

# Ulta invests in in-store ecommerce fulfillment

## Article

**The insight:** Thirty-nine percent of **Ulta Beauty**'s digital orders in Q2 were fulfilled by stores, CEO **Dave Kimbell** said on the company's earnings call.

- The retailer's store fulfillment network grew to 400 locations in the quarter, nearly triple its size at the beginning of the year.

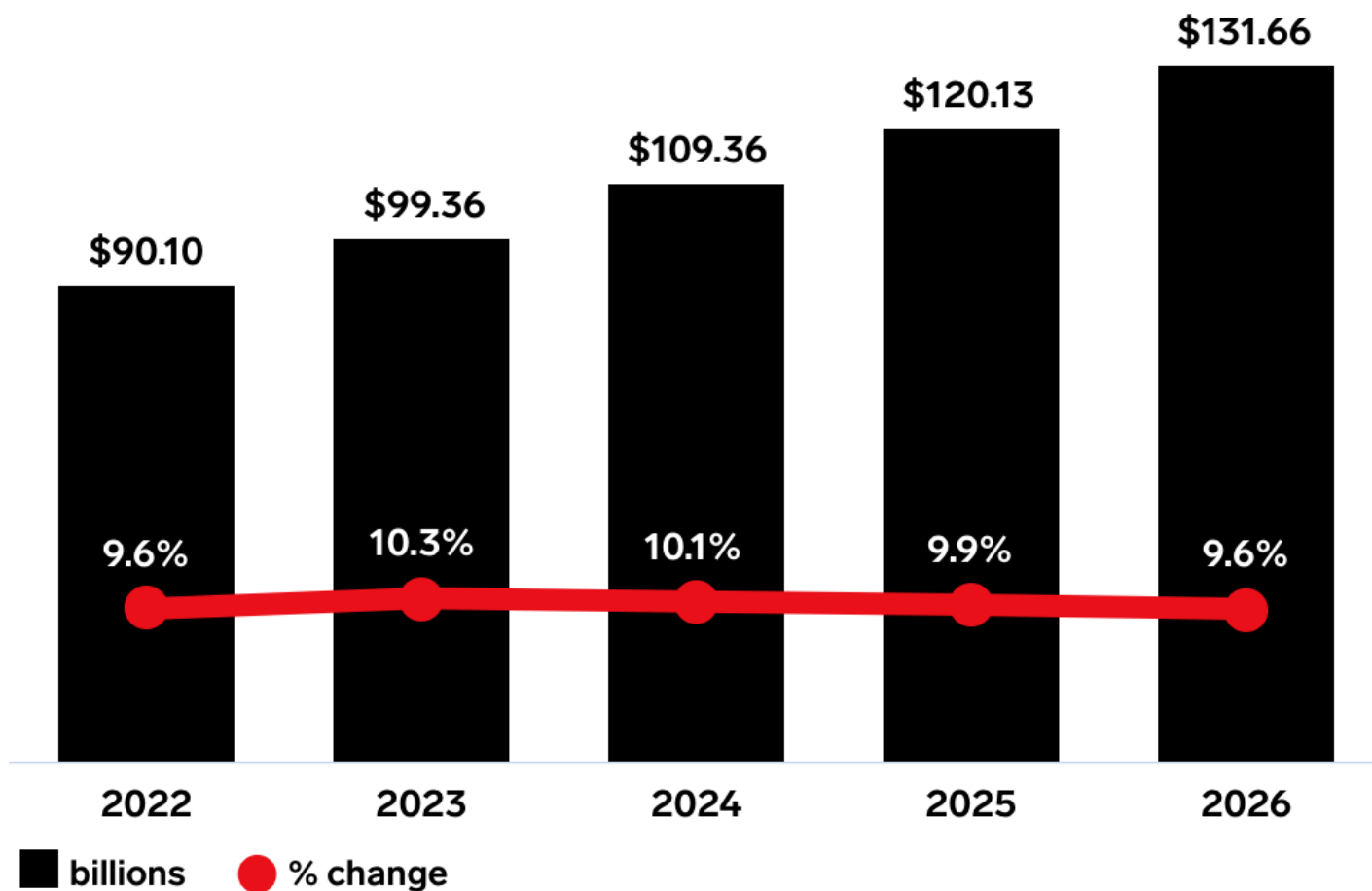
**The big picture:** More retailers are moving to store-based fulfillment in order to speed up ecommerce delivery times and reduce last-mile costs.

- More than half of **Walmart's** digital orders are currently fulfilled by stores, which CFO **John David Rainey** expects will help with the retailer's goal of improving profits by 200 basis points this year.
- Both **Target** and **Costco** are testing larger-format stores with more ecommerce fulfillment space as they look to bolster their delivery capabilities and save money. Target's Stores as Hubs strategy allowed the retailer to cut costs by 40% compared with fulfillment from traditional distribution centers.

**The big takeaway:** Expanding in-store fulfillment allows retailers to offer more value to consumers, not just through faster shipping but also by enhancing services like curbside pickup, which are gaining popularity as shoppers look for convenience without the burden of delivery fees.

## Click-and-Collect Sales

US, 2022-2026



Note: includes products or services ordered using the internet, regardless of payment method, for pickup in a store, curbside, or from a locker in a retail location or pickup hub; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: Insider Intelligence | eMarketer, December 2022

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