Whitepaper

Mastering unified commerce: Presenting the retail opportunities
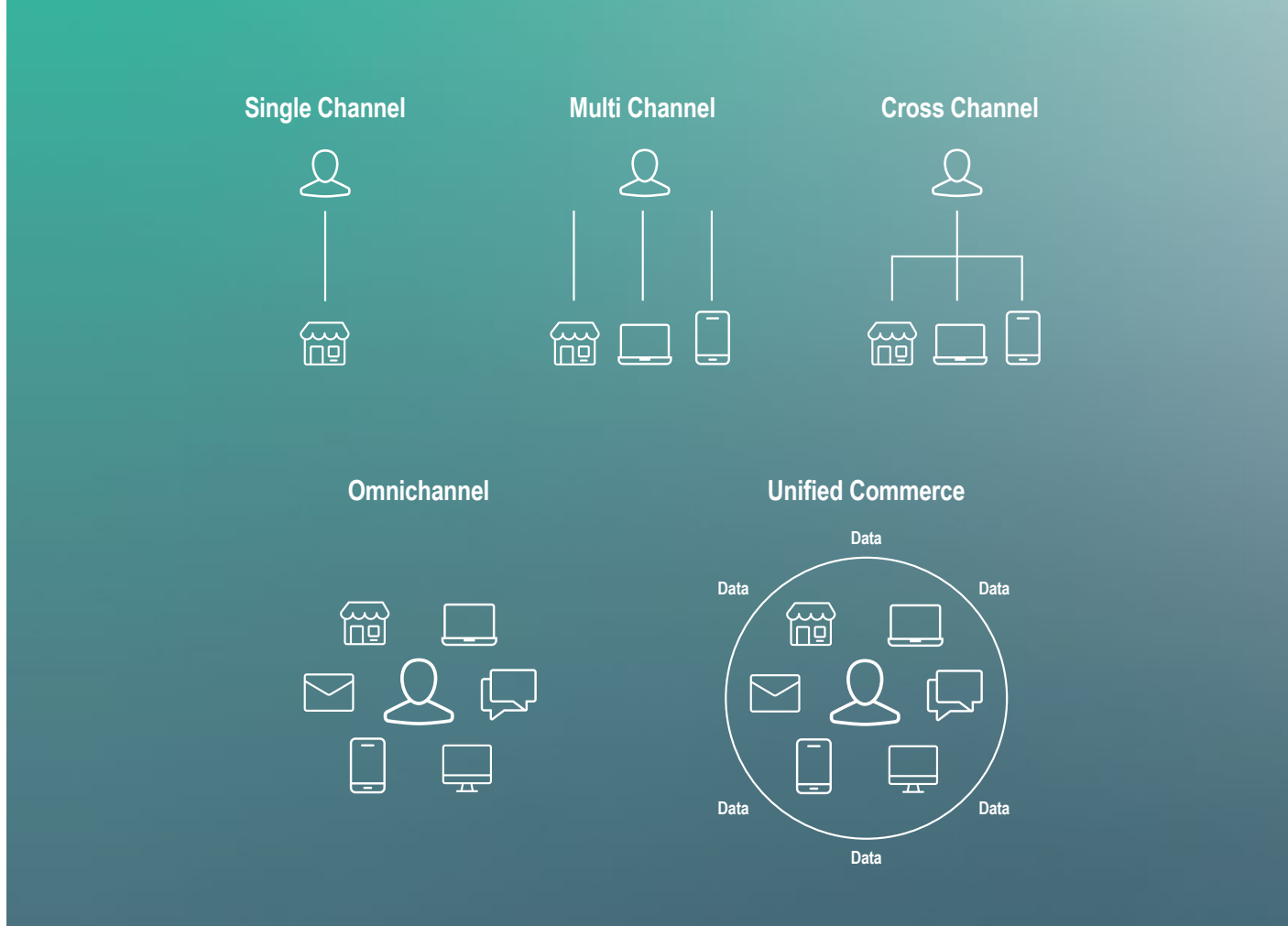
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Introduction

At a stage where digital transformation is more than a fleeting trend, the retail sector faces pivotal decisions.

The retail sector is undergoing rapid transformation, driven by technological innovation and evolving consumer preferences. This whitepaper, brought to you by Fiftytwo, seeks to clarify the transformative power of unified commerce in today's retail world.

Moving past industry buzzwords, unified commerce offers a fundamental change in retailer-customer interactions. It is more than just a line item on a digital strategy – it is a comprehensive approach that has the capacity to significantly enhance the retail experience from start to finish.

Our goal with this whitepaper is to break down the complexities of unified commerce, explore its technological foundations, and explain why it is the logical next phase in the digital transformation of retail. We offer a practical guide for retailers, complete with actionable insights supported by up-to-date data.

Single Channel   Multi Channel   Cross Channel

Omnichannel   Unified Commerce

Data   Data   Data   Data   Data   Data

Unified commerce: Defining the future of retail

What is unified commerce?
Unified commerce is an integrated approach that unifies all elements of retail operations, from inventory and order management to customer engagement, across all channels and touchpoints. Unlike multichannel or omnichannel strategies, unified commerce leverages a single, centralized platform, providing a cohesive, real-time view of business operations. This approach is vital for delivering a seamless, consistent, and personalized customer experience.

The essence of unified commerce lies in its holistic nature. It's about creating a synergy between different operational areas, each powered by specialized solutions. This is where the 'best of breed' approach comes into play. By selecting the most capable solutions for each component of the retail operation, businesses can assemble a system that excels in

every area. Whether it's POS systems, inventory management, or customer relationship tools, the key is to choose solutions that best meet the specific needs and challenges of each area. This shift marks a departure from the traditional multi-channel approach, where separate solutions were used for different sales channels. In unified commerce, all channels converge into a single platform, transforming them into various customer touchpoints within a unified system.

In this way, unified commerce is not just about technology integration, but about strategically selecting solutions that work together harmoniously to enhance the entire retail ecosystem. This strategy not only streamlines operations but also creates a more engaging and satisfying experience for the customer, which is the ultimate goal of any retail strategy.

The development of retail strategies

The retail industry has undergone significant transformations over the years, evolving from traditional brick-and-mortar stores to the complex, multi-platform ecosystems we see today. Below is a brief overview of how retail strategies have evolved, setting the stage for the emergence of unified commerce.

The phase of single-channel retail

In the early days, retailers operated solely through single channels – either a physical store or a mail-order catalog. While this approach was straightforward, it limited the retailer's reach and offered little room for customer data collection.

Transition to multichannel

As technology advanced, retailers expanded their operations to include multiple channels, such as online stores, mobile apps, and even social media platforms. However, each channel functioned in isolation, leading to fragmented customer experiences and operational inefficiencies.

Adoption of cross-channel

Cross-channel retail refines the multichannel approach by connecting various platforms. This allows for a more coordinated and consistent customer experience. For example, a product bought online can be returned in-store, and gift cards are usable across channels.

The rise of omnichannel

Recognizing the limitations of multichannel retail, the industry shifted toward an omnichannel approach. This strategy aims to provide a seamless customer experience by integrating various sales channels. Despite its promise, the omnichannel approach often faces challenges related to data inconsistencies and integration complexities.

Arrival of unified commerce

Unified commerce represents the culmination of years of retail evolution. Building on the foundations laid by single-channel, multichannel, cross-channel, and omnichannel strategies, unified commerce takes it a step further by centralizing all operations on a single platform.

At its essence, unified commerce is not just a strategy but a retail ecosystem. It is an integrated approach that unifies every element of retail operations, from inventory and order management to customer engagement across all channels and touchpoints. Unlike its predecessors, unified commerce operates on a single, centralized platform, providing real-time data and analytics that are crucial for delivering a personalized customer experience.

How it differs from other commerce types like omnichannel, multichannel, etc.

While the terms multichannel and omnichannel have been part of the retail lexicon for years, they do not offer the same level of integration that unified commerce does. Multichannel retailing often results in siloed operations, where each channel functions independently. Omnichannel retailing sought to improve this by providing a consistent experience across channels but can fall short due to data discrepancies and integration challenges.

Unified commerce solutions take this strategy a step further by unifying the back-end systems of your business, bringing all your data into a centralized platform with a unified tech stack.

Adopting unified commerce is more than just a tech update; it is a comprehensive overhaul of retail operations. It requires a comprehensive approach that encompasses technology, personnel, and business strategy, all aligned to meet the evolving needs of the modern consumer.

The technological backbone of unified commerce

Importance of real-time data

In modern retail, data serves as a critical factor influencing decision-making, customer engagement, and profitability. But not just any data will do. In the age of unified commerce, real-time data is the gold standard. It provides a continuous stream of actionable insights, allowing retailers to make swift, informed decisions. Whether it is inventory management, personalized marketing, or customer service, real-time data ensures that all retail operations are synchronized and up to date.

Investment in unified commerce varies among retailers, as shown in the pie chart. The data is sourced from the Adyen Retail Report 2023.

With 17% of retailers already heavily investing and another 33% in the process, the industry is clearly

recognizing the value of real-time data and integrated retail solutions. Most telling is the 39% of retailers who are actively considering making the leap.

This is a crucial time for the retail industry. Those who hesitate risk falling behind as the 'unified commerce train' gains momentum. The benefits of real-time data in enhancing customer engagement, streamlining operations, and boosting profitability are too significant to ignore.

If you are among the 39% still considering, now is the time to move from contemplation to action. The future of retail is unified, and it is unfolding in real-time. Do not be left on the platform as the train pulls away.

39% Considering investing

11% Not specified

17% Heavily investing

33% Currently investing
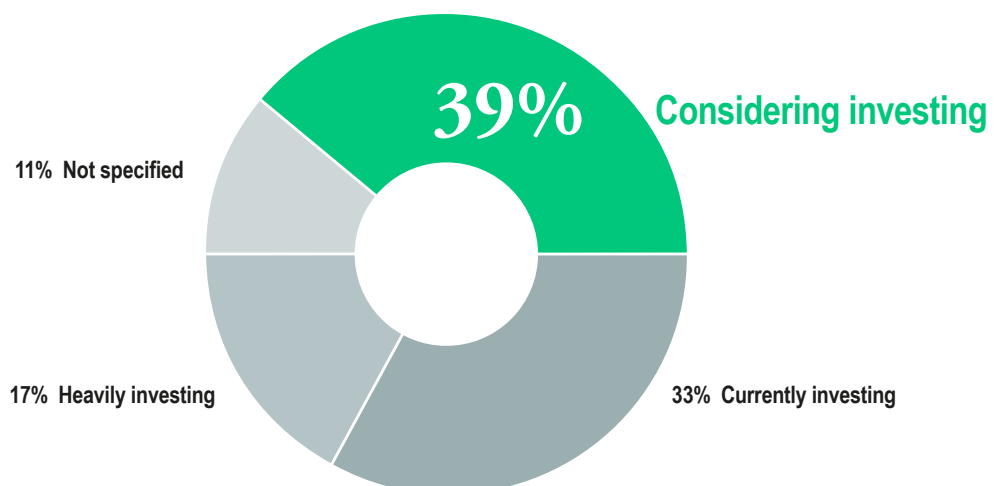
Software solutions that enable unified commerce

The unified commerce market presents a variety of software solutions, each with specific strengths. Adopting a 'best of breed' strategy is often the most effective choice for businesses. This approach involves selecting the top solutions in their respective fields to create a well-rounded and integrated platform with a unified tech stack. Fiftytwo is at the forefront of this strategy with its specialized POS systems, which play a crucial role in the unified commerce ecosystem. Our focus on POS excellence ensures seamless integration, enhancing key aspects like sales processing and customer interactions. Combining Fiftytwo's top-tier POS solutions with other expert systems builds a robust and comprehensive unified commerce platform, providing businesses with a complete and efficient retail management solution.

Security and compliance considerations

As retail operations become more integrated, the need for robust security measures has never been greater. A single breach can compromise the entire system, putting customer data and financial assets at risk. Compliance with data protection regulations is not just a legal requirement but a critical component of customer trust. Unified commerce platforms must, therefore, offer robust security features, including data encryption, multi-factor authentication, and regular security audits, to ensure that both data and customer trust are well-protected.

The business case for unified commerce

ROI and other financial metrics

Transitioning to unified commerce is not just about adopting new technology; it is a financially strategic move supported by hard data. Retailers who have made this shift report significant improvements in key performance indicators such as customer lifetime value, average order value, and net promoter scores.

These are not just numbers on a spreadsheet; they translate into real financial benefits. Unified commerce should not be seen as a mere cost but as a strategic investment that offers both immediate and long-term returns. The financial benefits gained from increased sales and operational efficiency more than make up for the initial investment.

By implementing unified commerce, retailers gain the tools to respond effectively to market shifts and consumer behavior, positioning themselves for sustainable growth.

Consumer perspective on unified commerce

Today's consumers demand convenience, personalization, and real-time updates. Unified commerce meets these expectations by offering a seamless experience across various retail channels. Such an approach not only enhances the quality of the customer journey, but it also cultivates long-term allegiance to the brand.

Consumer trust is equally important. Shoppers need assurance that their data is secure and used responsibly. Therefore, robust security measures and transparent data usage policies are essential components of a consumer-centric unified commerce platform.

By focusing on consumer attitudes and expectations, retailers can better tailor their unified commerce strategies, thereby positioning themselves for sustainable growth.

Organizational readiness

Before adopting unified commerce, retailers need to thoroughly evaluate their organizational preparedness. This involves conducting a comprehensive evaluation of their current systems, existing processes, and even the skill sets of the workforce that will be involved in the transition. One of the challenges organizations face is the dependency on legacy systems.

A key tool in this evaluation is a gap analysis, which can offer valuable insights into identifying the gaps and discrepancies between the current state and the desired state of unified commerce implementation. This analysis not only pinpoints areas that require improvement but also helps in prioritizing tasks and allocating resources effectively.

This preparatory phase holds immense significance in the unified commerce journey. It serves as the foundation for the entire implementation process, laying out a clear roadmap for retailers. By addressing organizational strengths and weaknesses upfront, businesses can proactively identify and mitigate common pitfalls and challenges that may arise during the transition. Such comprehensive preparedness is essential for ensuring a smooth and successful implementation.

GLOBAL INSIGHT

Many organizations are in the process of replacing legacy systems to achieve flexibility and unification across all platforms.
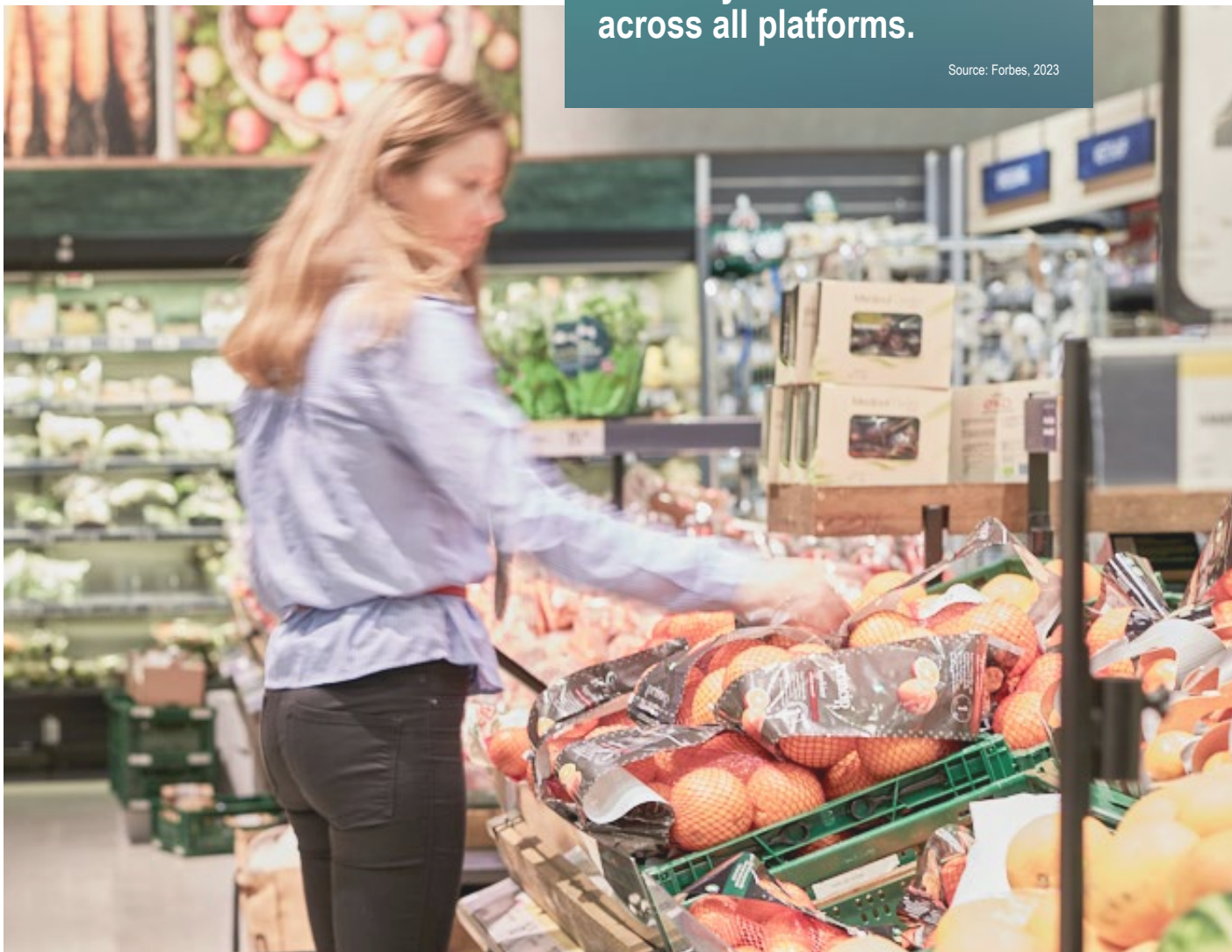
Source: Forbes, 2023

# Steps for successful implementation

Switching to unified commerce is a strategic shift that demands a high degree of precision in planning, execution, and ongoing management. To navigate this complex journey successfully, consider the following key steps:

Step 1: Select the right technology partners
Choosing the right technology partners is crucial for the success of your unified commerce strategy. These partners should offer more than just necessary software solutions; they should also bring expertise and comprehensive support. The integration of specialized solutions contributes to a smoother transition and a more effective retail management system, ensuring a robust unified commerce setup.

Step 2: Integrate seamlessly with existing systems
Unified commerce aims to unify all retail operations. This requires harmonizing the new systems and technologies with pre-existing systems. The ability to access and utilize data across the entire retail ecosystem hinges on this integration.

Step 3: Upskill your staff
Implementing a unified commerce system often introduces new tools and processes. Employees will need to acquire the necessary skills to operate and manage the new platform efficiently. Training and development initiatives should be an integral part of the transition plan.

Step 4: Establish a well-defined project timeline
To maintain clarity and direction throughout the implementation process, it is crucial to establish a well-defined project timeline. This timeline should include clear milestones and key performance indicators (KPIs) to measure progress and success at each stage.
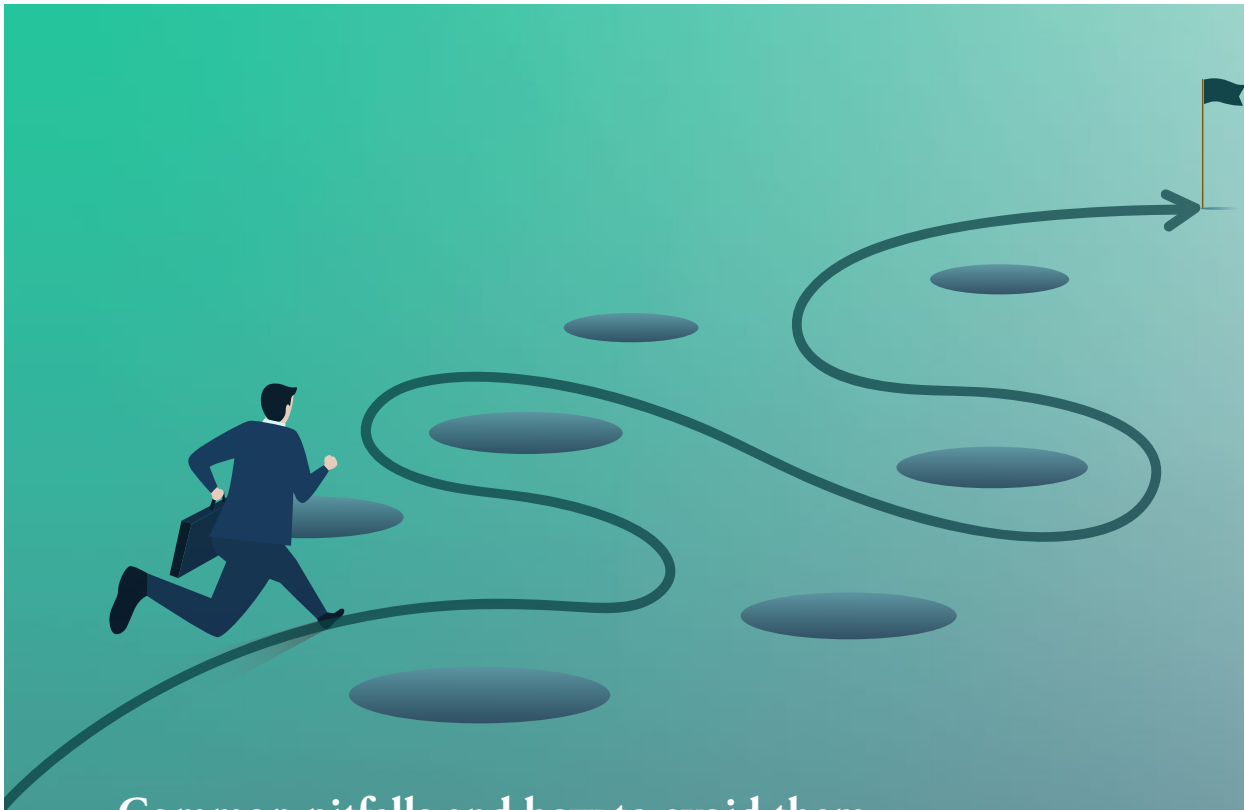
Common pitfalls and how to avoid them

Although unified commerce offers clear advantages, implementing it successfully comes with its own set of challenges. These challenges often manifest as common pitfalls that retailers must be prepared to address.

The existence of data silos

In many retail organizations, data is scattered across various departments and systems, making it difficult to gain a unified and real-time view of operations. These silos can hinder decision-making and prevent the seamless flow of information across channels. To overcome this challenge, retailers must invest in data integration solutions that break down these silos and enable a holistic view of data.

Inadequate staff training

As unified commerce often involves the adoption of recent technologies and processes, it is imperative that employees are adequately trained to use and manage these tools effectively. Without proper training, staff may struggle to leverage the full potential of the unified commerce system, which can hinder its success. Retailers should prioritize comprehensive training programs as part of their implementation strategy.

Poor system integration

If the unified commerce platform does not seamlessly integrate with existing systems, it can lead to data inconsistencies, operational inefficiencies, and a bad customer experience. Retailers must ensure that their chosen technology partner possesses the expertise to manage the intricacies of system integration. A well-executed integration strategy is vital for the success of the unified commerce initiative.

It is crucial to emphasize that these challenges are not insurmountable obstacles. With meticulous planning, initiative-taking measures, and a clear understanding of potential pitfalls, retailers can anticipate these challenges and effectively manage them. Proper planning significantly reduces the risks associated with implementation and minimizes the likelihood of post-launch issues. By addressing these challenges head-on, retailers can position themselves for success in the unified commerce landscape.
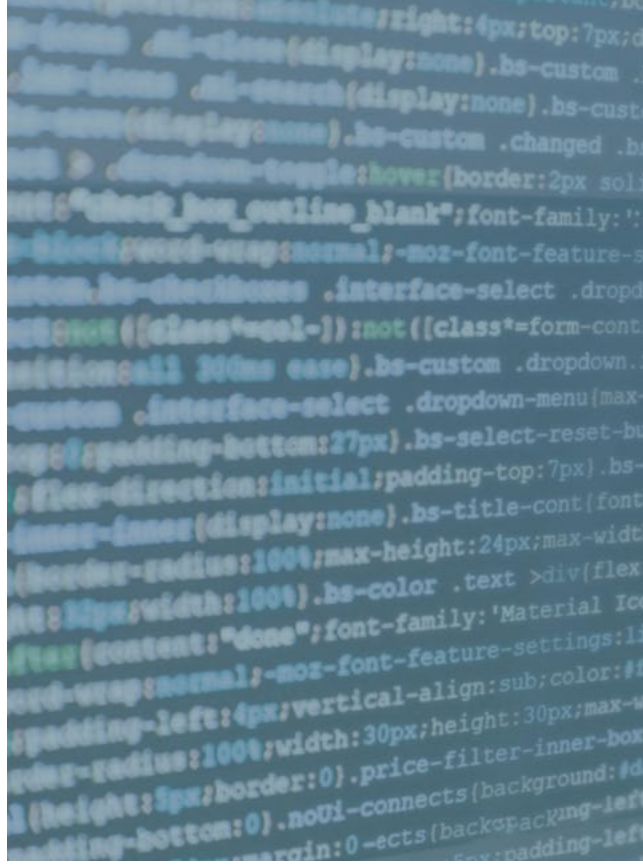
Future trends in unified commerce

AI and machine learning: Key drivers for innovation
Artificial intelligence (AI) and machine learning are more than just industry buzzwords; they are the backbone of modern retail. These technologies facilitate predictive analytics, enable personalized marketing, and automate customer service. Retailers leveraging AI and machine learning within their unified commerce frameworks are better positioned to adapt to ever-changing consumer behaviors. For example, machine learning algorithms sift through customer data to curate personalized shopping experiences. Meanwhile, AI takes over routine tasks, allowing human staff to focus on complex, value-added activities. These technologies also extend to inventory management, where predictive analytics can accurately forecast stock levels, thereby reducing overhead costs.

IoT and smart retail: Bridging physical and digital
The Internet of Things (IoT) is significantly transforming the retail sector by seamlessly connecting the physical and digital realms. Innovations like smart shelves, interactive kiosks, and augmented reality fitting rooms are becoming increasingly prevalent. These technologies

not only elevate the customer experience but also furnish retailers with invaluable data for their unified commerce platforms. For instance, smart shelves can alert staff about low inventory levels, ensuring constant product availability. To make the most of IoT, retailers need a robust data infrastructure capable of handling real-time analytics.

Sustainability: An emerging factor in competitive advantage
As environmental consciousness rises among consumers, sustainability is no longer optional – it is a necessity. Unified commerce platforms that include sustainability metrics, such as carbon footprint estimations or ethical sourcing data, gain a competitive advantage. This focus on sustainability not only benefits the planet but also attracts a customer base committed to responsible consumption. To integrate sustainability into your unified commerce strategy, consider adopting eco-friendly practices throughout your supply chain and offering carbon offset options at checkout.

Fiftytwo's approach to unified commerce: A journey of collaboration

Fiftytwo's approach to unified commerce is centered around a 'best of breed' philosophy. We understand that unified commerce is not just a goal but an evolving journey where technology meets retail strategy. As a collaborative partner in this journey, Fiftytwo offers innovative tools and profound expertise that elevate the industry. Our commitment is to deliver versatile solutions that not only integrate effortlessly with existing systems but also excel in their specific areas, supporting your unique unified commerce strategy.

52MASTERPRICER: The dynamic pricing core

At the heart of Fiftytwo's unified commerce strategy, the 52MASTERPRICER acts as a dynamic integration hub, essential for connecting diverse retail components. This engine enables the seamless interplay between pricing and promotions across various sales channels and touchpoints, including in-store, online, or through mobile devices. It's designed to ensure unified commerce operations are always synchronized, offering real-time responsiveness, whether as a standalone system or within a broader ecosystem.

52ViKING: The POS and MPOS bridge across channels

52ViKING functions as both a versatile traditional POS and a mobile POS (MPOS), adaptable to in-store, online, and mobile device environments. Its integration with the 52MASTERPRICER or as an independent system provides centralized control of pricing and data, enhancing the retail experience across multiple channels. This demonstrates Fiftytwo's commitment to flexible POS solutions, critical in a unified commerce framework.

Back-office systems: Enhancing operational synergy

Fiftytwo's back-office solutions are engineered to enhance operational efficiency, ensuring seamless integration within the retail management system. These solutions contribute to a streamlined commerce experience, providing robust infrastructure for a data-centric and efficient approach to managing retail operations. Their design supports effective management across local store levels, reinforcing the overall efficacy of Fiftytwo's unified commerce strategy.

Expanding horizons: 52UNATTENDED and innovative retail engagement

52UNATTENDED offers self-service options, meeting the demand for autonomy and convenience in the retail space. Independent of the 52ViKING POS system, it provides retailers the versatility to engage customers beyond conventional boundaries and operational hours.

Beyond a provider: An ally towards unified commerce

As more than just a solutions provider, Fiftytwo is a partner in the unified commerce journey, embracing a 'best of breed' strategy. Collaborating closely with our customers, we navigate the complexities of retail, offering flexible, integrated solutions tailored to each retailer's unique needs and challenges.

Summary of key takeaways

Unified commerce represents a lasting change in the retail sector, rather than a passing fad. By integrating various channels into a single, cohesive platform, retailers can offer a seamless and enriched customer experience. The adoption of cutting-edge technologies like AI, machine learning, and IoT amplifies the benefits, positioning unified commerce as the future of retail.

To maximize the impact of your unified commerce strategy, focus on delivering a seamless customer experience across all touchpoints, leveraging real-time data for personalized interactions, and investing in technologies that drive operational efficiency. An integral part of this strategy is choosing a proficient POS provider, like Fiftytwo, who can offer advanced POS solutions that enhance your sales and shopping experience with a unified solution across all your sales channels and touchpoints, be it in-store or online. Fiftytwo's expertise in POS systems plays a pivotal role in ensuring a consistent and high-quality customer interaction across all retail channels.
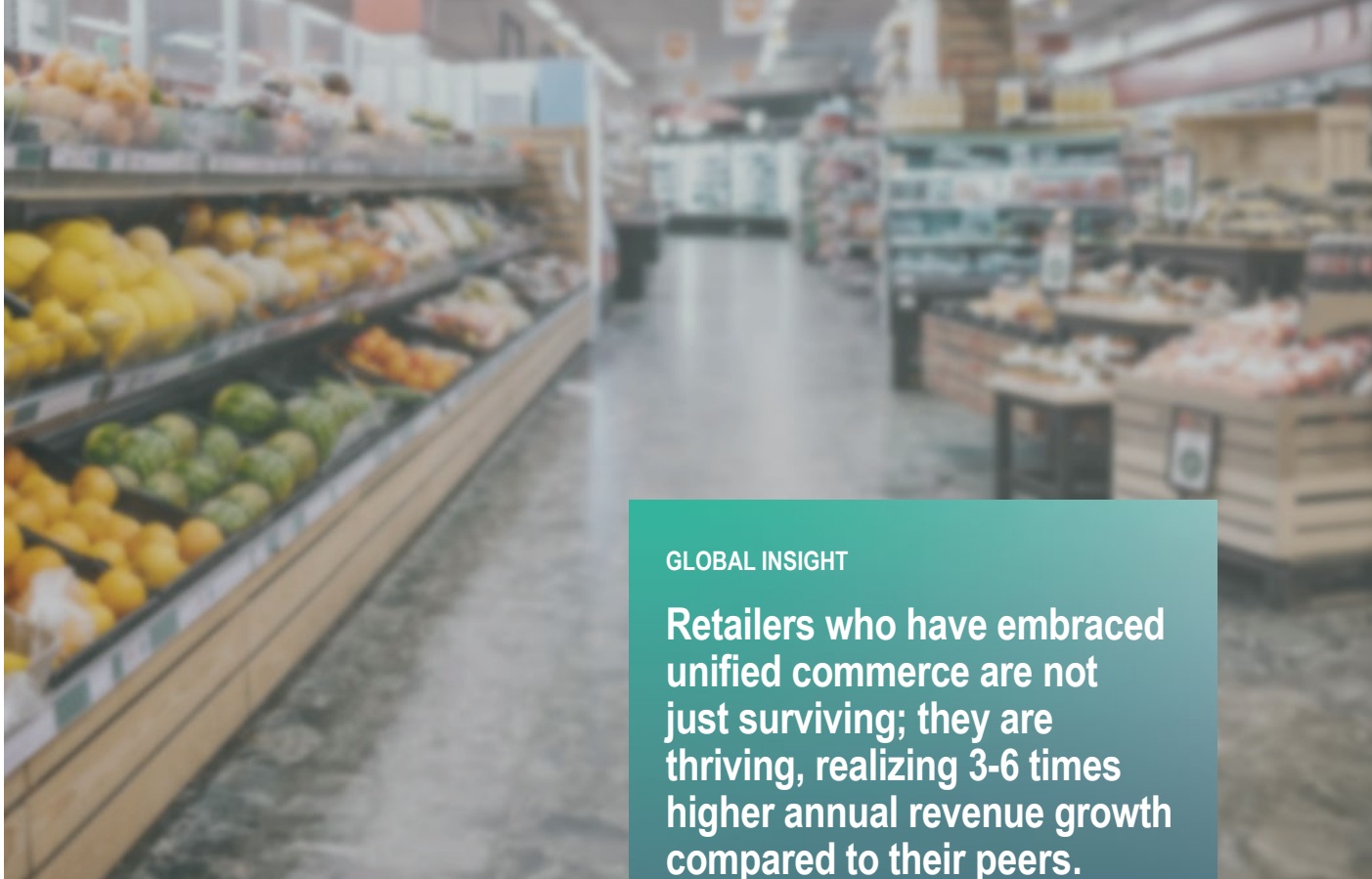
GLOBAL INSIGHT

Retailers who have embraced unified commerce are not just surviving; they are thriving, realizing 3-6 times higher annual revenue growth compared to their peers.

Source: Google Cloud Blog, unified commerce Benchmark for Specialty Retail 2023

Final thoughts: Your roadmap to unified commerce success

As we wrap up this guide, the retail sector is in a state of constant transformation. Unified commerce is not just a trend; it is the future of retail. The time to act is now. Here are the immediate steps you need to consider for a successful transition:

1. **Assess your organizational readiness:** Evaluate your current systems, processes, and workforce skills to identify gaps. A thorough assessment will help you allocate resources effectively.

2. **Choose your technology partners wisely:** Fiftytwo offers comprehensive solutions and ongoing support. Your partner should not just offer a software solution but also expertise throughout the implementation process.

3. **Focus on seamless integration and real-time data:** Ensure that your unified commerce platform can integrate smoothly with existing systems. These are the cornerstones of unified commerce, providing a unified view of data across all retail operations.

4. **Invest in staff training:** Equip your team with the necessary skills to make the most of your new platform. Staff training is crucial for efficient operation and management.

5. **Establish a well-defined project timeline:** Include clear milestones and key performance indicators (KPIs) to measure progress and success at each stage.

6. **Regularly review and update your strategy:** The retail landscape is ever-changing. Keep your unified commerce strategy flexible to adapt to new trends and technologies.

With Fiftytwo as your technology partner, you are not just adopting a new platform; you are investing in a future-proof retail strategy. Your journey to unified commerce starts now, and Fiftytwo is with you every step of the way. Let us build the future of retail together.

Glossary of key terms in unified commerce

52MASTERPRICER: A centralized basket calculator from Fiftytwo that ensures seamless integration of prices and promotions across various sales channels.

52UNATTENDED: An innovative unattended shop solution from Fiftytwo.

52ViKING: A robust point of sale system from Fiftytwo that connects various sales channels and interfaces with generic POS systems.

Artificial intelligence (AI): Machines engineered to emulate human cognitive abilities like learning and problem-solving.

Average order value (AOV): The usual sum a customer spends in a single transaction.

Blockchain technology: A secure, decentralized digital ledger for transparent transactions.

Brick-and-mortar: Physical retail locations where customers can shop in person.

Click-and-collect: A service that lets customers order online and pick up in-store.

Cloud computing: Providing computing resources like servers and storage via the cloud.

Consultancy services: Bespoke strategies and insights provided by Fiftytwo to fine-tune operations and achieve unified commerce goals.

Cross-channel: Coordinated interactions across multiple retail platforms.

Customer journey: The total set of experiences a customer has with a brand.

Customer lifetime value (CLV): The estimated financial contribution of a customer over the length of their relationship with a business.

Customer relationship management (CRM): Techniques and tools for managing customer interactions and data.

Customer touchpoints: Various ways customers engage with a brand, such as through apps or in-store.

Data-driven customer engagement: A strategy by Fiftytwo that uses real-time data to gain insights into customer preferences and behaviors.

Data encryption: Transforming data into a secure format to block unauthorized access.

Data integration: Merging data from diverse sources to offer a unified view.

Data silos: Isolated data repositories not accessible to other organizational units.

Digital transformation: Comprehensive adoption of digital tech to improve business operations and customer value.

E-commerce: Online buying and selling of goods and services.

Emerging trends: Up-and-coming technologies or practices expected to become significant.

Fiftytwo: A technology solutions company specializing in unified commerce and data-driven retail services. Founded in 1952, they focus on enhancing customer loyalty and boosting sales.

Internet of things (IoT): A network of physical objects with embedded sensors for data exchange.

Inventory management: Overseeing non-fixed assets like inventory and stock.

Key performance indicators (KPIs): Measurable factors used to assess business effectiveness.

Machine learning: A specialized area within AI that empowers systems to adapt and learn from data.

Microsoft Dynamics: Business applications from Microsoft that offer solutions for CRM and ERP.

Microsoft PowerBI: A business analytics tool integrated with 52MASTERPRICER for data visualization and business intelligence.

Mobile POS (MPOS): A portable point of sale system, such as Fiftytwo's 52ViKING MPOS, operated through mobile devices. It allows for flexible customer service and transaction processing in various retail environments.

Multichannel: Retail activities across multiple independent platforms.

Multi-factor authentication (MFA): A security measure requiring multiple authentication methods.

Net promoter score (NPS): A metric for evaluating customer loyalty.

Omnichannel: A unified customer experience across multiple platforms.

Payment gateway: Technology for processing digital transactions.

Personalization: Using data to tailor messages or product recommendations to individuals.

Point of sale (POS): The location and moment a sales transaction is finalized.

Real-time analytics: Immediate data analysis upon entry into the system.

Real-time inventory: Instant data on stock quantity and location.

Real-time synchronization: The continuous updating and aligning of data and operations across various channels and systems for consistent, up-to-date interactions.

Return on investment (ROI): A ratio indicating the financial return relative to the investment cost.

Seamless experience: Uninterrupted customer interaction across all touchpoints.

Single channel: Retail activities limited to one platform, either physical or digital.

Supply chain: The interconnected system for creating and selling a product.

Sustainability metrics: Measures for assessing an organization's sustainability performance.

Technological backbone: The core tech infrastructure supporting seamless integration and data flow in unified commerce.

Tech stack: The set of technologies that a company uses to build and run its software applications. In unified commerce, it refers to the integrated technologies used for managing retail operations, such as POS systems and customer engagement tools.

Unified commerce: An integrated customer experience backed by real-time analytics.

Let's talk unified commerce!
Interested in exploring diverse solutions for your business?
Contact our expert, Søren Brammer Riis, for a tailored discussion on how Fiftytwo's unified commerce solutions can meet your specific business needs.

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We deliver innovative software solutions that increase customer loyalty and boost sales figures.

Let's make it count.

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