiences shoppers have are exceptional and encourage repeat usage. Understanding what is important to consumers is crucial in pleasing them and guaranteeing a convenience-centric process.

During the click-and-collect process, about two-thirds (67%) of consumers rate making the purchase online as being most important. Part of this includes being able to easily find items and going through a quick and easy checkout process with all fulfillment options clearly listed. A majority (54%) also say receiving order status updates is a key part of their journey when buying online and picking up the items in store.

This point, about communicating with consumers after a purchase is made, is emphasized by Stephan Serrano of Barilliance a private company that provides website personalization technologies for e-commerce sites. He discusses having a series of transactional emails that communicate next steps to the consumer including post-purchase order confirmations, pick up ready notifications, shipping updates and pick up reminders.8

Consumers rated the two stages directly related to the pick-up part of the process equally important—nearly one-third (32%) of click-and-collectors noted the significance of pre-pick up arrangements as well as the in-store experience. Receiving assistance (21%) and post-sales feedback (4%) were rated lowest and obviously less critical to consumers during their click-and-collect journey.

Chart 5 delves deeper into the details of what is important to consumers when using click-and-collect:

These findings are similar to those in the Bell and Howell study that asked click-and-collect consumers to rank certain attributes of the process. That group rated a quick in and out experience number-one, followed by no waiting in line, ease of finding the pick-up location, having a dedicated pick-up counter and availability of designated parking spots.9

When it comes to receiving an order quickly and efficiently, consumers have high expectations. If the item(s) purchased for click-and-collect are in stock at the preferred pick-up store, more than four fifths (85%) expect to hear back about their ability to pick up the item(s) within 24 hours, but within that group, nearly half (47%) expect to hear back within three hours. For items not in stock, but that will be transferred to the preferred pick-up location, 70% of click-and-collectors expect to hear back within two days.

Speed is not only a factor when it comes to the amount of time consumers are willing to wait for their product to be available for pick up, but also once they are in store waiting to receive their item(s). According to Bell and Howell more than 80% of click-and-collect consumers expected to pick up their merchandise in under 10 minutes, with about one-quarter expecting under four minutes.10

As previously mentioned, following the critical first two stages of click-and-collect, ordering merchandise online and receiving order status notifications, consumers indicated the importance of the store pick-up process. For nearly two-thirds (65%) of click-and-

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10 Bell and Howell, “2017 Click and Collect Retail Consumer Preference Study,” p.11.
collect shoppers, store pick-up involves parking their car and going inside the retailer's store. Significantly fewer consumers choose other pick-up options that are available such as curbside pick-up, drive-through windows, going to the retailer's merchandise "pick-up only" store or picking up from some other predetermined location.

Once inside the store, equal shares of consumers indicate a preference to pick up their orders at the retailers customer service desk or anywhere inside toward the front of the store.

Click-and-Collect Greatly Benefits Shoppers and Businesses

Retailers and shopping centers benefit from omni-channel strategies and click-and-collect certainly plays a role. ICSC’s 2017 report stressed that click-and-collect has become a useful tool for increasing brand awareness and creating value-added engagement. Additionally, the more recent survey confirms that higher traffic and more impulse purchases occur in store when an item is picked up.

First, more than one-third (36%) of click-and-collect users say they are visiting stores more often than they previously did. This is true for nearly half (45%) of Millennials and fewer Gen Xers and Baby Boomers. (See Chart 6.) Rather than ordering online and waiting for the item(s) to be delivered, thereby avoiding store, click-and-collect encourages them to go to the physical location and get what they want significantly quicker without added costs.

Second, the impulse purchases made by consumers once in store are significant. While visiting stores to pick up their item(s), consumers can see and touch other merchandise. Overall, 94% of click-and-collect users buy additional items when they pick up their original online orders. There is little variation by generation or among urban, suburban and rural consumers.

Not only are there incremental purchases, but because of click-and-collect's ease and convenience, about one-third (36%) of those buying online and picking up in stores say they are generally buying more. Consumers can browse and purchase an item from the comfort of their home at any time—taking advantage of online shopping—then get the item(s) within a matter of hours in many cases—the major upside of physical stores.

For shopping centers specifically, over two-fifths (45%) of click-and-collect consumers say that when going to a store located in one of those properties, they typically spend at and/or visit at least one other retailer/tenant in the same center. About the same share would visit malls and other centers more often if they offered specific options to help facilitate click-and-collecting from the retailers located in their properties. (See Chart 6.)

The placement of a click-and-collect location within a shopping center opens up not only the possibility that the store itself may enjoy additional traffic and sales, but also that other tenants might benefit, too. Once assured that their items are ready and can be picked up quickly, consumers then have more time to visit other tenants in the shopping center for additional items.

One additional benefit for retailers highlighted by Anubha Verma is the improvement in logistics resulting from click-and-collect. Not only is the expense associated with transporting an item to the customer removed, but the high volumes of returns and exchanges are reduced since consumers are able to check the quality of their item(s) before heading home. ICSC found that among those buying online and picking up in store, nearly half (47%) say the amount of items they return/exchange purchased through click-and-collect is much less than the number of items they return/exchange after ordering online and having the goods delivered to them. (See Chart 6.)

Conclusion

Click-and-collect is truly the convergence of online and offline channels, combining the advantages of internet shopping with those of physical stores. For businesses, allowing consumers to buy online and pick up their merchandise in stores is compelling as it generates additional traffic and revenue. It epitomizes the "halo effect" of physical stores as consumers are influenced to make online purchases because they can easily go to a nearby store to collect their item(s). Consumers on the other hand, now have more choices and their need for speed and convenient options are being satisfied.

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12 Anubha Verma, "How Click & Collect Option Plans to Dominate The Online Shopping Space," Entrepreneur, September 1, 2018.

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