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***THE ULTIMATE GUIDE TO UNIFIED COMMERCE:
EVOLVING YOUR TECHNOLOGY (AND MINDSET)
TO DRIVE EXPERIENCE INNOVATION***

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INTRODUCTION

Steve Jobs once famously **said** that his job was to figure out what consumers want before they know they want it. As was often the case, Jobs was ahead of his time. This concept of starting with a deep understanding of the customer (at times more deeply even than they understand themselves) and building from that point is also the basic premise of retail's latest technological and philosophical movement — **unified commerce**.

“Unified commerce isn’t just about implementing a platform,” said Justin Racine, Principal for Unified Commerce Strategy at digital consultancy **Perficient** in an interview with *Retail TouchPoints*. **“It’s about figuring out what your customers and employees want and then aligning those expectations back to pieces of technology that deliver on that promise.”**

The exact definition of unified commerce, and in particular its relationship to the idea of “omnichannel,” varies depending on who you ask. Some see it as the next evolution of omnichannel, others as the technical underpinnings that make true omnichannel experiences possible. Either way, the end result is to bring the total shopping experience, across every channel, closer to customers’ expectations, and even anticipate expectations they don’t yet have.

“Customers don’t think about channels,” said Penny Gillespie, VP and Analyst at **Gartner** in an interview with *Retail TouchPoints*. “They just want what they want when they want it. It’s pretty simple, but **it requires extreme collaboration across all the potential [channels] and technologies that touch a consumer to be successful.**”

“The omnichannel vision is that through any channel or touch point a customer is able to see the right products, the right pricing, the right promotions, the right availability, the right order information — that is the outcome you want to achieve, and unified commerce is how you get there,” noted Joseph Harouni, Connected Commerce Practice Lead at digital experience consultancy **Hero Digital** in an interview with *Retail TouchPoints*.

While this vision isn’t necessarily a new aspiration for brands and retailers, delivering on it has always been hard — and it’s even tougher now. But it’s vital for almost every company operating on the consumer-facing side of retail. To aid you in this journey, this report details:

- The philosophical shift that companies must make to **evolve from an omnichannel mindset to a unified commerce mindset**, and what that can mean for your customers’ experience;
- The **foundational elements** needed to creating a unified commerce ecosystem;
- A roadmap for organizations to **determine their own unique unified commerce strategy and identify the tech** that will help them execute on it; and
- Critical **keys to success** in every unified commerce journey.



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— Penny Gillespie, **Gartner**



MOVING FROM MONOLOGUES TO CONVERSATIONS

Without a doubt, consumer expectations are the primary driver of the shift toward unified commerce systems and experiences.

“Customers are no longer looking for a brand to buy a product from — that’s a very one-way, transactional model,” said Racine. **“Now, they’re looking to have conversations. They want to interact and communicate with the brand. They’re not focused on buying something, they’re focused on connections.** In [the previous idea of] omnichannel, you might market to a specific customer, but you weren’t digesting back the behavior of that customer based on the email they opened, based on what they’re buying, based upon how many times they visit your physical storefront versus your digital storefront. That’s where unified comes into the dialogue.

“It’s about taking the technology — whether that’s a commerce platform, a CRM, a CDP, an ERP or any of the other three-letter technologies retailers work with — and leveraging those to connect all the different pieces so that a customer’s experiences are tailored in real time based upon who they are, what they’re interested in, and how they grow and mature as a consumer within the lifecycle,” Racine added. **“It puts the customer in a living, breathing conversation with a brand versus a monologue.”**

The key to having this kind of “conversation” with customers is switching the lens, from an organizational view of the shopping experience to a customer-level view, according to Gartner’s Gillespie. “When you’re thinking about a customer from the inside of your organization, you’re taking that customer and putting them into your processes, technologies and applications, and expecting them to conform to you,” she said. “When you look at it from the customer perspective, you start to understand what the customer needs and you recognize the disjointedness.”

As an example, Gillespie shared a story of a banking client that realized that customers in the Bill Pay section of its website would often open a separate screen to check their account balance before completing a payment, so the bank put an account balance window on the Bill Pay page. **“It really boils down to making connections for customers,”** she said. **“Uber** is another example. Uber made a lot of connections [in an experience that was previously] very disjointed — standing on the street corner waving, not being able to use your desired payment type, etc. **What’s happening in commerce is we’re making those connections from the physical world to the digital world, from all the channels, from all the touching technologies,** to deliver that optimum experience for the customer.”

And the cost of *not* making these connections for your customers can be high: “Not only are customers now demanding that anytime, anywhere shopping experience, but they get frustrated if they know something available to them in one channel — whether it’s a promotion, a specific product or configuration — isn’t also available to them in another,” said Harouni. **“If you’re not able to serve up that data and information in the channel where the customer wants to buy, that leads to frustration, which leads to dips in your [sales] funnel.”**

And failing to deliver on consumer expectations doesn’t just impact immediate conversions; it can also **hurt long-term relationships with consumers at a time when loyalty is already at a low.** “There’s all this talk now of the **‘zero’ consumer** — consumers have zero loyalty, there’s zero influence in some cases [in terms of] what a brand can actually do to get them to stick,” said Zach Zalowitz, Principal in the Order Management Practice at Perficient. **“The last best experience is what all consumers are benchmarking future experiences on,** and customers don’t owe brands anything. At the end of the day they’re going to shop where they have the best experience, they get the best price and they feel comfortable. And this all shifts and pivots so quickly that you have to align with what customers’ expectations are on a day-in, day-out basis,” he said in an interview with *Retail TouchPoints*.

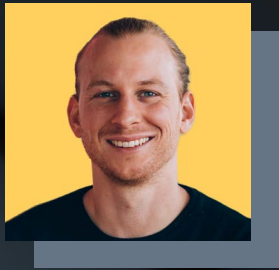
That extra work is worth it, because beyond meeting all-important customer expectations, shifts toward unified commerce systems also can help improve employees’ experience. “Unifying your [data and technology] means more information, presented in a way that’s easier to consume so you’re able to serve up actionable insights for employees,” said Harouni. “Which levers should I pull? Where should I allocate marketing spend? Which channels should I be doubling down on or pulling away from?”

“Armed with **the right technologies** and **accurate inventory and customer data**, store associates have the power to educate, inspire and ultimately create long-lasting brand loyalty, even during times of economic flux,” said Natalie Berg, retail analyst and founder of **NBK Retail**, commenting on recent research from **Manhattan Associates** about the state of omnichannel retail.



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FROM FRAGMENTED TO FOCUSED: HOW UNIFIED COMMERCE IS KEY TO BUILDING EFFECTIVE PROMOTION CAMPAIGNS

By Christoph Gerber, Co-founder and CEO, Talon.One

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Creating an omnichannel customer experience has been top of mind for retailers throughout the last decade, but unified commerce takes this concept a step further. While omnichannel retail focuses primarily on front-end touch points, such as in-store, online and mobile, unified commerce extends its reach to the backend, connecting and synchronizing all channels, systems and processes. By building a more integrated approach to retail, unified commerce also helps streamline the set-up and impact of promotions across channels.

The Unified Commerce Advantage: Elevating the Point-of-Sale Experience with Promotions

Today's customers expect to be rewarded, or redeem their promotions and loyalty points, whenever and wherever. For shoppers, there's nothing more frustrating than not being able to redeem a voucher in-store or loyalty points not syncing correctly.



But from a technical point of view, this requires a promotion and loyalty platform that seamlessly integrates with not only your point-of-sale (POS) system, but also your CRM system, marketing automation platform and order management tool, among others. However, once done, this integration is one of the biggest advantages of unified commerce — and can power a whole host of benefits, including:

- **Personalized promotions** — an integrated platform can analyze customer data in real time to offer tailored promotions. Brands can then target customer segments based on location, device and profile attributes or RFM (recency, frequency, monetary) data, helping to avoid overspending on promotions;
- **Loyalty rewards** — unified commerce allows for the easy implementation of loyalty programs that are consistent across all channels. Customers can earn and redeem rewards across all channels;
- **Streamlined checkout** — with integrated promotion and loyalty platforms, customers can apply discounts and redeem rewards seamlessly during the checkout process, eliminating the need for cumbersome promo codes or physical loyalty cards; and
- **Data-driven insights** — by consolidating various data sources, for example linking to your inventory, CRM or promotion and loyalty software, you'll be able to access more precise customer data. From there, you'll be able to adjust your promotions in real time to optimize conversions and engagement.

Unified commerce is revolutionizing the retail sector by offering a holistic approach that connects backend channels and enhances the front-end experience. To fully leverage the power of unified commerce, businesses should invest in promotion and loyalty platforms that seamlessly integrate with their POS systems.

Check out Talon.One's report [*Transforming the Point of Sale with a Composable Strategy*](#) to discover how a headless promotion platform can boost your unified commerce strategy through POS integration.





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HOW TO GET UNIFIED

Achieving this “nirvana omnichannel state,” as Harouni described it, is easier said than done. For example, Manhattan’s recent study found that on average, retailers only had an accurate indication of inventory across their entire operations **70%** of the time (down from **74%** in 2022), and **16%** reported that their organization’s in-store and online operations continued to operate as separate functions.

Given these challenges, it makes more sense to view unified commerce as an ongoing evolution versus a project with an end point. **“It is a massive task to undertake, and it never ends,”** said Racine. “Unified commerce is a growing, intuitive journey, just like our lives are growing and intuitive. The bite-sized way to start is to do some business soul-searching. **What’s really important to your brand? What’s really important to your customers? What’s really important to your employees?** Then try to find specific areas of opportunity with low-hanging fruit.”

It all starts with the data. According to Zalowitz there are four core data sets that should be unified across the organization — **customer interactions, product information, inventory data and order flows**. But the good news is, “you don’t need to do it all at once,” he said. “You can get really far just focusing on unifying a few core data domains. Every organization has so much data to synthesize and digest that it can be daunting, but you’re going to have to synthesize that data at some point and start to dig in. **And you can start to do things like personalize the journey for consumers in a unified way while you do it.**”

The same goes for technology assessments and upgrades. While some organizations may need to do a complete overhaul, Racine noted that “a lot of times the right pieces of technology have been invested in, but they’re not being used in the way that they’re intended to be used. Often it’s really about realigning the pieces of technology that a company [already has] and looking at how to leverage **90% to 100%** of the capabilities versus only the **5% or 10%** they might be using currently.”

Harouni said **order management** can often be a good place to start. “Order management has traditionally been the domain of enterprise resource planning (ERP) systems, which are often these large, heavy systems that require a ton of investment to upgrade or migrate away from,” he said. “So increasingly we’re seeing companies pick some functions or modules within that larger ERP and implement cloud-native systems that just take a small bite out of that large monster, to enable things like **buy online, pick up in-store** or **real-time order status**.”

Product information management and **customer data** are two other areas where the juice can really be worth the squeeze, Harouni added. “Product information management has a discrete function, so we’re seeing a big shift toward [unified] solutions for governing product information that allow marketers and others to come in, effect change on particular product data and then syndicate that out rapidly,” he said. “And then pulling that customer information out of legacy platforms, whether it’s ERP or something else, is important because **that customer data can be used by so many functions of a retailer’s business, whether it’s marketing, customer service or loyalty vendors**.”



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— Zach Zalowitz, **Perficient**



THE FIRST UNIFIED COMMERCE BENCHMARK FOR SPECIALTY RETAIL

*By Tony DiPaolo, VP of Retail Solutions,
Manhattan Associates*

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Unified commerce promises customers a consistent and seamless experience across all channels, whether they are shopping online, in-store or through a mobile device. Today, new truisms have emerged:

- **Digital is a default** — shoppers don't see "channels" the way retailers do. They simply shop. For brands, embracing a digital-first ethos doesn't mean giving up on physical retail. It means amplifying each by fusing the two together seamlessly;
- **Convenience is a commodity** — specialty retailers must reshape consumer expectations around convenience to be about more than just speed. They must differentiate between brand and customer experience to avoid competing on convenience alone; and
- **Virtue is a brand** — shoppers signal virtue through the choices they make, and demand that brands find a purpose beyond profit.



Measuring Unified Commerce Proficiency

The problem for many retailers is that they have had no objective way to quantify the success of their unified commerce processes. This has led to many questions. For instance, is their technology doing what it's intended to do? Are their channels unified or separated? What do consumers actually experience in-store and online?

Manhattan Associates partnered with Incisiv to develop an objective list of **124** retailers across **11** specialty retail segments, including a mix of top omnichannel retailers by revenue and top digital native vertical brands (DNVBs) by store count. Then a team of customer experience analysts conducted comprehensive shopping journeys — including real purchases and returns — across both physical and in-person channels.

The brands were scored on **286** customer experience capabilities across four critical, unified commerce categories: **Search & Discovery; Cart & Checkout; Promising & Fulfillment; and Service & Support.**

What Makes a Unified Commerce Leader?

The Unified Commerce Benchmark for Specialty Retail is a groundbreaking way to measure the tools and processes brands use to execute omnichannel experiences. Based on real buying journeys, it's an opportunity for you to measure your operation against those that are doing it best.

What you find will go a long way toward determining your long-term success. In fact, unified commerce leaders' revenue growth outperforms non-leaders by **3X to 6X**. And a non-leader would gain about **\$40 million** per billion in revenue by becoming a Leader.

[Download the full benchmark](#) to get all the insights and information about unified commerce Leaders and what brands need to do to become one of them.





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A 4-STEP ROADMAP TO UNIFIED COMMERCE

As with any major transformation effort, the process is almost as important as the work itself. “Good strategy doesn’t work without the tech, but the tech is useless without a clear strategy,” said Zalowitz. “It doesn’t make sense to spend millions on tech if you can’t leverage it the right way.”

Zalowitz laid out four steps every organization should work through to find their own right path toward a unified future:

- 1. Assess the current customer experience (CX) and employee experience (EX)** through initiatives like customer journey mapping, with a particular eye on mobile, since the vast majority of digital interactions happen on mobile devices. Then, determine what improvements need to be made to both CX and EX to define your strategy for both, which are interconnected. “What we have found is when employees feel like they’re more productive and they have the tools they need, the customer experience is much better,” said Gillespie.

In fact, **frontline employees, including store associates and call center staff, are one of the best resources to discover the state of your current EX and CX.** “Your frontline associates likely spend [a large portion] of their time on the same things, and the reason they’re involved is because there’s friction in the process,” said Gillespie. “Then talk to the call center and [find out] where they’re spending their time. Quite often what drives the customer to call is they have met an insurmountable problem.”
- 2. Audit your operating model.** “If the business is over here and tech is over there, it’s never going to work,” Zalowitz said. “The operating model has to be joined first. You can’t execute the strategy without it.”
- 3. Create a capability map** to determine the things you already do, as well as the things you need to add to achieve your CX and EX goals. “You have to audit where you’re at, and then understand which of those capabilities are missing to create the experience you want within your operating model,” said Zalowitz.
- 4. Once you’ve identified the capabilities that are missing, find the tech needed to achieve them.**

One thing you DON’T do, according to Zalowitz, is to start by picking a commerce platform or any other piece of tech. **“You can’t start from the end and then make your way back up to the logic,”** he said. “Most people make the mistake of starting with something like a CDP [customer data platform], and *then* they talk about content, and then they try to back up into a strategy. That’s the wrong way to think about it.”



KEYS TO UNIFIED COMMERCE SUCCESS

Shift the Way You Look at Tech Integrations

“This is more than a systems conversation,” said Zalowitz. “If you don’t have to the mentality of viewing the customer in the center, you can’t form a strategy, and your tech and processes won’t change. You’ll just be this bifurcated, consolidated set of channels that, yes, makes it feel to the customer like it’s all one brand, but you won’t *know* those customers. This is a mentality shift and an understanding that should shift your processes, and then you implement the tech around that.”

Be Patient

“It’s all probably going to go slower than you’d hope,” said Harouni.

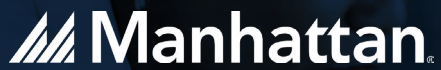
Get Employees Invested

“When you’re trying to embark on this kind of unified commerce journey, you have to establish a North Star that each function of the business has a stake in,” advised Harouni. “You’re going to have to go across various lines of business, whether it’s **customer service, marketing, finance, even supply chain**. If you don’t have a clearly articulated vision, where each of those individual stakeholder groups has a reason why, and understands that why, you’re going to run into headwinds and resource availability issues. Establishing that vision across the business, and why it’s important for each group, is a fundamental first step that a lot of folks forget to take.”

Don’t Expect an End Point

“Somewhat frustratingly, this is a journey with no end,” said Harouni. “So you have to kind of evolve the way of thinking about these initiatives within the company, from a project or a series of projects to **thinking of a unified commerce ecosystem as a product in itself, one that you have a budget and resources allocated against so that it doesn’t go stale**. The worst thing you can do is invest in a transformational initiative, achieve a lot of your goals, and then not keep up with consumer sentiment, changing demand and the rise and fall of channels. This unified commerce system **needs to have constant care and feeding**.”

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Manhattan Associates is a technology leader in supply chain and omnichannel commerce. We unite information across the enterprise, converging front-end sales with back-end supply chain execution. Our software, platform technology and unmatched experience help drive both top-line growth and bottom-line profitability for our customers.



Talon.One is the most flexible headless promotion and loyalty engine for enterprises. Talon.One works with global clients such as Adidas, Live Nation, Carlsberg, Reebok, Eddie Bauer and Afterpay to build smarter and more scalable promotions.



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Retail TouchPoints and *Design:Retail* give all members of the retail world access to a vibrant community that combines insights, inspiration and opportunities to interact with their peers. We sit at the intersection of the art and science of retail strategy, providing granular data, high-value commentary, and aspirational success stories to help readers optimize customer experiences across all channels. Touching all facets of the retail ecosystem, including store experience and design, workforce management, digital marketing and engagement, and omnichannel optimization, our editorial content, multi-media resources and events take timely news and trends and transform them into tactical takeaways that meet the unique needs and priorities of our executive readers.

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ABOUT THE AUTHOR

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Nicole covers the retail industry at large with a focus on ecommerce, looking at digital innovation and the evolution of modern retail.