



localz

Collection for the IConomy

Giving consumers **what** they want,
where they want and **when** they want it

Understanding your customer and what they want



**Tim Andrew,
CEO and Co-Founder,
Localz**

Today everything is available at the swipe of a thumb. People have been educated to expect what they want, where they want and when they want it. They demand transparency and simplicity. They want to be in control. This is the rise of the Individual Economy, or 'IConomy' for short.

The IConomy is affecting both brick-and-mortar and online stores.

Customer satisfaction now means predicting and meeting individual requirements and expectations which change; sometimes by the day, sometimes by the minute. It's the era of continuous verification and instant results. Led by the generation that's always on the run, it is clear that companies today must become very individual-centric.

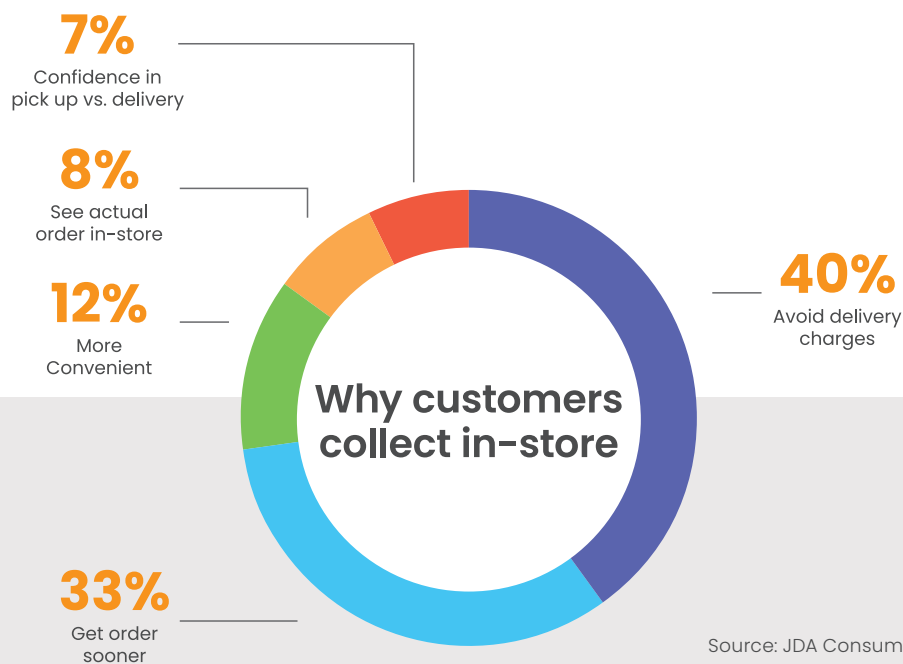
The world of work has changed and the lines between work and home life have become completely blurred. Consumers need convenience and what this means differs with every individual.

Consumers want collection

We mix and match buying preferences according to a whole range of circumstances from cost and convenience issues to our mood on a given day. Some of us want to search, compare and buy online. While others like to look online and buy in-store or look in-store and buy online.

All of this makes for a complex customer journey through to the process of making a purchase. Any one customer might make several simultaneous journeys taking different routes to the goods they want. It's complex, but it is how things are.

Whatever the reason for selecting a particular shopping method at a specific time, it's increasingly clear that 'Click & Collect' isn't merely a buzzword, it's a valid shopping choice.



Source: JDA Consumer Survey 2017

Why choose collection?

At first thought it might seem counter-intuitive for anyone to buy online and then decide to collect their goods from a store. But there are some very good reasons customers give for choosing to do this. Research by JDA suggests that two fifths of customers (40%) opt to collect simply to avoid delivery charges¹. If a customer comes into a store thinking they've saved money, they might be more inclined to purchase. Research by the [Wall Street Journal](#) has shown that in the US 50% of customers select in-store pick up and of these 45% buy something else during their trip.

Another key reason JDA found people choose collection is to get their delivery sooner than home delivery (33%). The success of Amazon's Prime

service is a sure sign that some people are willing to pay extra for fast delivery (even same-day delivery), but others are reluctant to pay these add-on charges. It goes without saying that collection avoids the hassle of waiting for deliveries, perhaps taking time off work for them, and feeling at the mercy of traffic conditions, delivery driver workloads or other reasons that timed slots are missed.

A small but still significant number of people in the JDA survey want to see merchandise in-store (8%). Whereas 7% simply trust that Click & Collect will mean they definitely receive their purchase.

50% of online shoppers select collection over delivery

¹ JDA Consumer Survey 2017

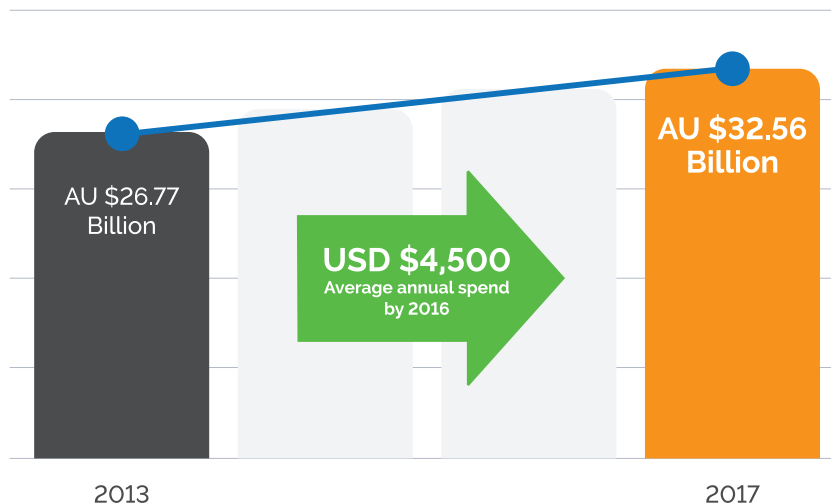
Traditional retail under pressure

Bricks and mortar retailers are responding to the pressure of online sales in increasing numbers. In Australia the 42% of retailers that now offer collection are part of the growing trend of retailers that understand collection is not just a 'nice addition', but a 'must have' fulfillment offer.²

Moreover, this trend isn't skewed in any particular consumer market. It is seen across an array of industries from groceries to alcohol, apparel and footwear and even automotive parts. Contrast this with 36% of Western European and 31% of North American retailers offering collection.³

This trend coincides with a new intensification of e-commerce seen through the launch of services like Amazon's Australian market launch in 2017, and its launch of Prime in June 2018. Consumers are responding to new models by changing their shopping habits. The 2017 Christmas season saw just over half of Australian consumers (51%) choose innovative retail technology, including 'Click & Collect' and 'buy now, pay later' options.⁴

Growth in E-Commerce Sales (Australia)



Source: eCommerce in Australia: 10 Key Insights, Singapore Post 2015

Shoppers are increasingly favourable towards collection, with 21% of UK consumers using Click & Collect for half or more of their purchases.⁵ In the US the most popular items for collection are toilet paper, vitamins and laundry.⁶

Non-food categories are among the top purchased online. Surprisingly, fresh categories have the highest consideration of Click & Collect fulfillment – 50% would consider it and 34% even prefer this type of fulfillment for fresh foods.⁷ Collection is a very convenient option and is accounting for more and more of online sales.

Yet over one third of retailers (36%) do not provide online purchasing and 33% are not equipped to support online purchases via Click & Collect, store delivery or home delivery.⁸

² [PWC Retail and Consumer Insights 2018](#)

⁶ [Nielsen, Digital Shopping Fundamentals December 2017](#)

³ [Bell and Howell Report: Click and Collect Experience A Consumer Perspective, May 2017](#)

⁷ [Nielsen, Digital Shopping Fundamentals December 2017](#)

⁴ [Omnichannel Retailing Works, Harvard Business Review, January 2017](#)

⁸ [Nielsen, Digital Shopping Fundamentals December 2017](#)

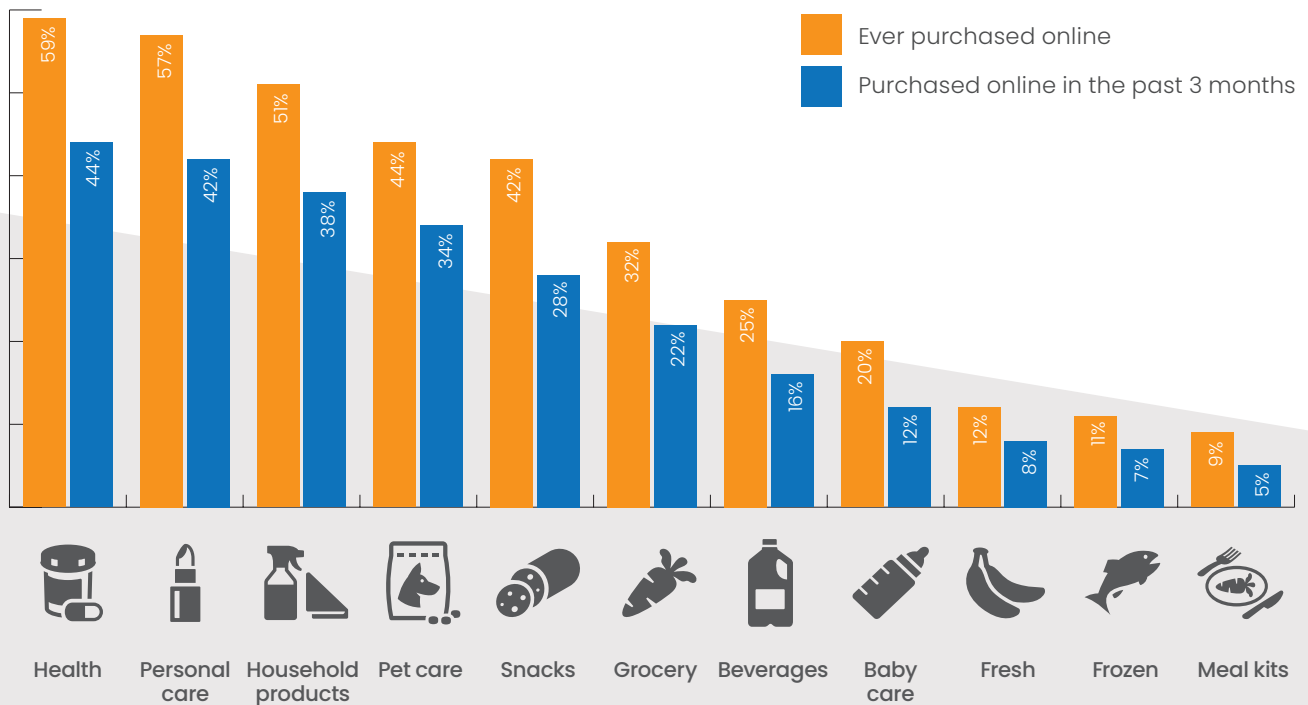
⁵ [Cybertill & Forbes, March 2016](#)

“Chore” shopping still makes up the bulk of purchases

Buying commodities, buying because we HAVE to will become less of a chore. Players like Amazon and subscription businesses will make this part of retail easier with frictionless offerings like auto-renewals, one-tap purchases, and same-day delivery. In other words, the “chore” or routine component will be taken away as shopping becomes more and more streamlined. Collection will be part of this streamlining.



Today's online purchases



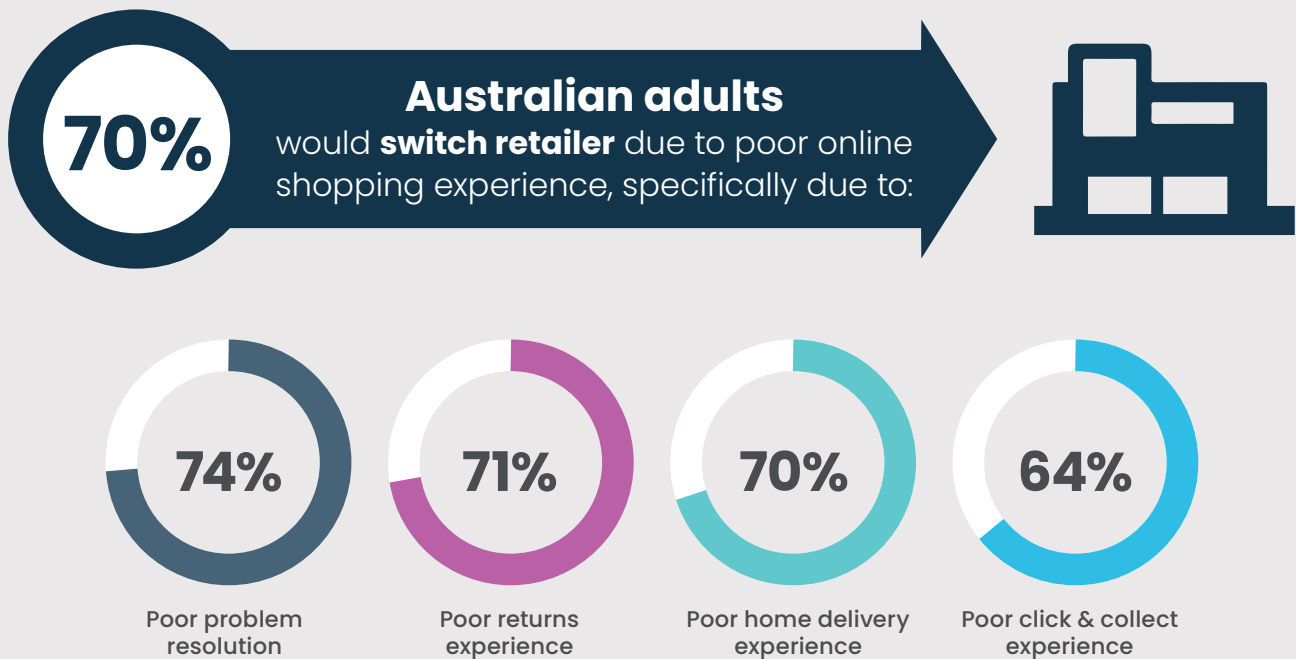
Source: Nielsen, Digital Shopping Fundamentals December 2017



‘Chore’ products indeed make up the bulk of online shopping carts today but there is no doubt that retail is becoming more vibrant and diverse. More independent stores than before and more artisan products carefully curated for you to fall in love are going beyond their bricks and mortar boundaries and are becoming online retailers or e-tailers. Collection has a key part to play in the customer experience for these e-tailers.

Collection is a route to customer loyalty and trust

The proliferation of different ways to shop, and the growth of online retail – including online only stores – means consumers have more choice than ever. It is easier for them to vote with their dollars. Almost three quarters (70%) of Australian online shoppers are likely to switch to an alternative retailer if dissatisfied with their online shopping experience.⁹



Source graph: Source: JDA/ Centiro Customer Pulse Report 2017

Localz collection opportunity

This offers a great opportunity for collection services. We have already seen that speed and convenience are two key reasons people choose collection. Stores can offer services that build on these motivations for example by providing:

- Customer communications showing the journey of their purchases to a store
- Collection times at the point that's convenient to the customer such as early morning, late evening, or, for 24 hour stores, any time, but without restrictive time slots
- Reminders to the customer if items are not collected within a day or so of them being told items are ready
- Customer alerts telling the customer their item is ready for collection

⁹ [Third annual JDA/ Centiro Customer Pulse Report 2017](#)

Time starved consumers look to collection for convenience



"People are looking for collaborative experiences with providers they can trust, who work with them to ensure as little disruption to their already time starved lives.

Our expectations have shifted. We are no longer happy to be led by those providing a service to 'fit in' with their schedules. Now the expectation is for immediacy, a challenge for all businesses.

A sense of loyalty is cultivated when you feel that you can place your trust in a person, or service. Those meeting an expectation of immediacy have the power to cultivate loyal customers who feel valued and appreciated. Feeling an active part of the process also reduces stress and anxiety.

Nothing is perfect and mistakes happen, however, it is essential that the customer has a certain level of control at all times; whether that means being able to see why a delivery or collection is late, or being able to talk to someone about a problem with the service."

Emma Kenny BSc, MA

TV psychologist, presenter, writer and expert commentator in the media and press

Customers want collection choice



Localz collection benefits

A significant proportion of customers already use collection and more are open to the idea.

For a retailer, collection is a means to serve a growing need. And because we know collection can generate an uplift in sales, it is arguably a double opportunity – to serve a customer with the goods they want and to offer them a direct facility to make further purchases.

Localz collection solution is transforming retailers into pick up specialists. It brings transparency, simplicity and control to the collection process.

- Available for both iOS and Android and with the facility to be integrated with existing systems for customer communication
- Manages an unlimited number of store locations, orders and customer notifications
- Integrates location technologies like beacons, RFID and geo-fences
- The customer is given control to decide the time and place of collection
- Provides clear workflow information for in-store staff, to support efficiency and timely working

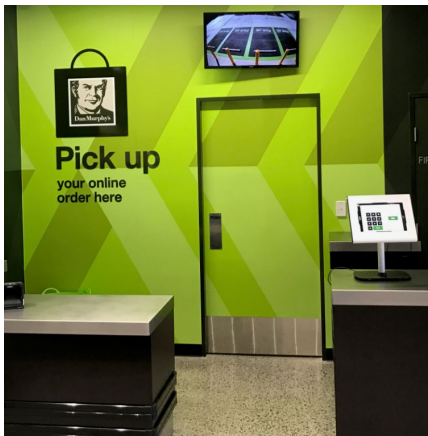


"The beauty of the Countdown Click & Collect app is it allows our team to have a customer's order ready as soon as they walk through the door, streamlining the process of collection and making sure customers can quickly drop in, pick up their groceries, and get back on their way."

Sally Copland

General Manager Digital **Countdown**

Localz collection in action



29 minute customer promise

Localz have enabled Dan Murphy's to offer a point of difference with a highly personalised message around a twenty-nine minute collection slot. Mastering convenience, customers can pick up their order in-store or at an express pick up where they can drive thru with to boot service.



Reduced collection times by 50%

Woolworths with Localz collection have halved service times streamlining the collection process. Woolworths have increased in-store sales, improved the customer experience through multiple channels, reduced waiting times for collection of orders, increased operational efficiency and now have a platform to deliver relevant messages and offers. Queue times now average under 3 minutes.



Countdown uses Localz for fast, simple collections

Countdown and Localz have worked together to create a convenient collection service for their customers. It is the first of its kind in New Zealand using proximity technology to revolutionise its online shopping experience. Since launch Countdown are benefitting from a drop in waiting times for collection. Waiting time as speedy as fifteen seconds is creating a knock-on increase in customer satisfaction.



Customers and store teams love Localz

Customers attribute an easy to use app to their Click & Collect experience, it assists a quick in-and-out experience, avoids queuing and gives them certainty their order is ready. Localz customer app allows customers to swipe through service:

- Customers can view collection status and receive updates
- Captures customer location to automate alert to staff of customer arrival
- Reduces SMS costs with in app messaging
- Order information
- IOS and Android SDK also available for integration with your own customer app
- Store feedback form

Localz collection solution



Mobile Attendant App

Staff are alerted when customers are on their way. Simple UI and workflow. Location triggered alerts and workflow prompts for fast, simple collection.



Customer App

A simple customer app to facilitate collections and automate alert to staff to let them know they are on their way. SDKs are available for inclusion in retailer apps.



In-store Kiosk App

Install on an in-store kiosk to enable customers to alert staff when they arrive.



Opps Dashboard

Real-time operational dashboard to provide staff and management transparency of what is happening where and when.



Customer Web Portal

Non-app customers can tell staff they are on their way.



Localz Platform

Location orchestration of beacons and geofences; smart messaging; API integration; user management.

Simplifying collection for store items

Automated alerts between customer and store tell staff when customers arrive and where they are. Staff can “quick serve” customers and deliver a fast and efficient customer experience. Android and iOS SDKs cater for integration with any existing software platforms.

- Customers are notified via app or SMS when their order is ready to collect
- Customers then ‘check-in’ to say they are on their way. App users can do this in their app, SMS users receive a link to a web portal.
- Store staff receive an alert and tap to acknowledge that they are actioning the order
- Staff bring the order to the correct counter ready for collection
- Staff reminders are automated to ensure nothing is forgotten such as chilled items
- Check out options include:
 - ID check for security items such as alcohol
 - Sign on glass
 - One time only PIN



localz



Collection helps businesses serve the demands of the IConomy

The future is bright for retailers who adapt to the needs of the IConomy. These retailers will find success in 2018 and beyond when they pivot to meet the Individual Economy.

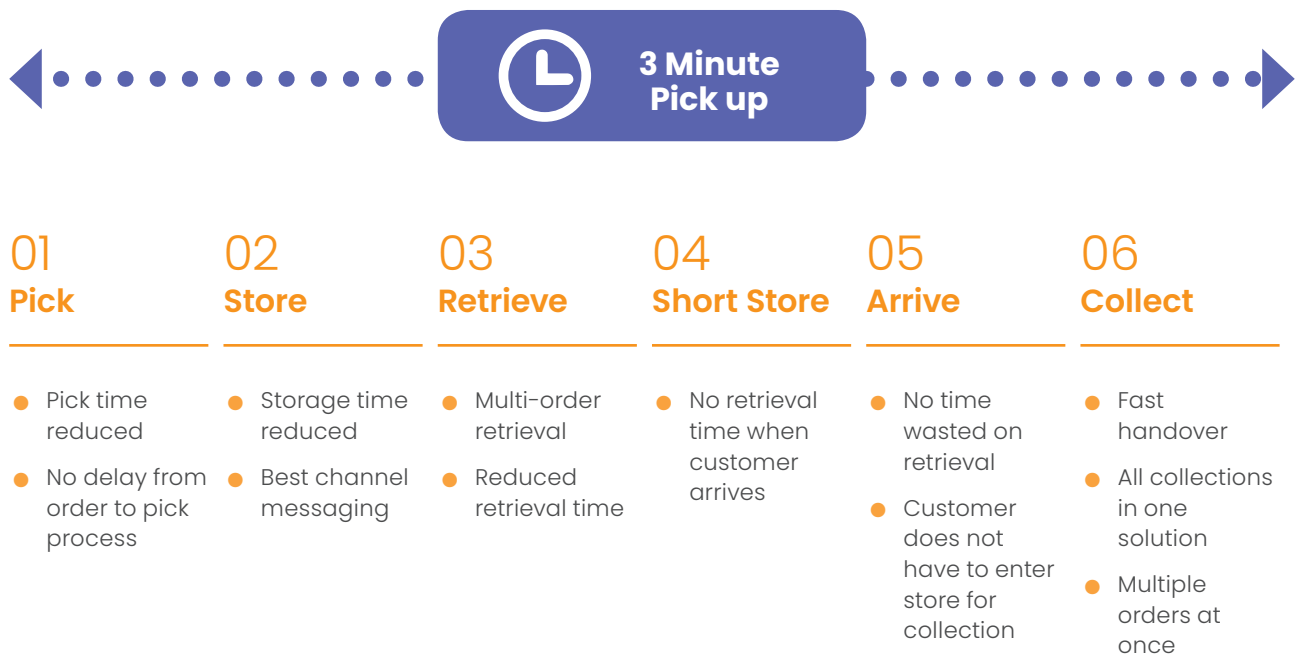
The 'IConomy' is the growth in consumer expectations of getting what they want, where they want and when they want it. Customers want to know when their order is ready for collection and want the flexibility to change their order details.

Collection is part of the retail mix that is evolving alongside new store formats. Convenience is key, driving new collection options such as drive through creating success for brands like Dan Murphy's. Localz technologies are designed to be super intuitive, easy to use for store staff, so minimal training is needed. It really is a swipe and go scanairo.

One thing is clear: if retailers want to thrive, collection is part of this piece. In all cases, it will be about putting the customer first and creating a more personal in-store experience.



Localz collection saves time and money



Localz is an award winning company leading the IConomy fulfilment category with dynamic solutions to enable first time delivery and collections. Made in Melbourne and sold globally Localz provide solutions that power real-time interactive communication.

Localz purpose is '**Delivering Happiness**'; our goal is to be the most recommended enterprise solution for first time last mile fulfilment globally. Delivering transparency and trust to consumers around product and service last mile.

localz

UK Level 3, 12 Hammersmith Grove, London, W6 7AP, UK

AU 134 Little Lonsdale Street, Melbourne, Victoria 3000, Australia

 hello@localz.com

 +44 2033 899 766

 [@localz](https://twitter.com/localz)

 localz.com