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Can Retailers be Omnichannel-Ready without RFID?

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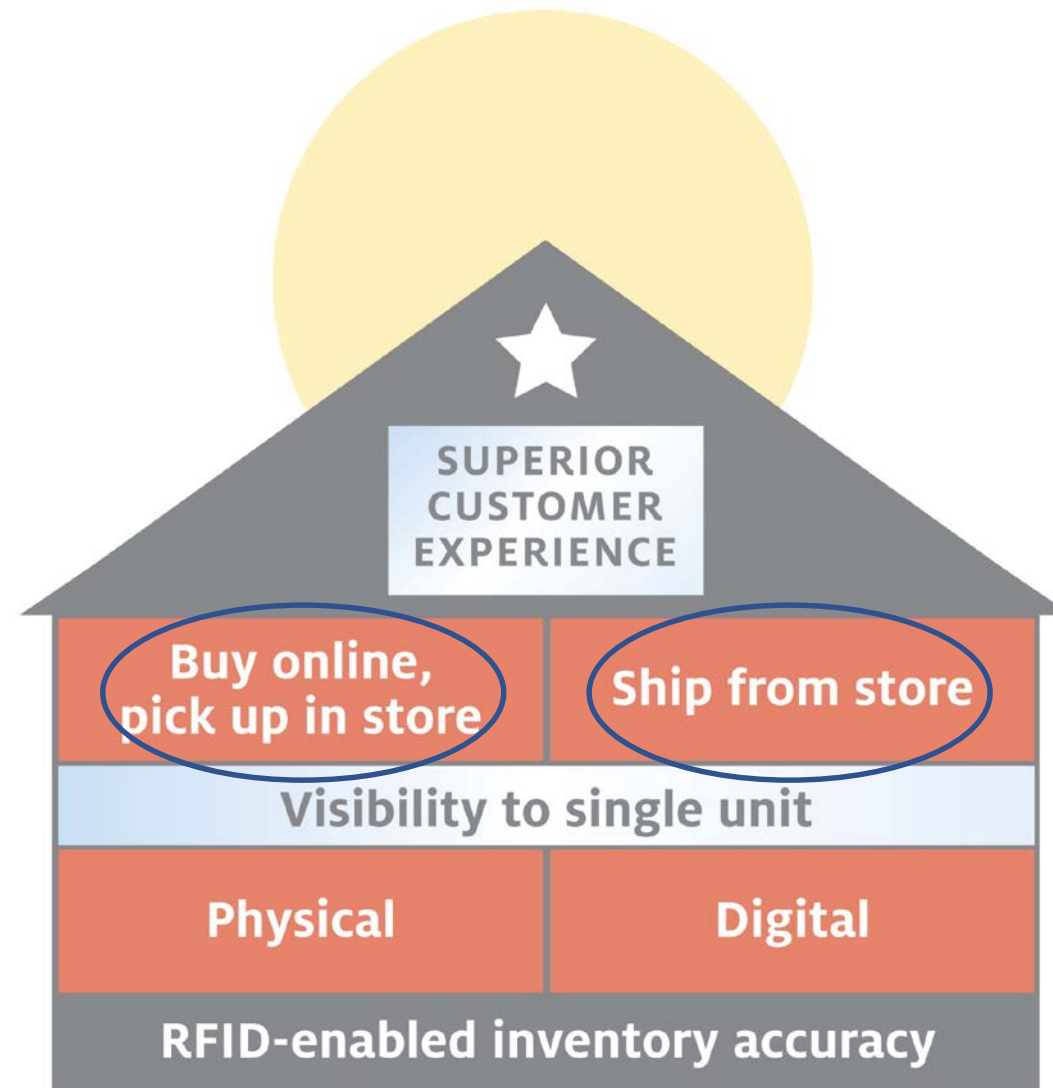
Are Retailers Omnichannel Ready?

The Omnichannel house

Ship from Store (SfS)

- 35-65% pick rate issues

- One retailer: 80% pick declines

- 43% at least tried SfS last year

- Potential: national retailer reducing sales floor space and using for mini-fulfillment center

- Pandemic: many retailers were not prepared to use their inventory from closed stores to fulfill online orders; missed sales; aging inventory

Buy Online Pickup in Store (BOPIS)

- Great potential! (Some pre-pandemic stats)
  - More than 60% offer BOPIS
  - 60% of Lowe's online orders are BOPIS
  - 67% of surveyed consumers indicated using BOPIS at least once in past 6 months
  - 75% of BOPIS users bought something else
  - Hidden (ROBIS) – 74% check online before going to store

Development of a BOPIS Scorecard

- "Secret shopper"
  - Randomly select items from multiple categories
  - Check availability of items shown online against actual shelf quantity
  - Initiate BOPIS order: How many? When?
    - Online
    - Communication
    - Pickup

21 retailers included

100+ store visits since July 2019

Home Improvement — ACE Hardware, THE HOME DEPOT, LOWE'S

Apparel & Footwear — ANN TAYLOR LOFT, Foot Locker

General Merchandise & Others — TARGET, Office DEPOT, Advance Auto Parts, Walmart, ULTA BEAUTY, Michaels, COST PLUS WORLD MARKET, DICK'S SPORTING GOODS

Department Stores — belk, KOHL'S, Stein Mart

Electronics — BEST BUY, GameStop

Pet Stores — petco, PETSMART

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Test of BOPIS: Examples

- Apparel:
  - 5 on shelf; 'unavailable at this location'
  - 4 on shelf; '1 left'
  - 3 on shelf; 'out of stock'
  - 9 on shelf; does not appear on website

- Housewares:
  - 4 on shelf; not available for pickup
  - 4 on shelf; 4 available for pickup
  - 4 on shelf; 3 available for pickup

- Shoes/apparel:
  - 1 on shelf; 'only 26 available for purchase'; only 1 available for pickup
  - 2 on shelf; 'not available for store pickup'

BOPIS
Inventory Accuracy

It all starts with inventory accuracy

Retailer	Accurate	Unavailable	More on shelf	Less on shelf
A	0%	60%	32%	8%
B-1	4%	84%	0%	12%
C-1	8%	60%	4%	28%
D	8%	0%	92%	0%
E	8%	48%	4%	40%
F	12%	24%	40%	24%
G-2	16%	8%	28%	48%
H-2	16%	0%	36%	48%
I	16%	48%	24%	12%
J	24%	24%	52%	0%
K	28%	20%	36%	16%
L	40%	8%	40%	12%
M	44%	4%	32%	20%
N	60%	36%	4%	0%
O	80%	0%	8%	12%
P-1	84%	4%	12%	0%

BOPIS Scorecard

Online Classification

Criteria	
Online Inventory Count	
Retailers who allow ALL from 1 SKU	
Accuracy of Online Inventory Count	
Search by Store	
Search by BOPIS	
Number of Clicks until Checkout	
Presence of Multiple Search Methods	
Online Inventory = In-store Inventory	
In-store Inventory = Online Inventory	

Communication Classification

Criteria	
Number of Order-related Emails	
Receipt in Confirmation Email	
Pickup Instructions in Order-related Emails	
"Order Ready" Notification	
Order Ready in Relevant Timeframe	

Pickup Classification

Criteria	
Multiple Pickup Methods	
Pickup at Any Hour	
BOPIS-specific Parking Spots	
Signage for Pickup Area	
Proximity of Pickup Area at Entrance	
Dedicated BOPIS Area	
Designated BOPIS Staff	
Purchasing Other Items at BOPIS Area	
Time Taken to Collect (in seconds)	

Online Criteria	Industry Avg.	Peer Avg.	XYZ Score
Online Inventory Count	50%	67%	Yes
All from 1 SKU	80%	100%	Yes
Accuracy of Online Inventory Count	25%	10%	30%
Search by Store	90%	100%	Yes
Search by BOPIS	65%	67%	Yes
Number of Clicks until Checkout	4.85	4.33	4.00
Multiple Search Methods	65%	67%	Yes
Online Inventory = In-store Inventory	70%	92%	85%
In-store Inventory = Online Inventory	74%	94%	88%

Communication Criteria	Industry Avg.	Peer Avg.	XYZ Score
Number of Order-related Emails	2.80	3	4
Receipt in Confirmation Email	100%	100%	Yes
Pickup Instructions in Order-related Emails	60%	0%	No
"Order Ready" Notification	95%	100%	Yes
Order Ready in Relevant Timeframe	85%	100%	Yes

Pickup Criteria	Industry Avg.	Peer Avg.	XYZ Score
Multiple Pickup Methods	55%	33%	Yes
Pickup at Any Hour	80%	100%	Yes
BOPIS-specific Parking Spots	5%	0%	No
Signage for Pickup Area	55%	67%	Yes
Proximity of Pickup Area to Entrance	70%	67%	Yes
Dedicated BOPIS Area	45%	33%	Yes
Designated BOPIS Staff	25%	67%	Yes
Auxiliary Purchase at BOPIS Desk	NA	NA	NA
Time Taken to Collect (seconds)	198	180	201

Omnichannel Ready?

- Retailers struggle with providing the simplest of the omnichannel capabilities: BOPIS

- Very few retailers, among those we tested, would be considered BOPIS capable

- The pandemic has exposed retailers who are not able to execute properly on SfS and BOPIS

- For many retailers, BOPIS is a lifeline during the pandemic

- *Only with RFID-enabled high inventory accuracy can retailers be omnichannel ready*

THANK YOU