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Grocery, in-store pickup drive click-and-collect growth

Article

As consumers look for quick and convenient ways to shop, the number of click-and-collect buyers in the US will rise to 150.9 million in 2024, representing 53.1% of the population, per our December 2022 forecast.

- US click-and-collect sales will grow 10.1% to reach $109.36 billion in 2024.

- Over three-quarters (78.7%) of those sales will come from grocery.

Outside of grocery, consumers are largely content to wait a couple of days for delivery, so click and collect won't be growing its share of ecommerce sales anytime soon, remaining less than 9% of total retail ecommerce sales through 2026.

Breaking it down: While a growing portion of click-and-collect buyers are using in-store pickup, curbside demand is dropping.

- In-store pickup customers will represent 64.4% of total US click-and-collect buyers in 2024, compared with 47.6% of curbside customers, per our December 2022 forecast.
- The number of locker/kiosk pickup customers is also growing, reaching 38.3 million in 2024 (25.4% of total click-and-collect buyers).

Something extra: 44% of US click-and-collect buyers purchased something else when picking up their items, according to an October Insider Intelligence survey conducted by Bizrate Insights.

- 20% of respondents said they bought something at the register where they picked up their items.
- Nearly a quarter (24%) of respondents said they actually shopped the rest of the store and paid at another checkout.

Winner, winner: Due to its expansive physical footprint, Walmart is the clear leader in click and collect, said our analyst Blake Droesch on an episode of the "Behind the Numbers: Reimagining Retail" podcast.

"When you look at what's going to be driving digital grocery growth over the next couple of years, a lot of it is coming from sales growth and click and collect, not delivery," he said. "[Walmart has the] largest customer base of physical store grocery shoppers. I just think that when it comes down to brass tacks, it's that very simple advantage of just having a large customer base and a large brick-and-mortar footprint."

But other retailers are trying to cash in on the surge in click-and-collect buyers.

- In August, Target expanded its curbside pickup partnership with Starbucks to over 1,700 stores to encourage customers to treat themselves when picking up purchases.

- Amazon, which lacks a large physical footprint, began offering customers $10 to pick up their purchases at Amazon Fresh, Whole Foods Market, or Kohl's locations earlier this year.
- Due to a third of its digital orders being fulfilled by stores, Ulta Beauty grew its store fulfillment network to 400 locations in Q2 2023, enhancing its click-and-collect options for customers.

The bottom line: Click and collect is growing, but it's not even across the board. Retailers that want to boost click-and-collect sales need to pay attention to which consumers are interested in the service, what they're buying, and where they're shopping.

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