

WHITE PAPER



Automated Lockers are Changing the Face of Commerce

Online ordering and brick-and-mortar retailing are combining to create a new way to shop, providing benefits to both business and customer.

By Richard Slawsky | Contributing writer,
KioskMarketplace.com

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As brick-and-mortar retailers struggle to remain relevant in the age of online shopping, and online retailers seek to incorporate more and more of the brick-and-mortar experience, the two concepts are merging into a new form of retailing.

It goes by a number of names, with click-and-collect or BOPIS (buy online, pick up in store) being among the most popular. Whatever it's called, though, the concept is the same. Instead of ordering merchandise online and waiting days for a delivery driver to drop it off at their house, shoppers pick those orders up at the retail store or other location, often within hours of making the purchase.

The concept is even extending to the restaurant industry, with diners ordering a meal via a mobile app, skipping the line at the counter and heading to a designated pickup area to grab their order.

And while the concept is still in its relative infancy, new technological solutions appearing on the market are expected to help pave the path to widespread use.

Seizing the opportunity

There's little doubt that the click-and-collect concept has a bright future. According to data compiled by research firm Nielsen, four out of 10 online shoppers in the United States are using click-and-collect, placing orders online and picking them up in the store or other location. Click-and-collect attracts a broader shopper base than online shopping in general, Nielsen research says, and it skews highest among middle-income families and consumers aged 18-44.

While home delivery remains popular, it's fraught with problems. For one, it can be costly. Nearly all of us have seen reports on the nightly news of packages stolen from front porches, often accompanied by security camera video. In addition, products such as food and other perishables just aren't suited to spending the day in the back of a delivery truck, and few of us want our grocery order sitting outside for several hours, exposed to the elements.

Satisfying consumers' desire for instant gratification is a major part of click-and-collect growth. A study conducted by order management software provider OrderDynamics found that 78 percent of "superconsumers," those who used click-and-collect at least twice in the past year, want to get their order within 24 hours.

But the click-and-collect concept offers benefits to retailers as well. More than 50 percent of superconsumers made additional purchases when picking up a click-and-collect purchase, according to OrderDynamics, spending an average of \$40 while in the store.

Despite the projections for click-and-collect, though, just 29 percent of retailers currently offer the service, with the majority of those being the country's largest retailers. One of

the main challenges facing click-and-collect is the so-called "last mile," or the process of getting the product from the stockroom and into the consumer's hands. If, for example, using click-and-collect requires consumers to wait in line for 20 minutes at a pickup counter, the convenience of the concept is lost.

Recently, though, an answer to the "last mile" conundrum has emerged, allowing shoppers to place an order and quickly retrieve it from a secure, automated locker placed in the store or other location.



Providing a solution

In addition to the benefits provided by click-and-collect, automated lockers add the convenience consumers are seeking.

Projections for the growth of automated locker solutions track closely with those of click-and-collect. Market research analysts with Houston-based consulting firm Research N Reports predict the global automated lockers market to grow at a compound annual rate of more than 13 percent over the next several years.

The process behind automated lockers is relatively straightforward. Aberdeen, North Carolina-based kiosk manufacturer Meridian, for example, recently unveiled mBOX, a fully customizable automated locker solution earlier this year in partnership with computer giant HP.

The locker system provides a simple three-step process that allows customers to place their order online or using a mobile application. Once the order is fulfilled, the employee places the completed order in the locker and sends a text and/or email to the customer notifying them that their order is ready for pickup. The customer then scans a QR code to open the appropriate locker containing their prepaid item.

Meridian and HP developed the automated locker system with a focus on creating a product that can be customized to fit the aesthetic of various settings. The lockers offer optional LED lighting, custom locker panels, multiple locker box sizes, custom height and width and a modular design for custom configurations.

In addition to allowing shoppers to pick up their orders quickly, Meridian's solution can incorporate temperature controls, keeping hot food hot and cold food cold. They can be placed just inside the store for quick in-and-out pickup, or even outside to provide 24-hour accessibility. Automated lockers can also be placed in locations such as airport, subway or bus terminals, allowing shoppers to pick up purchases during their commute to and from work, while at the same time allowing retailers to expand their footprint without the expense of adding a brick-and-mortar location.



“Whether it’s a meal, clothing item or camera, the automated locker system makes it more convenient for customers to place and pick up their order.”

— Meridian CEO Chris Gilder.

Along with retailers and restaurants, potential clients for the mBOX solution include unattended equipment rentals, short-term real estate key pickup and drop-off, and similar services for auto repair and vehicle rental agencies.

Clearly, click-and-collect is the future of commerce, and automated lockers are bound to be an integral part of that future.



Additional thoughts on automated lockers

Benefits

- Increase order capacity
 - Streamlines order and pickup processes.
- Decrease store congestion
 - No more waiting in long lines.
- Time efficient = customer satisfaction
 - Increased customer base.
- Reduce overhead
 - Increase order output without increasing costs.
- Instant gratification
 - Order online, pick up immediately.

Source: Meridian

Sample Use Cases

- Retail/Food Service
 - Order and pay online or in app, pick up in store.
- Unattended equipment rentals
 - Rental through an online site, mobile app, or built-in kiosk screen.
- Cell phone/device charging
 - Secure device in kiosk to charge:
The user is no longer anchored to one spot.
- Asset management and delivery
 - Service providers can offer easy 24/7 product exchange.
- Package retrieval and drop off
 - Shipping and receiving using secure QR code scanning.

About the sponsor:

Meridian works with customers from concept to completion to turn ideas into custom-made kiosks.

The company also offers the largest line of standard kiosks in the self-service industry.