



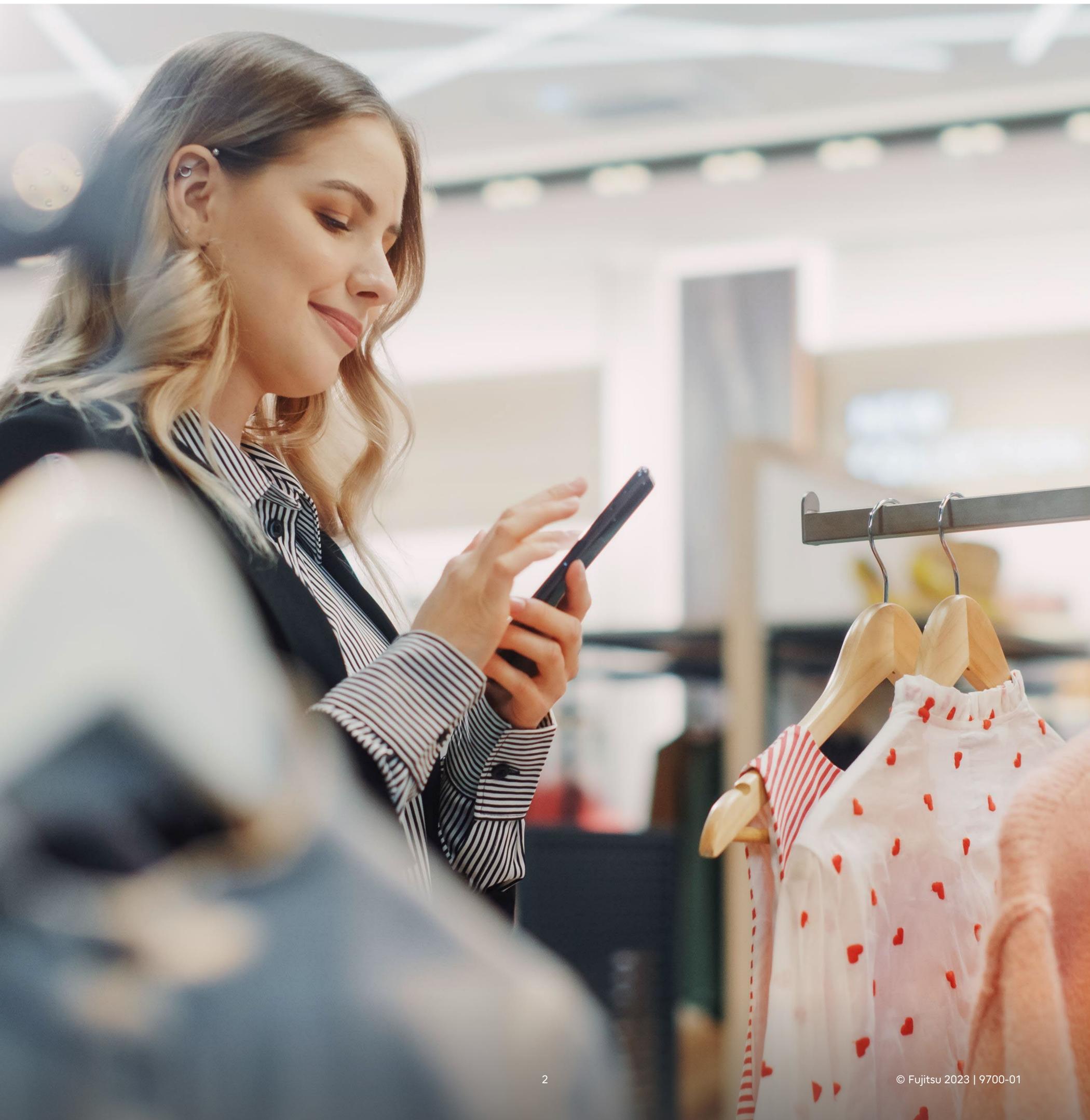
# A guide to understanding the value of unified commerce



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Unified commerce probably seems like an obvious concept but for a long time, a unified, consistent experience was trumped by the desire to enable new and interesting channels. Retailers added and retired channels as fast as new sneakers dropped. The point was to improve yield from channels and manage the cost to serve – e.g., the unit cost of facilitating a transaction. This is, at least, the obvious reason. The truth is that many retail businesses add new channels because they are driven by the idea that these channels will drive differentiation, utility, and sales but many of these new channels are simply experiments and often customer behaviour does not pan out the way retailers believe it will.

The experience across channels is inconsistent and retailers ask customers to invest time into learning a new mode of interaction and this is an investment which consumers are often unwilling to make. As such, these channels end up being overcapitalised. They take investment from other, potentially better options and the reduce the willingness of the retail business to try innovation again – even though it is only through consistent innovation that retailers survive.





COVID-19 drove two key factors which changed the environment. Direct-to-consumer surged because it was a way of getting specific items delivered directly. It also allowed brands to have a customer relationship, collect data, and market directly without having to exist in a house of brands environment—e.g., grocery, pharmacy and health and beauty, and many other distributor brand retail businesses. The other factor was that businesses that had no ecommerce or delivery capability quickly enabled themselves with readily available SaaS tools and they re-invented themselves as online businesses. Restaurants, producers and manufacturers, boutique stores all “transformed” almost overnight. Post-COVID-19 also had rising inflation to deal with so buying behaviour focused on value and any friction in the buying process saw consumer seek out cheaper, faster, or better alternatives. Marketing was fast becoming a science and with the introduction of AI, that science is close to magic now.

The technology and capability required to manage pre-sale (the marketing channels with which customers tend to start their journeys; Google, Amazon, Instagram, Pinterest, Voice Search, AI prompted search, maps, AR, metaverse and other emerging channels – see Hu.ma.ne’s AI pin) was increasingly complex and retailers needed to decide about what business they were in. Were they retailers utilising technology to sell products or a technology business that specialised in technology-managed (and potentially completely automated) acquisition, conversion, retention, and reacquisition that happened to also sell some products?



**This confusion about business models often led retailers to create their own heightened propensity for disruption. So specific to requirements about core operating software for retail business there are some questions which retailers need to ask:**

1. How is a **unified commerce** PoS solution differentiated from traditional PoS?
2. Has your business experienced these challenges in the use of “traditional” PoS?
  - Lack of integration ease
  - No APIs or not an API led system
  - Cost to integrate other systems and tools is high
  - The requirement for bespoke integration
    - Cost of development for bespoke interfaces is high
    - Technical debt driven by bespoke interfaces becomes problematic
    - IP held in specific resources as a risk
    - Continued cost to maintain these bespoke interfaces
    - Relevance of bespoke interfaces relative to changing customer behaviour and operational evolution – e.g., a false economy is created by only specifying interfaces for the current problem
  - **Forced systemisation** – e.g., the control that a vendor has over the addition of aligned functionality (which for PoS software is almost every retail function)
  - Cost and feature set of key aligned functions
    - Personalisation – because true personalisation relies on many different types of data, the cost to enable an evolvable system is higher for traditional PoS unless a specific add
    - Compromised functions of “easy” to add features
    - Loyalty features cannot be evolved to meet changing behaviour and customer expectations of loyalty
    - Establishment of customer data platform
    - Alignment of sales with inventory consumption, restock and other mission-critical retail functions



**If you have experienced any of these challenges due to using a closed system, how did that impact your RoI and growth potential? The RoI that retailers should expect from the utilisation of a unified commerce system are as follows:**

1. Incremental channel addition and removal cost – e.g., it is far easier to experiment, pilot, PoC and fully utilise new retail channels and offer a consistent experience as opposed to just the ability to transact
2. Compliance is easier to manage and maintain – e.g., hard-coded compliance is expensive to manage and expensive to enable audits
3. Unified experience enables many more channels which increases yield (revenue, productivity, efficiency) and reduces the unit economics of a purchase. It also provides a unified experience which means that the customer and retailers have the same access to event data to utilise to reduce friction and improve the utility of a specific transaction
4. Less requirement for teams of coders and integrators
5. Less requirement for external support from PoS vendor
6. PoS is the gateway to almost all other functions so API led is both desirable and more cost effective – especially in rapidly evolving omni channel environment
7. Provided the right architectural paradigm is chosen, revenue uplift, cost reduction and greatly enhanced customer and staff experiences

Unified commerce seems like one of several options today, another way to provide the operating connectivity to a retail business but it will quickly become an expectation for customers. Customers expect that you know that they are the person who bought online and are the same person now standing in the store. Customers expect intuitive personalisation. This means that you know what I buy for myself, and you know when I am buying stuff for other members of my family or gifts. There are literally thousands of calls to action which can be utilised and with hyper personalisation these calls to action will increase by many multiples. Personalisation and loyalty need to be consistent, but they also need to be relevant to the context and purpose of the specific channel.

Often retailers want to retrofit a single model into a new channel and in doing this they increase friction as opposed to enabling a high utility self-service channel. The WHY of every decision needs to be clearly understood because consumers shop with their phones in their hand and digital tools provided by the tech companies enable a more personalised experience (because that is their core business). These top of the funnel tools also provide enhanced decision support because if they can acquire and convert a customer then the advertising value of that customer is much higher. A unified commerce system gives retailers back the opportunity to provide experiences which assist the customer, are consistent, low friction and hopefully, fun. All these factors combine to reduce reacquisition costs as well.





The potential commercial benefits of unified commerce are derived in the form of improved experiences, the ability to add and remove channels and optimise those channels which are the most used and often more efficient to operate. For staff, unified commerce provides them with the same access to data which makes in-store experiences a hybrid experience. Staff can use digital tools powered by the unified commerce platform to understand customers in general and the specific behaviour of a customer if your business has given them a reason to authenticate. It will allow IP to be more readily shared and in high-involvement purchases such as a new TV. Unified commerce can also provide access to key buying triggers and enable less experienced staff to understand what will drive a purchase.

For your technical team, API-led systems make compliance, integrations such as customer service and marketing automation, the addition of channels and overall data accessibility much easier and will result in higher quality utilisation of these services. Having a unified commerce core should also reduce the amount of time tech people spend dealing with the removal of technical debt and just keeping systems up and running. Unified commerce is something which retailers need to understand now because the potential for disruption is ever-present.

For traditional retailers there are new market entrants, both DTC and the so-called supply chain retailers, which have grown in popularity due to price and the type of experiences that they enable which comprise new types of competition. The farm gate has also gone digital. So, before you think about adding new channels, personalisation and loyalty, think about how everything works together and what kind of experiences you want your customers to have.

**Don't get left behind in the retail revolution!** Embrace the future with a unified commerce platform. It's time to provide your customers with a seamless shopping experience, whether they're in-store or online. With Fujitsu's unified commerce platform, you can personalise promotions, ensure consistency across all channels, utilise data effectively and seek to enable all of the benefits discussed in this article.



Join the ranks of successful businesses who have seen increased customer engagement, improved operational efficiency and enhanced growth.

**Take the first step towards transforming your business today!**

Contact us to learn more about our unified commerce solutions and how they can benefit your business. Your customers are waiting for an upgraded shopping experience. Are you ready to deliver it?