

# Retailers Prepare for the New Normal

As consumers seek to minimize person-to-person contact, they're choosing new ways to shop.

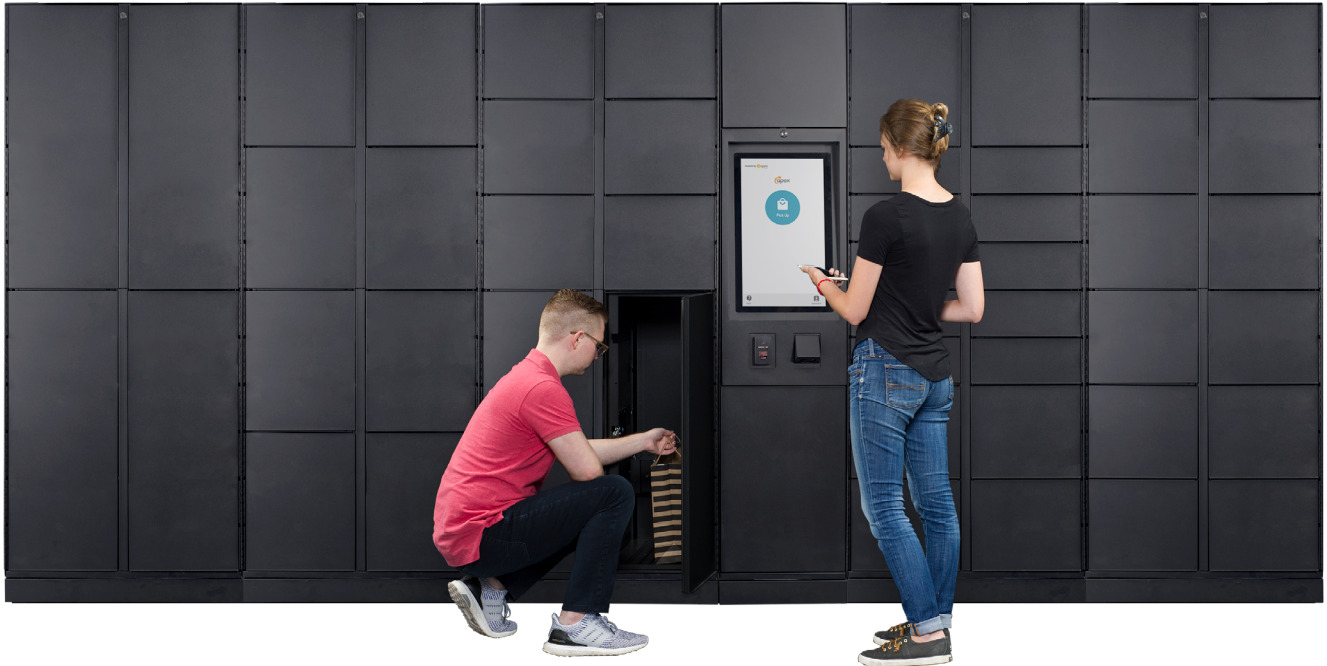
By Richard Slawsky | Contributing writer, RetailCustomerExperience.com



Although many of the changes brought about by the COVID-19 outbreak are likely to be temporary, there are some habits that will remain with us for years, if not permanently.

Without a vaccine or an effective treatment, researchers say, the threat of the virus could remain with us through at least 2022. A study conducted at Harvard University's T.H. Chan School of Public Health and published in the journal Science concluded that it's unlikely life will return to the way it was before the pandemic any time soon.

What does that mean for society? Although people may eventually be able to visit a ballpark or concert venue once the pandemic subsides, they will likely avoid standing in line at the ticket booth or concession stand given a more convenient option. They will still go to restaurants and stores, but they'll want to practice social distancing as they seek out ways to minimize contact with others. When paying for their purchases, they'll likely gravitate toward self-service solutions when available and move away from cash in favor of cashless and contactless options.



So while a variety of self-service solutions that minimized the interaction between customer and merchant were already on the rise prior to the pandemic, odds are good they'll become a regular part of the way we do business for the foreseeable future.

## Accelerating digital disruption and adoption

Retailers are more motivated than ever to streamline the way they get their goods into the hands of their customers.

Before “coronavirus” became a regular part of our vocabulary, many consumer-facing brands had explored or implemented buy online, pickup in store (BOPIS), third-party delivery and contactless pickup to help cater to time-pressed consumers. In a 2019 study of changing retail trends, investment bank Cowen predicted that within a year, 25 percent of consumers would take advantage of the convenience of curbside pickup.

For retailers already dipping their toe into the curbside pickup waters, COVID-19 accelerated their plans. For those who hadn't, the pandemic prompted quick adoption. Kohl's, Best Buy and Dick's Sporting Goods were among those who either introduced or rapidly expanded the option for shoppers as social distancing guidelines forced them to close their doors. Best Buy offered curbside pickup in nearly 100 stores at the end of 2019 but added it to the rest of its 1,200 locations within the next three months. Dick's Sporting Goods added the service to its nearly 730 stores in March, and Kohl's launched its curbside pickup service at the beginning of April.

And a recent survey conducted by the retail software company Qudini found that because of the COVID-19 pandemic, shoppers are more likely to use BOPIS services to reduce their time in-store. Those results suggest that physical stores could serve as contactless fulfillment hubs even after the pandemic has subsided.

“With a significant part of the population (62 percent) planning to increase their use of BOPIS services, including half (53 percent) of Baby Boomers, COVID-19 could be a catalyst for a new, more omni-channel focused future,” said Qudini CEO and co-founder Imogen Wethered . “This would be a positive step for any retailer, as omnichannel customers are known for spending more and retaining for longer.”

The service is delivering results. According to a recent survey of global retailers conducted by RSR Research, 45 percent of respondents say BOPIS orders drive as much as 40 percent of their revenue. Another 22 percent say BOPIS is responsible for as much as 65 percent of revenue.

## The changing face of commerce

To adapt to what is likely to become the next normal, retailers need to incorporate efficient ways of serving their customers while minimizing human-to-human contact.

One potential solution is order pickup lockers, which were already a growing trend prior to the COVID-19 outbreak. In fact, the 2019 Kiosk Marketplace Census Report named automated pickup lockers as one of the self-service solutions with the best opportunities for growth in the future.

In addition to providing shoppers with 24/7 accessibility to their orders, automated locker solutions help optimize associate labor by eliminating the need for interactions with every customer. They also provide valuable analytics on shopping patterns, dwell times and pickup times.



Amazon Hub Lockers, for instance, allow customers to pick up packages at a secure location at their convenience instead of having them delivered to their home or business. This process works in reverse in the case of returns. Customers submit a return request online and are issued a locker drop-off code via email. Once they've dropped off their item and it's verified by Amazon, the customer is issued a credit to their account.

And Apex Supply Chain Technologies offers a line of contactless order pickup solutions for both retail and restaurants that can integrate into their current workflows. In a retail setting, the company's pickup lockers are purpose-built to accommodate virtually anything that can be sold, including hardware, home goods, fashion, hi-tech, sporting goods, auto parts and more. Once the order is delivered to the locker, customers receive a text or e-mail notification with a unique pickup code. When the customer arrives to the store, they simply scan their code which opens their compartment door and retrieve their order in a quick, easy, contactless way.

A consumer could place a large clothing order online, bypassing delivery and instead picking it up from a locker location near a brick-and-mortar store whenever they choose. A building contractor might order supplies from a home improvement store and pick them up from a locker at a convenient time between jobs, even after the store is closed. The lockers can be used to accept returns as well.

## Redefining the product pickup experience

Thanks to shifting consumer behaviors and an interest in minimizing human-to-human contact, contactless product pickup solutions are likely to expand to new industries and stores. From retail and restaurants to distribution centers and professional supplies stores, exchanging goods and services will be more seamless and customer-driven than ever before.

In fact, a recent Forbes article postulated that even the definition of “store” is likely to change, becoming more and more like automated vending machines placed “where people need them most, e.g. near their offices, outside their gyms, in the basements of their apartment buildings.” Those installations will come in many forms, the article predicted, with automated locker solutions prominent among them.

But while order pickup lockers are a clear solution to social distancing concerns, they remain an opportunity for retailers seeking to differentiate themselves. A reader poll conducted by the trade journal Retail Info Systems found that just 5 percent of respondents currently offer pickup through a locker or other unmanned retrieval method, with 16 percent seeking to add the option. Those who are first at meeting customer desires are likely to be the ones who retain their loyalty.



And those trends are likely to spread to other verticals as well. Automated lockers have applications in areas ranging from managing scanning equipment in a distribution center to IT device hand-offs in a corporate setting, will-call pickup service for wholesale distributors, restaurant order pickup and more.

Retailers, restaurant operators and those in other industries see the need to incorporate contactless, self-service solutions into their businesses as a way to stay competitive, streamline operations and adapt to the next new normal. Consumers are increasingly seeking less contact and more convenience, and the operators that recognize those desires are the ones that will succeed.

### **About the sponsor:**

*Apex Supply Chain Technologies is a global leader in contactless, self-serve solutions for retail, foodservice, distribution and corporate markets. All of our solutions save time while reducing costs and increasing productivity. And they easily integrate into your existing infrastructure. To learn how Apex automated solutions can transform your company's operations, visit [ApexSupplychain.com](http://ApexSupplychain.com) or email [info@apexsupplychain.com](mailto:info@apexsupplychain.com).*