

Revolutionising Retail: The Impact of Smart Lockers on Return Automation



Introduction

Omnichannel shopping has shifted consumer behavior and decision-making — leading to a higher rate of retail returns stemming from e-commerce. In fact, over half (54%) of British online shoppers regularly return the products they buy.¹ As such, returns have become a make-or-break component of the shopping experience, significantly affecting a retailer's profits, customer loyalty, and overall business growth. However, while returns are viewed as a necessary evil in retail, this thinking needs to be shifted to focus on the new opportunities they can bring, such as revenue growth and new opportunities to build stronger customer connections.

The importance of returns in the retail experience means that following a traditional manual workflow is no longer a viable option. Automating the returns process is now essential for retailers who want to ensure a cost-effective, efficient workflow that allows them to not only offer improved customer convenience but also allows them to:

- Realise cost savings around processing returns
- Increases in-store footfall
- Position themselves competitively

To achieve the benefits above, retailers must invest in automation, such as smart parcel lockers, to create a sustainable, competitive return offering that can transform your returns experience and turn the cost of doing business into an opportunity to engage with customers and recoup the sale.

DELIVERING MORE.

¹ <https://thecircularboard.com/uk-e-commerce-statistics/>

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Smart lockers: A game changer for returns automation

Smart lockers are a game changer for retailers who want to introduce a proven solution within their returns process, as automated lockers alleviate the time-consuming manual processes that create friction for store associates and consumers. By automating the return process, there's more time to focus on restocking and reselling the returned goods and ensuring the consumer has an opportunity to make the right purchase at your store.

Buy Online, Pick-Up in Locker (BOPIL) has proven to be a benefit for retailers and the customers they serve. For consumers, smart lockers provide more choice with an additional delivery option for online purchases. It's a popular self-service option among consumers who can collect their purchases at their convenience without waiting in line or interacting with a store associate. And, they have the confidence of knowing that their package is safe and secure until they can collect it. This also eliminates the worry of having a package delivered when they're not home, which risks becoming a temptation for local porch pirates (people who steal parcels that have been left outside a residence). With BOPIL, pick-up takes less than thirty seconds for a decidedly positive customer experience.

Parcel lockers are also a great way to drive more footfall in-store. In fact, 19 percent of shoppers made an additional purchase in-store when picking up products bought online, And 45 percent of customers who use parcel lockers are more likely to purchase again within 30-60 days (compared to non-locker pick-up).*

Driving additional sales through automated returns

In-store returns can create new opportunities for additional sales, and for brick-and-mortar locations looking to balance their online and in-store presence, smart lockers are just the tool to drive more revenue.

When automating your returns through a smart locker, you provide the same positive experience that drives consumers to shop online: convenience, swiftness, and choice. Returning to a parcel locker takes less than 30 seconds, gets a customer's return back on the shelves faster, and empowers consumers with a convenient return-to-store option.

Customers with a faster return experience have a higher chance of shopping in-store following their return, leading to a higher possibility of recouping the sale with new purchases.

This same frictionless experience is not found with a traditional, manual return process, as long lines and less-than-stellar customer service can negatively affect a customer's returns experience. A negative return experience could prevent consumers from staying to browse, preventing an opportunity to recoup the sale and the potential for any additional purchases.

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Lower your carbon footprint

Both retailers and consumers appreciate that smart lockers help contain costs and contribute to a healthier planet. According to a global study by Mood Media of nearly 13,000 consumers, customers cited that they want more sustainable products and practices in their shopping journey.² In addition, a joint study published by British and Dutch researchers found, "The customer can also help to minimise the crucial impact of the last-mile by selecting the delivery option at a collection point (store or office) close to their home."³

By incorporating parcel lockers into a retail location, there is an opportunity to reduce costs while giving consumers a sustainable option to collect orders and drop off returns. By centralising returns to a single in-store location, retailers can decrease out-of-home deliveries, reducing emissions and the costs associated with processing returns. This creates a cost-effective offering to help drive sustainability initiatives.

² <https://www.raconteur.net/economy-trends/five-challenges-for-bricks-and-mortar-retailers>

³ <https://pubs.acs.org/doi/full/10.1021acs.est.9b06252>

Maximise volume within a small footprint

For speedy, frictionless returns that customers expect, retailers need a smart locker solution that enables them to optimise the store footprint, such as with Parcel Pending by Quadient's fully integrated locker solutions.

Parcel lockers allow customers to return merchandise and pick-up orders from one location. It can also be extended for carrier use – so that packages can be delivered directly into the locker and used for picking up returned merchandise at the same stop. By centralising returns to a single location, retailers can maximise space through a secure self-service return process. This facilitates retail business operations and offers a cost-effective, convenient option that optimises return fulfillment for seamless, simplified returns.

By automating return fulfillment, retailers can:

- Improve operational efficiencies
- Help reduce the cost of return processing
- Drive in-store traffic to boost sales
- Improve the customer experience

Conclusion

Smart lockers help to automate order fulfillment for package pick-up, delivery, and returns. They enable retailers to extend additional options and ease of use for consumers, which improves their experience creating a positive brand impression. As long as shopping and returns go hand in hand, smarter ways to process purchases and returns that meet evolving consumer expectations are necessary. With a smart parcel locker solution by Parcel Pending by Quadient, you can drive improved operational efficiencies around return handling that turns the cost of doing business into an opportunity to engage with the customer.



ABOUT PARCEL PENDING BY QUADIENT

Parcel Pending by Quadient is the leading parcel management provider for retailers worldwide and the exclusive locker provider for Lowe's Home Improvement. With over 15,000 placements globally, Parcel Pending by Quadient offers a wide range of solutions that ensure simple, secure, and seamless online order pick-ups and returns.

For more information about Parcel Pending by Quadient, visit:
parcelpending.com/en-gb/markets/retail-parcel-lockers