Streamlined Buy Online, Pick Up in Store Solution

A commission-based model to align ecommerce and retail incentives

Prepared by Edward Liriano for Liriano Idea Advisors

The Problem

Misaligned Incentives

Stores perform additional work without compensation while ecommerce benefits from completed sales

Operational Burden

Logistics, inventory management, and customer service tasks strain store resources

Fraud Risk

Stores handle identity verification and fraud prevention without financial incentive

Current BOPIS Challenges

Logistics Burden

Stores must receive, hold, and process ecommerce shipments

Inventory Strain

Pulling from store stock reduces local sales opportunities

Administrative Overhead

Time spent on inventory management, order processing, and customer communication

No Financial Incentive

Stores invest time and labor without sharing in ecommerce benefits

Store Responsibilities

01

Receive & Record

Shipment intake and inventory system entry

02

Store & Organize

Secure item storage until customer pickup

03

Customer Coordination

Contact and schedule pickup arrangements

04

Identity Verification

Fraud prevention and security checks

05

Service Delivery

High-touch customer experience during pickup

Commission & Compensation Model

Base Commission

5% of order value for all BOPIS orders

Covers administrative overhead, service, and fraud prevention

Warehouse Fulfillment

5% commission for service and handling

Item shipped from ecommerce warehouse to store

Store Inventory Pull

10-15% commission to offset lost sales

Item sourced directly from store inventory

Fraud Prevention Bonus

$10 bonus per order for successful verification

Aligns fraud risk with store accountability

Financial Scenario

$2,000 diamond ring purchased online with store pickup

Case A: Warehouse → Store

$100

Store Commission

5% of order value

$10

Fraud Bonus

Identity verification

$110

Total Compensation

Store earnings

Case B: Store Inventory

$240

Store Commission

12% of order value

$10

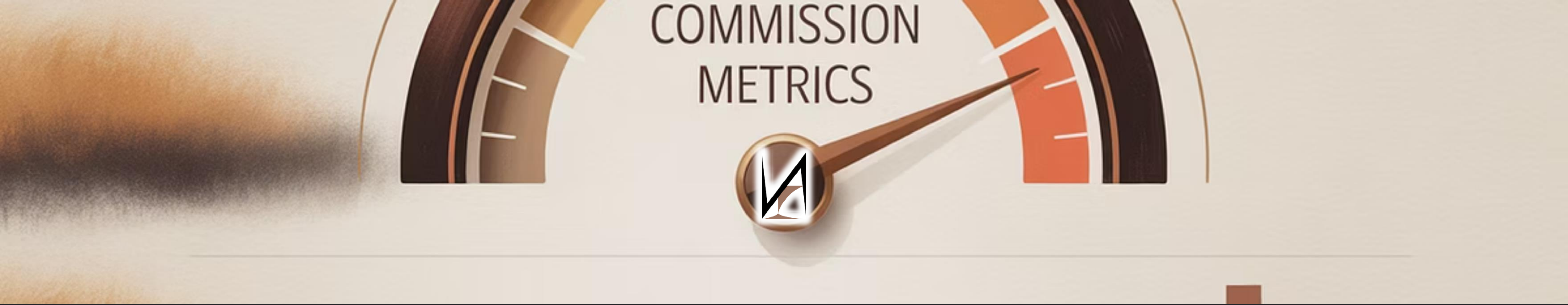
Fraud Bonus

Identity verification

$250

Total Compensation

Plus, sales credit retention



Implementation Guardrails

Automated Tracking

Commissions calculated automatically in POS and ecommerce backend systems

Sales Attribution

Clear revenue credit rules for warehouse-sourced vs store-sourced fulfillment

Performance Review

Quarterly model assessment and adjustments based on volume and profitability

Handling Customer Returns

Warehouse-Sourced Returns

Ecommerce absorbs return value, store retains **50% commission** for handling logistics

Store-Sourced Returns

Store absorbs inventory back, keeps sales credit reversal plus **50% commission**

Fraudulent Returns

Additional **$10 bonus** for preventing or identifying fraudulent returns

Benefits of the Model

Fair Compensation

Stores rewarded for additional responsibilities and effort

Increased Alignment

Ecommerce and retail collaborate instead of competing

Fraud Protection

Stores motivated to carefully verify orders and prevent losses

Improved Experience

Customers receive faster, smoother, and friendlier pickup service

Revenue Balance

Store participation increases without penalizing local sales metrics

Next Steps

1 **Leadership Alignment**

Align ecommerce and retail teams on commission percentages and implementation strategy

2 **System Integration**

Integrate commission tracking into existing POS and ecommerce platforms

3 **Pilot Program**

Test the program in select stores for 3-6 months before full-scale rollout

This commission-based BOPIS model creates a win-win solution: ecommerce secures sales efficiency, stores receive fair compensation, and customers enjoy seamless service.