

Asda's **toyou** Service: Innovating Omni-Channel Pickup and Drop-Off for Shoppers and Partners

Introduction

Launched in late 2015, the "**toyou**" service operated by U.K. supermarket Asda enables customers to collect and return online purchases from over 140 partner brands, including George.com, at over 600 of its stores.

In 2008 Asda was one of the first U.K. supermarkets to introduce a non-food online channel, giving customers the opportunity to purchase its George clothing range from the comfort of their own home.

The Challenge: Creating an Innovative eCommerce Customer Experience

Harnessing its existing logistics and retail network for pickup and drop-off services, and initially using existing technology, Asda recognized the opportunity to transform the customer experience and provide greater visibility and control of every parcel movement.

"With strong growth in our online non-food business we needed to innovate to make our click and collect operation more efficient and strike the balance between profitability and quality of service." Paul Anastasiou, Senior Director, Asda Logistics Services

In order to achieve its objectives to deliver a next-generation customer experience and connect people and products, Asda developed a number of innovations.

Proactive Event Alerting

The key goal was to improve the overall customer experience, and event management had a huge part to play in this. Colleagues are responsible for processing parcels as they arrive in store, which in turn triggers an alert to the customer to notify them that their parcel is ready to collect. Using analytics and robotic process automation, Asda was able to send messages directly to those colleagues to advise them that customer parcels had arrived in store and were available for processing. These real-time service interventions enabled parcels to be made ready for customers much quicker, reducing wait time and improving customer satisfaction.

BUSINESS VALUE HIGHLIGHTS

ORGANIZATION

Asda Stores Limited

ORGANIZATIONAL CHALLENGE

Asda wanted greater efficiency and flexibility within its collect and return proposition in store by:

- » Extending its pickup and drop-off service to third-party partners
- » Transforming the customer experience for partner brands and George.com through quality of service and great innovation

SOLUTION

Asda introduced **toyou**, an end-to-end parcel delivery and return system.

PROJECT DURATION

Launched in 2015, ongoing.

BENEFIT

toyou has significantly strengthened Asda's online non-grocery offer, resulting in better customer and partner experiences and engagement.

Thanks to the implementation of its new digital parcel collection and return architecture, Asda has now significantly enhanced the visibility of the end-to-end parcel journey. Customers are kept updated with SMS and email alerts at key stages, giving them the feeling of greater control of the process and significantly reducing customer service contact with its retail partners.

Enhancing Returns

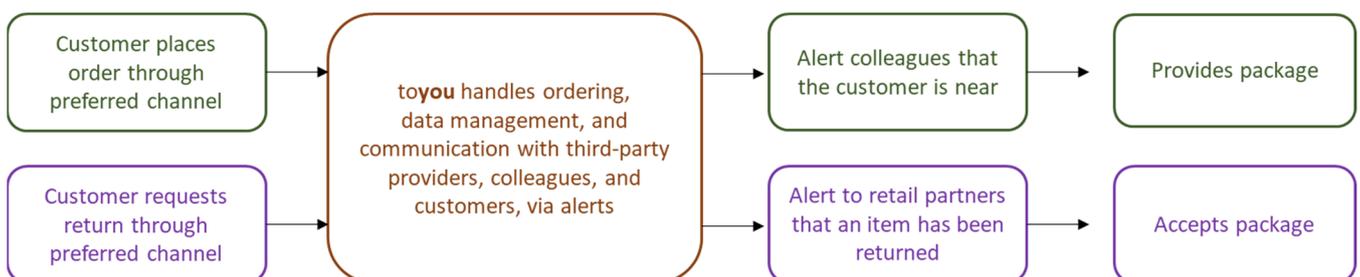
Recognizing that returns are a key element of a robust ecommerce proposition and anticipating changes in consumer behavior, **toyou** has led the way in simplifying this too — moving from a largely offline, pre-printed process to a digital solution that combines its own web capabilities with a suite of APIs to integrate with return platforms such as ReBounce and ZigZag. These innovations, and an industry-leading quality of service, have seen **toyou** recognized as the fastest-growing pickup and drop-off service in the U.K. The developments enable customers to initiate online returns from their mobile device and download a QR code that can be scanned in store to generate the returns label. Tapping into the existing architecture, customers have full visibility of the parcel journey back to the retailer and partners can see details of the orders being returned, enabling them to complete refunds quicker.

Filling a Key Service Gap

With **toyou**, Asda aimed to fill the gap in the market for higher-quality service in non-grocery click and collect. Leveraging the **toyou** architecture, the long-term objective is to continue to strengthen relationships with retail partners, third-party vendors, and consumers. As the market moves, **toyou** has moved with it and the business is constantly exploring new opportunities and alliances to continue to push the service forward.

"Working with TCS, our ambition is to continue innovating to deliver a great customer and colleague experience." Rob Wilks, Senior Manager, eCommerce and Logistics Systems Development at Asda

FIGURE 1
The **toyou** Process: A High-Level Schematic



toyou connects and streamlines processes from multiple systems and stakeholders to ensure a smooth customer experience that improves efficiency

Source: IDC, 2022

Implementation

In 2013, as its collect in store channel had seen significant growth, Asda decided to transform its legacy parcel delivery and return infrastructure to create **toyou**, a next-generation technology platform combined with an industry-leading quality of service and customer-centric experience. The system build began in 2014 and launched for its George.com business in the summer of 2015, with the service opened to partner retailers at the end of that year.

Store parcel kiosk, mobile check-in, robotic process automation, and **automated parcel collection/return** are four key components of the service developed by Asda **toyou** and TCS:

- **Store parcel kiosk.** This is a redesigned self-service kiosk in stores to improve the customer journey through a simple interface and strong equipment reliability. The new system adds flexibility to the proposition, giving easy to control configurability to enable autonomous changes across the kiosk network. To support the initiative, TCS developed the Algo Retail™ Cognitive Supply Chain dashboard for real-time service monitoring, which reduces the time and cost when implementing changes. In addition, maintenance costs have been reduced by 75%, with real-time status visibility for operation managers, store colleagues, and support team. TCS Algo Retail™ SCM powered automated alerts for immediate actions are sent to colleagues to minimize disruptions and rectify issues before they escalate, resulting in improved customer experience.
- **Mobile check-in.** This is aimed at speeding up and simplifying parcel collection. The solution enables customers to alert colleagues that they are in store to collect their parcel before they arrive at the collection point by simply clicking the link on the "ready to collect" message on their mobile device. The system uses customizable geofencing technology that can be adapted to the specific conditions of each store.
- **Robotic process automation.** The TCS Algo Retail™ Cognitive Supply Chain framework was used to enable a solution that leverages robotic process automation for repetitive, information-intensive, and routine tasks performed by service colleagues. The technology creates reports to identify actions within stores and sends automated alerts to colleagues to complete pending processes — optimizing workloads for service experience teams and reducing the need to increase the number of colleagues despite scaling up operations due to greater parcel volume. The solution improves the efficiency of operations, reduces costs, enables scalability, improves customer experience, and increases Asda's ability to meet partners' service-level agreements, such as response time in alerting shoppers when the parcel is ready for collection.
- **Automated parcel collections.** Using hardware developed by third-party provider Cleveron AS, Asda has introduced automated parcel collection points. The technology is currently in 29 store locations and delivers an enhanced customer experience thanks to the removal of wait times in store and more efficient use of colleague time. TCS supported the initiative by developing an API to connect the system to the Asda **toyou** Store App.

Understanding the retailer's requirements and development road map was a key factor for the successful collaboration between Asda **toyou** and TCS.

Future Opportunities

While the substantial investment and developments in its parcel collection and return proposition are clear to see, Asda toyou still sees scope for further enhancements that will unlock new capabilities and efficiencies. The continued growth in ecommerce will fuel an increase in parcel volume and, building on its success so far, Asda toyou is expected to extend its access and reach, opening the service to a wider circle of stakeholders and business streams. The existing infrastructure will not only need to support growing parcel volume but also continue to bring industry-leading innovation to the market.

Benefits

The digitization of Asda's parcel collection and return architecture has significantly improved the efficiency of the company's operations. With toyou, the ability to track parcels through the system and interact in real time with colleagues and customers has step changed its service performance.

The benefits include:

- Improvements in parcel tracking visibility
- Greater ability to scale operations and introduce new features to the service
- An increase in the volume of online non-food orders collected from stores
- Revenue growth generated by increased parcel volume
- Effective use of existing logistics infrastructure to generate new business streams
- Reduced impact on the environment and reduced carbon footprint through leverage
- Increased store footfall generated by customers from the more than 140 partner brands collecting and returning parcels at Asda's locations
- Enhanced customer experience through an improved interface and convenience of the service
- Increased colleague efficiency and engagement thanks to better allocation of time and greater operational visibility

Methodology

The project and company information contained in this document was obtained from multiple sources, including information supplied by TCS, questions put directly to Asda by IDC, and Asda and TCS corporate documents.

"Increasing ecommerce profitability is the top business priority for the next one to two years for 44% of retailers globally, according to a 2021 IDC survey. Being an early entrant in online retail for non-food, low-price, and lower-basket-size categories, Asda was confronted early with issues most retailers are facing today. Asda's experience offers a great example that can inspire strategies for successful omni-channel fulfillment," said Filippo Battaini, research manager, IDC Retail Insights.

MESSAGE FROM THE SPONSOR

TCS Algo Retail™ Cognitive Supply Chain Solutions

At TCS, we strongly believe that cognitive and algorithmic interventions in the retail supply chain will serve as the backbone to address key challenges and help retail businesses address growth and transformation. Our cognitive supply chain solutions under the aegis of Algo Retail™ are a set of solutions and offerings that enable optimal and interdependent functioning of man and machine, enabling the supply chain to move away from its traditional silos and transform into an interconnected ecosystem with real-time and autonomous collaboration between stores, distribution centers, transportation, and sales channels.

The interventions that make up our solutions and offerings portfolio span the breadth of the retail supply chain. We have worked with tier 1 retailers to deliver a 3%–5% reduction in overall supply chain cost, 1%–2% cash flow improvement, 1%–2% availability improvement, 50–100bps sales uplift, and gross margin improvement of 40–50bps.

Read more at [TCS Algo Retail™: Driving Future Retail](#).

About the Analyst



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Filippo Battaini is research manager at IDC Retail Insights Europe. He leads retail digital transformation projects and works with retailers to inform their digitalization strategy and with technology providers to help understand their market potential.

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