For Immediate Release

Media Inquiries
Bill Bishop, Chief Architect, Brick Meets Click
847-380-8880, bill.bishop@brickmeetsclick.com
www.brickmeetsclick.com

New research shows two ways retailers can grow profits from online grocery sales
Independent analysis documents the value of labor savings and conversational commerce

Barrington, IL, October 31, 2019

Brick Meets Click recently completed an independent analysis to quantify the dollar impact to grocers of using a leading software-based fulfillment platform for online orders that is designed to reduce labor costs and drive higher sales. The analysis examined 26 weeks of online sales data across 77 stores operated by two conventional grocery chains, which represented almost 100,000 transactions and an average order value of $120.

The growing popularity of online grocery shopping creates a dilemma for supermarkets. Most of the growth in grocery spending today is happening online, but the additional cost of assembling/fulfilling these orders makes the business less profitable than typical sales through the store and they need to find greater efficiencies and opportunities to drive sales.

“Whether a retailer has the volume of online orders to justify automation or not, there’s always the need for some manual in-store fulfillment,” said Bill Bishop, Chief Architect, Brick Meets Click. “So, all grocery retailers have good reason to consider the benefits of implementing a software fulfillment platform to improve these manual operations. We wanted to study the dollar value of those benefits,” Bishop said.

Brick Meets Click’s analysis documented that for a retailer who averages 70 online orders per store weekly, using the platform resulted in an increase in profits of over $10,000 per store annually. Direct labor cost per order decreased by more than 30% and accounted for about 85% of that improved annual profit. The platform’s “conversational commerce” component – in which order
pickers text customers during order selection to ask about substitutions and/or if they’d like to add something – accounted for the remaining 15%.

The income-producing potential of the conversational commerce texting component may be underestimated since less than two-thirds of the orders in this analysis included this tactic. For the orders in which it was used, there was a 33% conversion rate that boosted those respective order values by an average of $8.00.

“Anyone in the business of selling groceries online owes it to themselves and their stakeholders to read this report and understand Brick Meets Click’s fulfillment research,” said Jack Record, CEO of ShopperKit, which provided financial support for the project. “This research highlights how using a software fulfillment platform can make eGrocery operations more profitable while also building personal relationships with customers and reinforcing the retailer’s brand,” he explained.

Download a free copy of the just-released report at brickmeetsclick.com here.

Companies are invited to join a webinar featuring David Bishop, Partner at Brick Meets Click, and Jack Record, CEO of ShopperKit, to learn more about how to improve the profit of in-store online grocery fulfillment on Tuesday, November 19, 2019 at 1 PM CT/ 2 PM ET. Sign up via this link.

About Brick Meets Click

Brick Meets Click is a strategic advisory firm focused specifically on how digital technology and new competitors are changing food marketing and sales. Founded in 2011, its guidance helps retailers, manufacturers, and suppliers adapt and find new sources of growth by better understanding the shifts in the marketplace and where opportunities exist to grow sales and profits. Visit www.brickmeetsclick.com to learn more.

About ShopperKit

ShopperKit is an in-store order fulfillment platform designed specifically for Click & Collect in the grocery industry. As eCommerce continues its rapid growth, grocers are seeing their physical stores, located close to customers, act as natural distribution centers. ShopperKit’s in-store
fulfillment platform enables existing brick & mortar stores to receive, prioritize, and process orders from their online counterparts, allowing grocers to offer in-store pickup or delivery services to their online customers. Visit shopperkit.com to learn more.