

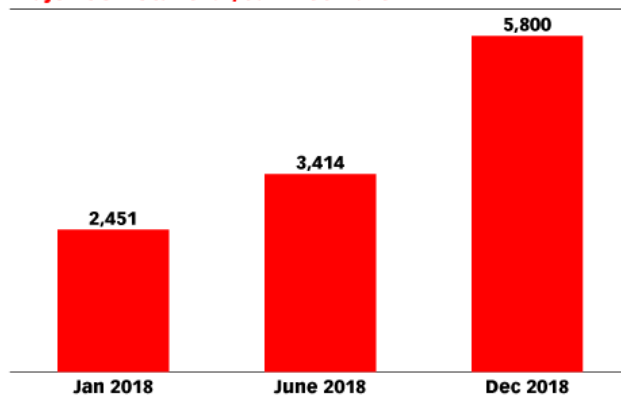
US Retailers Are Going Big on BOPUS

ARTICLE |

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Last year, the number of locations offering “buy online, pick up in-store” (BOPUS) nearly doubled among leading US grocery retailers. Walmart (and various third-party partners), Target/Shipt, Kroger/Instacart, Ahold and Albertsons brought their collective number of click-and-collect locations from 2,451 in January 2018 to 5,800 in December 2018, per data from CommonSense Robotics.

Number of Click-and-Collect Locations for Select Major US Retailers*, Jan-Dec 2018



*Note: company data analyzed by CommonSense Robotics; *includes Walmart (and various third-party partners), Kroger (and Instacart), Target (and Shipt), Ahold and Albertsons*

Source: CommonSense Robotics, "Crossing the Grocery E-Commerce Rubicon," Jan 2, 2019

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The competition is expected to heat up this year. In January, Walmart doubled down on its digital grocery efforts with a splashy new campaign promoting Walmart Grocery Pickup. It also announced that the program would be available in 1,000 additional locations by the end of the year.

Just last month, news broke that Amazon is planning to open a new grocery chain that will be its own distinct entity separate from Whole Foods, which it acquired in 2017.

Target is also keen on BOPUS. The company announced in January that its store pickup and “Drive Up” programs grew more than 60% year over year in 2018.

With BOPUS and the expansion of similar offerings, big-box retailers will be able to bring in greater revenues over the next two years. Curbside grocery pickup will be a \$35 billion business in the US by 2020, according to estimates from research firm Cowen and Company.

“The popularity of BOPUS has been a key accelerator behind the growth in ecommerce transactions over the past couple of years,” eMarketer principal analyst Andrew Lipsman said. “The availability of in-store and curbside pickup has filled a key need for flexible fulfillment. Consumers are always looking to save time shopping. But, for a variety of reasons, they may feel more comfortable picking up items in person, whether it’s for security or because they need that order today.”

A November 2018 survey conducted by Alliance Data found that 31% of US internet users had used BOPUS, though the time period in which they used the service was not specified. That rate was slightly higher among Gen Xers and millennials, each with 33%, and Gen Zers (born between 1997 and 2011) at 36%.

US consumers seem to be enthusiastic about new, more convenient shopping methods. In February 2019, Periscope By McKinsey asked 1,101 US consumers whether they planned to use delivery services, and 72% responded favorably.

How Do Internet Users in Select Countries Plan to Use Select Pickup and Delivery Services?

% of respondents, Feb 2019

	Definitely would use	Probably would use	Probably would not use	Definitely would not use
Germany				
Delivery	78%	17%	3%	2%
Store pickup	21%	38%	29%	12%
Kiosk pickup	11%	23%	40%	26%
US				
Delivery	72%	20%	5%	3%
Store pickup	41%	37%	16%	6%
Kiosk pickup	15%	35%	37%	13%
UK				
Delivery	69%	22%	7%	2%
Store pickup	47%	30%	16%	7%
Kiosk pickup	17%	32%	37%	14%
France				
Delivery	63%	29%	6%	2%
Store pickup	37%	44%	14%	5%
Kiosk pickup	35%	45%	13%	7%

Note: ages 18-69

Source: Periscope By McKinsey, "The Future of Shopping: connected, virtual and augmented," March 19, 2019

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Additionally, 41% said they "definitely" would use store pickup, and 37% said they "probably" would use it, but did not specify when.