

A NEW ERA IN RETAIL; WITH UNIFIED COMMERCE

Abstract

The retail industry is undergoing a massive digital transformation driven by the increasing demand for seamless shopping experiences, and unified commerce — a strategy that integrates online and offline channels — is emerging as a key solution. By breaking down silos and creating a unified customer journey, retailers can enhance customer satisfaction, optimise operations, and drive growth. This POV explores the potential of this strategy, the role of Digital in its implementation, and the challenges and opportunities that lie ahead.





Introduction

The retail landscape is undergoing a dramatic transformation. Gone are the days of siloed channels and disjointed customer experiences. Today's customers expect a

seamless shopping experience, whether they are browsing online, visiting a physical store, or using their mobile phones. To stay competitive, retailers must break down silos and create a unified, connected shopping journey.

The paradigm of unification

Imagine a world where your customers' online inquiries are seamlessly integrated with their in-store experience, allowing staff to recommend the perfect accessory based on purchase history, while also ensuring accurate inventory levels across all channels. This is the power of unified

commerce, which bridges the gap between online and offline shopping to provide a personalised and consistent customer experience.

Unified commerce is no longer a futuristic concept; it's a strategic imperative for retailers seeking to thrive in today's

dynamic market. By seamlessly integrating online and offline channels, retailers can deliver exceptional customer experiences, optimise operations, and drive sustainable growth.

For customers, a frictionless shopping journey

Unified commerce throws open the doors for customers to experience new levels of seamlessness, personalisation, and convenience. For instance, a customer browsing shoes online can then try them on comfortably in-store assisted by a salesperson who can see their online browsing history. Unified commerce enables retailers to offer such seamless experiences, regardless of touchpoint, through creating a single view of the customer.

Further, by unifying customer data, retailers gain a deeper understanding of individual preferences. This unlocks the door to targeted promotions, recommendations, and loyalty programs that resonate with individual customers, leading to increased satisfaction and brand loyalty. Imagine customers' receiving discount notifications for items they actually browsed for online, or in-store staff suggesting products based on their past purchases.

More importantly, with customers today increasingly placing a high value on convenience, unified commerce makes shopping a breeze through offering features like buy-online-pick-up-in-store (BOPIS) or accurate inventory information across channels.

For businesses, heightened efficiency and growth

The paradigm of unified commerce promises value not just for customers but can unlock latent efficiency and growth for businesses as well. By integrating inventory management, order fulfilment, and customer service across all channels, it streamlines back-end operations, reducing errors, improving stock accuracy, and allowing for faster order processing. This leads to scenarios where an online order can be fulfilled from the nearest store if the item is out of stock online, or a customer service representative can access

a comprehensive view of a customer's interaction history regardless of where the interaction originated.

Unified commerce can also reduce administrative costs, as managing one set of prices is less work than managing multiple prices for different scenarios. This frees up resources for other areas of the business. What is more, because a unified platform provides a holistic view of customers' and their behaviour, businesses are empowered to make informed decisions about product offerings,

marketing strategies, and resource allocations.

Moreover, in a cutthroat retail environment, a unified approach allows retailers to react swiftly to market trends and competitor actions. Businesses can leverage unified platforms to offer dynamic pricing across channels based on competitor offerings or local demand, provide convenient fulfilment options, and personalise promotions at a granular level to attract and retain customers.

A win-win proposition

In essence, unified commerce bridges the gap between the physical and digital worlds, creating a win-win situation for both businesses and customers in the ever-evolving retail landscape. However, to position themselves to thrive using the unified approach, retailers must rethink their traditional business

models. This involves breaking down silos between different departments, such as e-commerce, store operations, and marketing, to create a coherent and cohesive shopping experience.

In fact, research by Bain and Aptos reveals that a well-executed unified commerce strategy is a game-changer for retailers. A staggering 99% of retailers surveyed¹ believe it significantly impacts profitability and sales revenue. This comprehensive approach also drives numerous other benefits, including increased customer loyalty, reduced costs, and improved operational efficiency.



¹ Bain & Company. 'The State of Unified Commerce: A Bain and Aptos Study', 15 November 2023.

The key role of Digital

Generative artificial intelligence (Gen Al), augmented reality (AR), the Internet of Things (IoT), and analytics are key in unified commerce to not only captivate customers and foster unwavering loyalty, but also improve operational efficiency and drive exponential sales. Here are some ways the power of these cutting-edge digital technologies can be harnessed to craft a unified retail landscape delivering seamless, hyper-personalised, and immersive shopping experiences.



Seamless inventory management

Retailers can use Gen AI to analyse historical sales data, seasonal trends, and external factors like weather and economic indicators and thereby accurately predict demand for each product across all channels. This enables optimised inventory levels and minimised stockouts and overstocks.

Moreover, Al-driven algorithms can also automatically trigger replenishment orders based on real-time sales data, demand forecasts, and IoT sensor data from warehouses and stores. This ensures that products are always available in the right quantities at the right locations. These algorithms can also analyse factors like distance, traffic, and delivery deadlines to determine the most efficient routes for order fulfilment. To further optimise fulfilment, IoT devices in warehouses and stores can provide real-time updates on inventory levels and order statuses.





Consistent branding and messaging

Retailers can use Gen AI to develop dynamic brand guidelines and thus ensure consistency of messaging across all channels. They can also deploy it to analyse existing brand assets and identify potential inconsistencies towards ensuring a unified brand identity.

Al can also be leveraged to analyse customer data and tailor hyperpersonalised marketing messages at scale. These highly personalised campaigns that resonate with each customer will greatly increase engagement and conversion rates. Further, by utilising Al to monitor social media and customer reviews in real-time, brands can identify and address negative sentiment promptly, mitigating potential crises and enhancing customer satisfaction.





Personalised shopping experiences

Al can generate highly personalised product recommendations based on customer behaviour, purchase history, and preferences. Retailers can also harness its power to dynamically adjust product prices based on customer behaviour, market trends, and competitor pricing; and develop personalised loyalty programs tailored to individual customer preferences.





Mobile-first approach

With an Al-powered mobile app, retailers can create personalised experiences within the mobile app through offering tailored recommendations and content. They can also integrate Al-powered chatbots into the app to provide instant customer support and answers to queries. Al can also help optimise the mobile app itself as well as related marketing efforts through using analytics to predict customer behaviour on mobile devices.



In-store technology

Retailers can enhance the in-store experience of customers by using AR and IoT to provide interactive product demonstrations and virtual try-ons. They can also attach RFID tags to products to track their location and movement within the store, and use AI to deliver personalised offers and recommendations to customers as they walk around the store.



Integration of channels

Businesses can leverage Al to create a unified omnichannel platform that seamlessly integrates data from different sales channels, providing a comprehensive view of customer behaviour and preferences. This unified customer view can go a long way towards creating personalised customer journeys and optimised experiences across all channels.



Dealing with extant challenges

Despite the significant benefits, implementing a unified commerce strategy can present several challenges for retailers:

Technological complexity

Integrating disparate systems like POS, e-commerce, and inventory management, and ensuring seamless data flow and real-time updates across channels, can be complex.

Organisational silos

Overcoming departmental barriers, fostering collaboration, and aligning teams like e-commerce, store operations, and marketing is crucial for a unified customer experience.

Evolving customer expectations

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Security and privacy concerns

Protecting sensitive customer data, adhering to strict data privacy regulations, and ensuring the security of data across multiple channels is crucial.

Balancing standardisation and flexibility

Striking the right balance between standardised processes and personalised experiences is key to success. Overly standardised processes can limit adaptability to specific customer needs and market trends.

By carefully addressing these challenges, retailers can unlock the full potential of unified commerce and gain a competitive edge in the market. Towards this, they are increasingly recognising the value of leveraging third-party technology solution to drive their unified commerce strategies. 85% of them are already using some thirdparty solutions while half plan to use thirdparty solutions in the future, compared to only 15% who plan to build in-house solutions2. It's clear that the complexity

of building and maintaining in-house solutions, coupled with the rapid pace of technological advancements, have led most to opt for a "buy" rather than "build" approach.

The bottom line: undoubtedly, the future is unified

Unified commerce is more than just a trend; it is a strategic imperative for retailers seeking to thrive in the digital age. By creating seamless, personalised shopping experiences, leveraging advanced technologies, and overcoming implementation challenges, retailers can unlock its full potential and build a strong foundation for future success.

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² Bain & Company. 'The State of Unified Commerce: A Bain and Aptos Study', 15 November 2023.