AUG 12
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Kohl's expands self-pickup to all stores as it struggles with declining sales

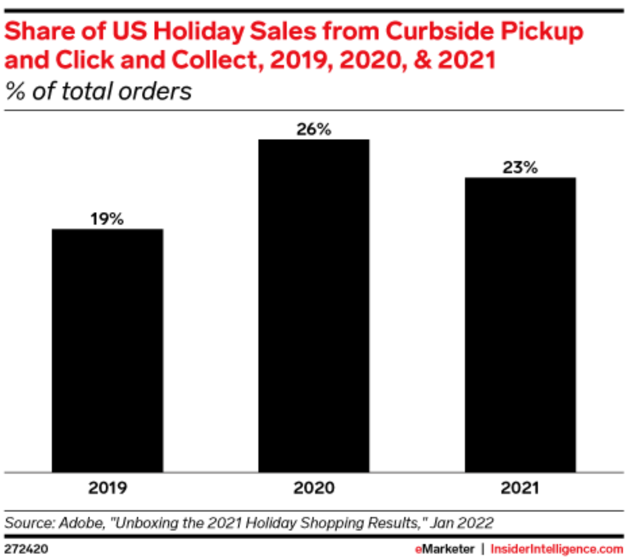
Article

The news: Embattled retailer **Kohl's expanded self-pickup to all its more than 1,100 stores** ahead of the holiday shopping season, per a company press release.

- Orders made online will be ready for pickup within two hours in a designated area of the store.
- The expansion comes as the retailer pauses its Drive-Up curbside pickup program.

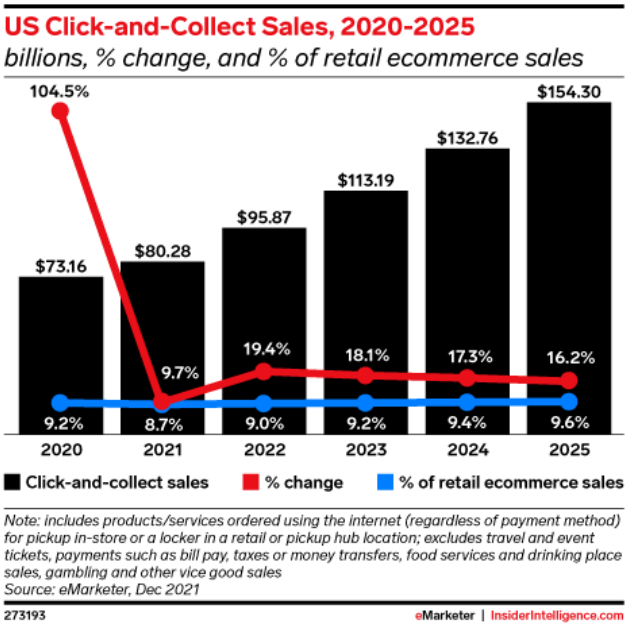
The benefit: With 80% of Americans living within 15 miles of Kohl's, the retailer has an opportunity to use its extensive retail footprint to offer enhanced convenience to shoppers.

- Adding click-and-collect capabilities to its stores allows Kohl's to fulfill orders faster and potentially reduce costs associated with ecommerce orders.
- The new feature could help ease the rush during the holiday shopping season, leading to a better experience for both shoppers and store personnel.



Click-and-collect growth slows: While some retailers have seen success in expanding click-and-collect options, the shift back to brick-and-mortar shopping has limited the feature's popularity.

- Both **Walmart** and **Target** have seen success in adding click and collect and curbside pickup features, with both retailers growing the former's share of total ecommerce sales.
- But click-and-collect growth for non-grocery retailers was mixed, as shoppers opted for in-person visits over online orders.
- Nevertheless, **we estimate US click-and-collect sales will grow by 19.4%** this year.



Kohl's problems continue: Capitalizing on customers' affinity for in-store pickup may not be enough for Kohl's to turn its business around. The retailer has had a fraught few months: After a contentious battle with activist investor **Macellum Advisors**, the company finally agreed to put itself up for sale—only to reject a proposed bid from **Franchise Group** in July.

- Kohl's is struggling with sluggish sales: **Net sales fell 5.2% year-over-year in Q1**, and the company expects growth to stay virtually flat this year, per its latest earnings statement.
- To reverse the trend, the retailer is leaning on new retail concepts including **Discover @ Kohl's** and its **Sephora** shop-in-shops to attract customers to stores.
- The company also recently upgraded its retail media network to give partners better insight into shopper behavior and preferences.

Looking ahead: The in-store pickup functionality could help Kohl's appeal to millennials, city dwellers, and men—the cohorts most likely to use BOPIS, per Morning Consult analyst **Claire Tassin**. But it's unlikely the new feature will result in a wave of new Kohl's customers, meaning the retailer will have to continue innovating its in-store experience and product selection to drive sales growth.

Ultimately, making holiday shopping easier won't solve Kohl's larger issue—namely, the lack of a distinct identity. In fact, the retailer's greatest value lies not in its brand equity but in its real estate portfolio. Without a complete brand overhaul, Kohl's ability to survive in a crowded market is in doubt.

Go further: *Read our forecast on US click-and-collect sales*.

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