mni-channel retailing has added convenience to the basic trio of price, selection and service as market differentiators. Increasingly, consumers are placing greater value on the time they spend shopping. They are demanding more effective delivery and pick-up options for their purchases. It’s not enough for them to browse online at any time from anywhere to find items they want at prices they are willing to pay. They also want better and cheaper ways of getting their purchases into their hot little hands faster. Meeting that ultimatum has become enough for them to browse online at any time from anywhere to find items they want at prices they are willing to pay. They also want better and cheaper ways of getting their purchases into their hot little hands faster. Meeting that ultimatum has become

Major grocery chains have now stepped forward to meet the challenge. Walmart Canada has recently expanded its Online Grocery Pickup service to 12 Greater Toronto Area stores from its Ottawa trial run. Customers can cruise product aisles online, place their order, and choose a convenient pickup time and location. At the appointed hour, they pull into a dedicated online grocery pickup parking spot, call a dedicated phone line and their order is brought outside and loaded into their vehicle in minutes. The minimum order is $50; the service fee is $3 per order and consumers can order up to 21 days in advance.

Says Simon Rodrigue, Mississauga-based senior vice-president, ecommerce, Walmart Canada, “Our announcement should revolutionize the grocery business. We expect explosive growth for this service. Consumers have told us, ‘We want this.’” Loblaws offers a similar program with a few adjustments. The minimum order is $30 and the service fee ranges from $3 to $5 depending on the time slot. It also offers temperature-controlled food items that are stored in refrigerators, freezers and hot cabinets to meet Canadian food safety rules.

In a recent report, Orckestra Inc., a Montreal-based digital market-consulting firm, concluded “Click-and-collect has become so popular because it brings tangible benefits to customers. For shoppers, it is a reasonable alternative to expensive same-day delivery, allowing shoppers to pick-up locally same day at no extra-cost. Moreover, shoppers can now precisely plan their pick-up and integrate it smoothly in their customer journey.”

“No more waiting at the front-door for the delivery man to show-up. Shoppers also have a richer personalized shopping experience online than when shopping in-store. They can get better deals since grocers are adopting price matching techniques with click-and-collect, giving shoppers cheaper price options as well as more product options.”

However, Canadian grocers are currently playing catch up with their European counterparts such as the UK’s largest food chain, Tesco, which already offers the service in several hundred of its stores, and is planning to expand it to hundreds more. Despite click-and-collect’s growing popularity and growth, according to some reports, click-and-collect represents a fraction of total European grocery sales—3% to 6%.

While click-and-collect is an achievable e-solution for retailers to compete with online sites and an affordable remedy for consumers loath to enter stores, some logistics practitioners still contend the ultimate solution is delivering orders to actual addresses which are both convenient and secure for shoppers.

According to Jennifer Lee, Toronto-based national retail leader, Deloitte Canada LLP, the key to success in omni-channel retail is analytics—digging deeper into the huge pile of consumer data stores are collecting. “Most grocery chains lack the necessary in-house IT systems. They need to develop IT ecosystems with partners to analyze the data and find three or four major scenarios and decide how to implement them.

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“The goal is to introduce systems that will solve business problems.”

Emerging technologies are moving quickly to provide transportation and logistics solutions. For example, Vlocker Pty Ltd., an Australian firm, has established banks of its receptacles “down under,” outside local grocery stores and at various other sites such as car parks. It offers a full range of products including temperature-controlled units, for example chilled lockers set at 2°C to 5°C, similar to refrigerators and freezers at 0°C –2°C, cold enough for storing ice cream. In case of a power failure, back-up battery packs keep products safe.

Although buyers have up to three days to pick up their orders, most of them do so within four to six hours. The firm has already signed up a US mid-western grocery chain and is planning to expand into Western Canada.

Says Keith Schupp, Vlocker’s Denver CO-based vice-president of North American Sales, “The software is user friendly. The store ships orders to the location chosen by consumers and sends an alert to their smartphone with a QR symbol barcode or a code number by text messaging. The consumer keys in the code, picks up the order and closes the door.”

Locker locations are springing up everywhere. Walmart has about 6,000 of them outside many of its 400 locations across Canada. SmartCentres, Canada’s largest developer/operator of shopping centres, in 2014 launched its Penguin Pick-Up, a network of free convenient pick-up locations for online purchases. Says Deloitte’s Jennifer Lee, “When shopping centres are installing lockers you can be sure that the concept has gone mainstream. Lockers will help them increase traffic to their sites.”

For true futurists, other exciting solutions are appearing on the horizon. Despite the recent cancellation of its trial flights, DHL will continue to develop drones to drop packages into lockers located in remote areas. Its strategy differs from that of Amazon and other online vendors seeking to use drones to drop deliveries on buyers’ doorsteps.

So far, the DHL drones can carry 2-kg payloads several kilometres. According to DHL Senior Vice President Ole Nordhoff, the new drones can place parcels inside a locker unit through a door in the top. The unit then automatically sorts deliveries into specific lockers. “The locker station is packed with technology,” he says.

As their size, scope and payload increase, such drones may one day deliver critical medicines, spare parts, tools etc. to remote construction, mining, logging and research camps as well as indigenous First Nations and even cottages.

While most eyes are focused on back-end, last-mile delivery challenges, retailers must also focus on front-end inventory concerns. Out-of-stock items lead to a fistful of headaches. But today’s beefed-up RFID technology now offers promises of relief.

Consumers can easily find items they want online. Yet retailers often have diffi-

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sports good retailer whose employees do not respond to customer requests unless the system shows at least five of the items in the proper style, colour and size the consumer wants in stock.

When that happens, everybody loses. Stores must keep higher inventory levels and thus it is difficult knowing what they actually have on hand. Says Tom O’Boyle, Director of RFID, Barcoding Inc., “Many in-store employees are scared out of their minds because even though the inventory system says the item is in stock, they can’t find any.

He cites the example of a major U.S.