



Executive Insights

Buy Online, Pick Up In-Store: The Post-COVID-19 Opportunity in Retail

Over the past 20 years, the retail landscape has been undergoing an evolution that the onset of COVID-19 both upended and, in some ways, accelerated. In an attempt to fend off channel shift and compete against digital-only and direct-to-consumer (D2C) offerings, for example, retailers with a brick-and-mortar presence invested in experiential shopping to draw in consumers, have them spend more time in-store and encourage them to buy more while they're there. Now, as vaccinations increase and retailers look beyond a COVID-19-constrained world, it's become clear that the pandemic in fact created a number of new opportunities for them to compete with digital and D2C.

However, seizing those opportunities will require significant investment in retooling and enhancing the in-store experience to serve a broader mix of shopping occasions — all the way from “experiential” to “get in and get out.” Chief among the capabilities that need investment is one that has taken center stage during COVID-19: buy online, pick up in-store (BOPIS).

What changed (and is still changing)

In a post-COVID-19 world, retail stores will need to do more than they ever have before. That includes providing the same experience they sought prior to COVID-19, but also having the necessary logistical capabilities in place to serve those customers, including shipping their online purchases or enabling customers to quickly pick them up. All of this adds complexity — the one thing a retailer aiming to win a declining share of in-person shopping cannot afford.

With that in mind, among the few bright spots of in-person retail during COVID-19 have been the broad emergence and consumer adoption of BOPIS. This shift has taken place in every channel, from grocery to big-box home improvement all the way down to the local boutique or flower shop. Importantly, this acceptance of BOPIS has given consumers something in the online shopping experience they still can't get otherwise, even from Amazon: the ability to have the product they need or want within a matter of minutes or hours.

Retailers doubled down on BOPIS when COVID-19 hit. A mere 7% of the top 500 retailers with stores were offering it prior to the pandemic; by August 2020, that number had risen to 44%, according to a [Digital Commerce 360](#) survey. And their commitment has paid off, as it's allowed retailers to meet consumers' still-unsatiated need for immediacy and thus compete for trips they would otherwise have lost. Meanwhile, it's increased the chances of consumers making additional purchases by way

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of targeted promotions on in-store products. Indeed, as a 2020 survey [conducted by Adobe Analytics](#) makes clear, 82% of consumers who utilize BOPIS are likely to shop for additional items in-store.

What needs to be considered

Executing a BOPIS strategy at scale touches nearly every aspect of a retailer's operations and its tech stack. That's why, in order to avoid squandering the opportunity it presents, getting the service right and integrating it thoughtfully so as to accommodate a range of different shopping experiences within the same store is critical. The core capabilities needed to successfully execute a BOPIS strategy at scale include:

- Syncing offline and online orders and reflecting the synced orders in inventory
- Merging sales data
- Managing orders
- Integrating with rewards/customer accounts
- Supporting all backroom activities
- Dedicating a specific in-store area to BOPIS pickups

The first core area that needs to be addressed is technology. To be sure, using the store as a distribution point allows retailers to use their footprints in ways they haven't been able to before. The expansive footprint of national retailers can even allow them to compete with Amazon on convenience. But the Achilles' heel of many retailers' ability to deliver a best-in-class BOPIS experience has been inventory management. Near-real-time inventory visibility that includes safety stock levels is key, as incorrectly claiming a product to be in stock (or not) creates mistrust among consumers. Equally important is having the order management infrastructure in place to ensure orders are accurately queued, picked and processed upon pickup.

The second core area that must be addressed to successfully leverage BOPIS is the store footprint/experience. For more than 10 years, retailers have designed for the engaging and experiential. Now, with foot traffic for BOPIS bringing more consumers to the store, they need to design and staff for the so-called BOPIS occasion. That means:

- Assigning designated pickup areas (both in-store and curbside)
- Tracking customer ETAs (via geofencing) and departures
- Allocating pickers, backroom staff and customer-facing staff
- Dedicating backroom space to high-volume BOPIS items
- Merchandising the pickup area and facilitating easy add-on purchases

Existing providers

As retailers and retail investors look to build or even just fortify their BOPIS capabilities to strengthen their position post-pandemic, they might want to start by surveying the landscape of existing businesses whose solutions are already enabling BOPIS.

Companies that provide dedicated space solutions include Parcel Pending, whose storage pickup lockers are used at Lowe's. For retail management solutions, Talech, which was acquired by US Bank in 2019, makes an integrated point-of-sale (POS) system for small and medium-sized businesses, while POS on Cloud, which was cobranded Newtek Payment Systems following its purchase by Newtek Business Services, also in 2019, makes cloud-based POS solutions. And Epicor Software continues to offer a host of solutions following its acquisition by Clayton, Dubilier & Rice in late 2020. Other POS solutions include those from Rain, Retail Pro and ShopKeep by Lightspeed.

The time for BOPIS is now

Before COVID-19 hit, retailers with a brick-and-mortar presence were already leveraging those physical assets to bring in consumers and offer them a rich in-person experience that would stimulate sales. But while the worst of the pandemic is behind us, the shift to BOPIS it has engendered among consumers is here to stay — and with it, a rare opportunity for retailers to win even more business from digital and D2C channels.

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