

FULFILMENT

A whopping 25% of New Look's click-and-collect customers make additional purchases in-store. **Suzanne Bearne** explores how the retailer is making the most of this opportunity

How New Look is driving market-beating click-and-collect add-on sales

When New Look revealed its full-year results in June, one particular figure stood out – of the 28% of online customers who collected in-store, an impressive 19% went on to make other purchases.

If that number made other retailers green with envy, then now may be the time to look away – the figure has grown to 25% in the past three months.

This figure is well above the clothing sector average of 9.4%, estimated by Verdict, so how exactly is New Look making its customers hungry for more product when they pick up their online orders in-store?

Emphasis on efficiency

"Our stores are easy to shop, and we've got a great product range with affordable prices," says New Look chief executive Anders Kristiansen when the question is put to him. "Customers can get shoes for £15 or pick up jeans for £15 to £20. It doesn't cost a lot to add more to the basket."

According to Kristiansen there is no grand scheme behind the envy-inducing add-on rate.

Rather, the focus for the retailer is on making the click-and-collect process as smooth as possible for the customer.

Kristiansen says the ambition is not to make customers walk past as much product as possible in order to fill their baskets on the way to collecting their order.

"We don't try and make customers walk the entire store. All we have in mind is making it efficient for the customer to pick up their order."

Impulse buys

Verdict lead analyst Honor Westnedge believes that the cheap price tags together with the



"We don't try and make customers walk the entire store"
Anders Kristiansen

fast-fashion nature of the business puts New Look at an advantage.

"New Look's customer will go in and see fast fashion-led pieces and will make an impulse buy. When they collect, customers will be tempted to buy product that they might think to wear that night."

She adds: "The way they stock accessories on the way up to the till, especially in smaller format stores, and the fact that their footwear is at a lower price point will help drive sales."

She says that a clothing retailer with higher price tags would find it more difficult to encourage customers to make additional purchases in-store.

Looking ahead

New Look's figures are based on surveys of its online customers, and do not reveal what items customers are picking up.

But Kristiansen plans to amend the surveys so he can find out this critical piece of information.

Despite not yet knowing what click-and-collect shoppers are adding to their basket in-store, New Look knows it is on to a winner with these incremental sales and it is working to enhance its click-and-collect service.

"We're working on making it easier for customers to pick up their click-and-collect orders," says Kristiansen.

"We want to grow the number of people coming into store and as we grow our business we will make it super-efficient."

"It could be by opening more dedicated click-and-collect areas so people don't have to queue."

Product focus

Would New Look try to encourage its staff to upsell its products?

Kristiansen says he lets the product do the talking through mannequins and displays that show off its trend-led offer, but he does offer a glimpse of how the retailer could personalise its click-and-collect service.

"Today when customers pick up their parcel we [the counter staff] don't know what's in it. But in the future we could ask the system to link to products, so for customers that bought a dress, the shop assistant could suggest 'these go well' with a specific pair of shoes."

Another strand that could help drive click-and-collect sales and lead to an uplift in additional revenue is next day click-and-collect.

New Look chief financial officer Mike Iddon says: "One thing we know that could help that is click-and-collect next day. We are testing it at the moment and looking to roll it out. I think it will drive further orders and get more people [spending in-store]."

With more measures in place to build its click-and-collect offer, New Look is doing all the right things to stay ahead in the fulfilment battle.