

ANALYSTS WEIGH IN ON UNIFIED COMMERCE:

A ONE-STOP SOURCE
FOR EXPERT INSIGHTS ON
THE FUTURE OF AGILE
CUSTOMER EXPERIENCES

retail
TouchPoints®
SPECIAL REPORT





INTRODUCTION

In recent years, “Unified Commerce” has reached buzzword status.

To many people, the principles represented by Unified Commerce are very similar to the principles represented by “omnichannel,” another in a long line of industry buzzwords. To others, Unified Commerce is an evolution of omnichannel that represents the integral role that supply chain, operations and merchandising play in the customer experience. And to the rest, Unified Commerce has come to represent the technology and platforms designed to deliver truly unified (and yes, omnichannel) experiences.

All of which is problematic, because the term “unified commerce” is not at all new. *Retail TouchPoints’* earliest mentions of the term occurred in [a 2016 research report](#), which indicated that **73%** of retailers planned to have a Unified Commerce platform in place by 2019. (In a [later study](#), that number even increased to **81%**.) The 2016 report also spotlighted the requirements for a unified commerce platform, noting that it should provide a “single consolidation point for all transactions, inventory management, pricing, order management, CRM and call center solutions.”



And yet, five years later we are still divided over what the term even means, and we are nowhere close to the 73% adoption of unified commerce platforms as defined in that report.



The purpose of this new report is to present insights from leading retail industry analysts to help retailers understand the meaning, role and status of Unified Commerce in retail today, and to solicit guidance on how retailers can achieve their customer experience objectives going forward.



NOT SO UNIFIED TERMINOLOGY, BUT HIGHLY UNIFIED EXPECTATIONS

The experts interviewed didn't always agree on the usage and meaning of terms like omnichannel, unified commerce and anywhere commerce. However, they definitely agreed that retailers must find new ways to deliver agile, integrated and unified experiences.

"Successful retailers will be those who embrace a channel-less model — one that connects the dots to optimize operations holistically," wrote Jill Standish, Global Head of Retail for [Accenture](#) in a recent piece for the firm. "This is not a new concept. It means finding new ways for customers to interact with the brand, while breaking down the distinctions between online and offline selling to drive profitable growth." Accenture refers to this as "the online-merge-offline (OMO) model," or a "bold way" for retailers to reimagine how they operate and deliver brand experiences across retail channels.

Omer Minkara, VP and Principal Analyst for Contact Center and Customer Experience Management at [Aberdeen](#), is closely aligned with Standish's opinion. "It's really about unifying all channels to deliver cohesive customer experiences," said Minkara in an interview with *Retail TouchPoints*. "Businesses can't just unify channels; they must also bring down silos to deliver those seamless operational experiences."



"Businesses can't just unify channels. They must also bring down silos to deliver those seamless operational experiences."

— Omer Minkara, Aberdeen

Minkara noted that omnichannel is "one of the building blocks" of unified commerce, representing the customer-facing channels and interactions a brand has with its audience. "When you think of channel orchestration, that's what omnichannel is all about — hyper-personalization and consistency," he said. "But omnichannel by itself doesn't talk about bridging the silos across the front office and back office. That's what unified commerce focuses on."

Meanwhile, Forrester has indicated that "Anywhere Commerce" will be the mantra as "first movers and fast followers alike pursue presence in every possible shopping moment, from an owned website to an influenced marketplace or social platform to a paid retail media placement." In fact, 22% of software decision-makers whose firms are not predominantly deploying commerce platforms via software-as-a-service plan to do so in the next 12 months, according to [a recent Forrester](#) report. This year alone, the firm expects this number to triple for commerce.

Despite differing opinions on the specific terminology, all the experts agreed that retailers must unify their systems, their data and their processes if they hope to deliver truly unified customer experiences that meet the constantly shifting expectations of today's consumer.

THREE PILLARS OF UNIFIED CUSTOMER EXPERIENCES



The experts also agree on three core capabilities and technology drivers that are required to unify customer experiences.

1

Instant Access to Data and Commerce Capabilities

The key to creating unified commerce experiences is to deliver all the critical building blocks for experiences through any channel and at any time, according to Brian Kilcourse, Managing Partner at **Retail Systems Research**. “Regardless of how consumers connect with your brand, you need to be able to apply the same business rules, the same pricing and the same data that consumers need to make the best decision possible,” he said. “It can be through social media, your voice assistant or even through virtual reality. The key is to get the advantage of all the underlying systems that will support the consumers’ need to order an item.”

Unifying the building blocks of commerce is critical to developing experience agility. Shoppers will continue to expect retailers to expand and evolve the types of experiences they offer — and the places they offer them. Retailers will only be able to keep pace if they are equipped with systems, services and data that are open, accessible and unified.

For example, associates can’t quickly check out busy customers in store aisles without a mobile device that has access to full POS capabilities, as well as inventory and customer information. Brands also will struggle to roll out pop-up shops and activations at events without these capabilities. Unifying the building blocks of experiences is the only way to be able to quickly bridge the gap between their digital and physical experiences.

2

Agility Through Microservices

Retailers across categories are looking to be embedded into consumers’ everyday lives, which means they need to be everywhere. They need to embrace social commerce. They need to seamlessly connect shopping journeys that start in one channel and need to extend fluidly into every other channel. They need to partner with events and brands that represent a similar mission or lifestyle, which means bringing commerce capabilities into new stores and store types — or even on the road.

Some of these new experiences may be raging successes and eventually become core to a brand's promise. Others, however, will likely fail. If the pandemic taught retailers anything, it's that conditions can change quickly, and retail must find new ways to keep pace. Enterprise agility allows rapid testing, learning, failing and evolving to take place.

The experts agree that microservices are critical to achieving that agility. This type of architecture is “very modern-day and powerful,” Kilcourse said. “Applications used to be heavily customized — they were more of a framework than a finished product. But these new capabilities allow retailers to assemble microservices to create access to the right business rules, data and experiences they need. It's a very different way of looking at the world.”

The rise of API-led, cloud-native solutions built with microservices has sparked a seismic shift in the way some retailers think about designing their customer experiences. Disconnecting the development of front- and back-end capabilities via discreetly defined microservices allows the rapid, customized “building” of customer-facing experiences without interrupting key back-end capabilities like order management.

3

Speed to Implementation and Innovation

Microservices support agility, and as such they also enhance speed to market. A flexible and agile architecture allows businesses to adapt faster to evolving customer needs by rolling out new services, while also iterating upon and improving those services over time.

Business leaders “want to ensure current investments and plans anticipate potential changes,” reported Emily Pfeiffer, Senior Analyst for Forrester, in the [Executive Guide 2022: Commerce report](#). “Commerce software initiatives must have the flexibility to pivot with minimal pain and expense. Many long-tenured technology leaders live with historical regrets of over-customizing solutions that then became legacy burdens. The cure, moving forward, is to optimize a future fit tech stack.”

Partnering with a vendor that is cloud native supports agility and speed as retailers strive to quickly adapt to changing consumer expectations and market dynamics. With an API-first architecture, businesses can “curate a custom suite from selected solutions, rather than building ‘from scratch,’” according to the [Forrester report](#). “New architectural approaches to software products give new hope for a unified experience that is composable, iterative and unified.”



“Commerce software initiatives must have the flexibility to pivot with minimal pain and expense. Many long-tenured technology leaders live with historical regrets of over-customizing solutions that then became legacy burdens. The cure, moving forward, is to optimize a future fit tech stack.”

— Emily Pfeiffer, Forrester

TIPS AND BEST PRACTICES FROM INDUSTRY LUMINARIES

Customer behaviors and expectations have evolved rapidly over the past two years, and that pace of change is expected to continue. While leadership teams may feel mounting pressure to implement a new platform to support unified commerce experiences, experts offered some sage advice to set retailers on the right track:

Center efforts around your core value proposition:

- Like any new investment or implementation, retailers need to focus first and foremost on their strategy. “Retailers need to understand what they want consumers to experience when they interact with the brand,” Kilcourse said. “What is your differentiating quality? What makes you stand out? Then, ask what you’re doing to make that happen and how technology helps or gets in the way of allowing you to do that. Retailers assume they know the value of the brand to consumers, but they’re almost always wrong.”

Identify current, or future, technology gaps:

- Once you determine your objectives and the experiences you need to create to differentiate your brand, determine the technical functions you need and assess your tech stack to determine if you can address these goals with your current vendors. “Technology needs assessments often result in digital businesses purchasing technology market solutions (e.g., an OMS),” wrote Pfeiffer in the Forrester report.. “However, digital business leaders shouldn’t begin the process there. Rather, they must identify the business problems they need to solve and then the tech functions that will solve them. This process should lead to specific technology markets that deliver those functions. Only then should technology evaluations begin.”

Push past buzzwords and align with the technical functions you actually need:

- In a world that is powered by marketing and selling services, it’s easy to get lost in the marketing-speak that infiltrates the mainstream. Experts interviewed for this piece encouraged teams to push past the buzzwords and techno-babble and look critically at the functions vendors *actually provide* that will provide the capabilities required to innovate and differentiate in this new era of retail.

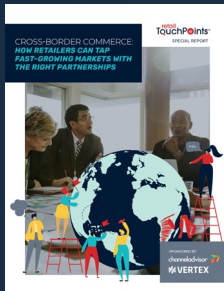
Always be sure you can deliver for the customer



“Consumers don’t respect channels; we build channels because we are organizationally minded people,” Kilcourse noted. “We [at RSR] prefer the idea of being channel-less, that it’s just retail, because consumers only care whether you can solve the problem that they have. When you think of the center of the retail universe, it is no longer a store, ecommerce site or catalog, it’s the customer.”

“There are a lot of buzzwords around commerce, but success is less about the terminology and more about whether you can deliver around the customer,” Minkara said. “If you can do all of that well, and have all the building blocks, the terminology doesn’t matter.”

LEARN MORE...



Cross-Border Commerce:
How Retailers Can Tap
Fast-Growing Markets With
the Right Partnerships



The Next Stage of Retail's
Digital Transformation:
Omnichannel Experiences and
More Agile Supply Chains



Mastering the Last Mile:
How to Build a Tech
Ecosystem That Creates Great
Customer Experiences



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.

201.257.8528

info@retailtouchpoints.com



ABOUT THE AUTHOR

Alicia Esposito, VP, Content

Alicia is an editor-turned-content marketer, with a passion for all things focused on digital-powered experiential retail.