



Unified Commerce: Bringing your omnichannel offerings to the next level

## What you need to know about digital capabilities

### Unified Commerce in a nutshell

The world of commerce has changed dramatically in the last decade. The COVID-19 pandemic has certainly accelerated the speed of these changes. Within the span of just one year, consumer expectations have risen to an even more seamless shopping experience than before. As long as they get the product they want – and get it fast – it doesn't matter to them whether they are buying online, offline, in the high street or in an outlet centre, at a brand store or at a retailer. This has given rise to the concept of Unified Commerce, which is the next level of maturity in a seamless consumer journey. A maturity that requires a holistic and agile approach, and that comes with true complexity, especially for established businesses that might have difficulty combining legacy systems with innovative power.

Any business aiming at future success needs to determine what role it can play, and what (digital) capabilities are required for that role. So that is the focus of this article: what you need to know about digital capabilities to help your company on the way to Unified Commerce.

### Digital capabilities

When discussing capabilities for Unified Commerce, we are referring to a combination of people, processes, data, mission statement, and technology, and a wide variety of (digital) skills and expertise. For instance, in the field of strategy and proposition design. What should the proposition entail? What do consumers need and expect of brands and retailers? How to derive insight into consumer behaviour in order to develop a successful Unified Commerce proposition?

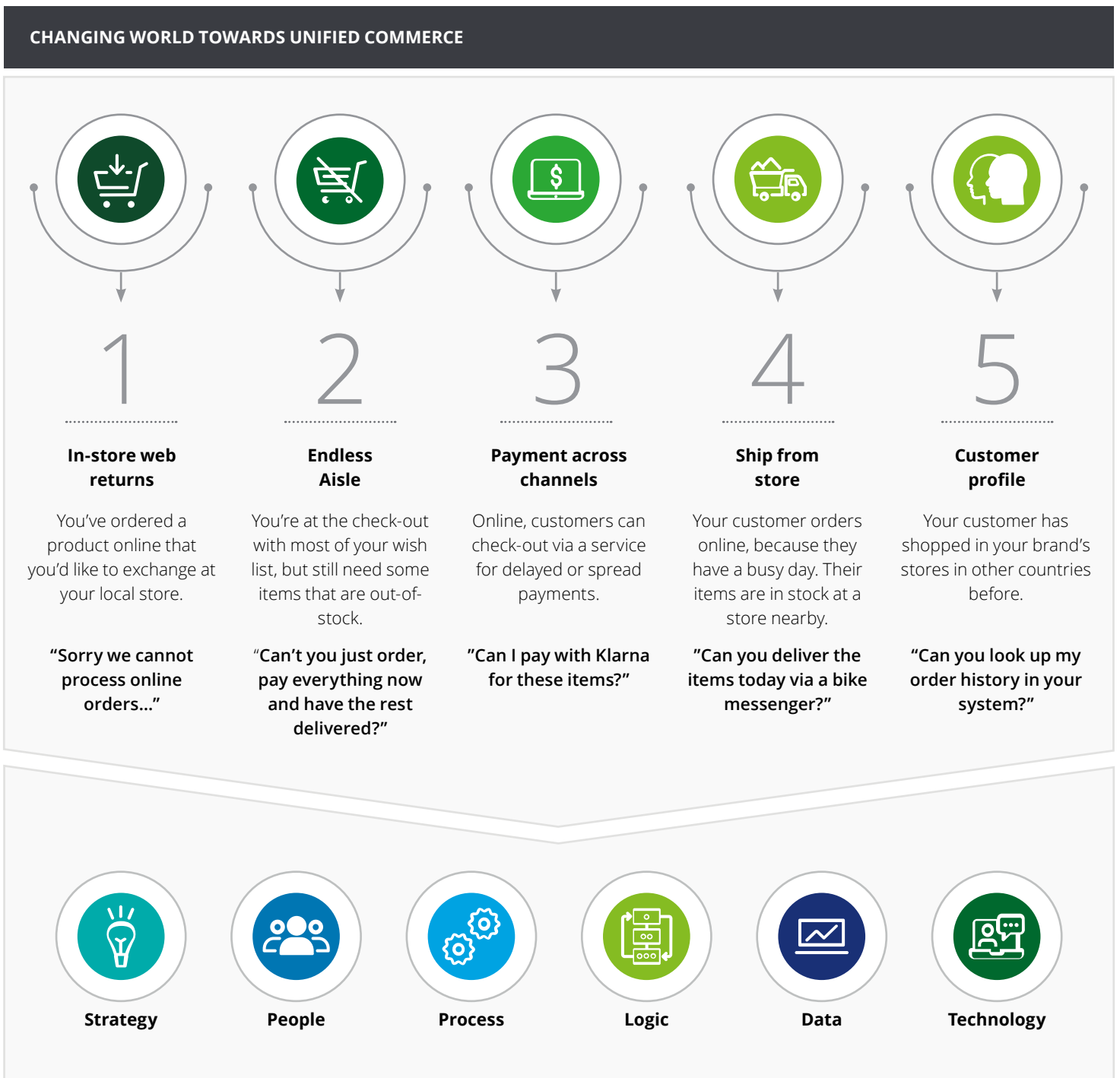
Technological skills are required as well, e.g. to build consumer apps or “companion apps” (to assist employees in physical stores). Expertise in the field of data insights is key, too. What data are relevant in order to improve processes, or to determine how successful certain propositions are? The same applies for expertise about the back end of processes, because that is where Unified Commerce is most complex. And finally, as Unified Commerce is based on a digital and iterative way of working, with experiments rather than a traditional approach, it is helpful to have expertise in this field as well.

## Determining which digital capabilities you need

In order to determine the digital capabilities that are required for a particular Unified Commerce proposition, always start with the business strategy. What role do you

want the business to play in the future? And where do you want it to play: on a local level or cross-border? What does that mean in terms of the IT strategy? What capabilities are required for use cases (see figure 1 below) such as “ship from store”, or

“endless aisle”, and which use cases have priority over others? What components are already available, and which should be available within five years from now – in other words, what is the gap between “as is” and “to be”?



## The art of Enterprise Architecture

This is where the art of Enterprise Architecture comes in: a blueprint of your business and IT landscape with all its data, technologies, processes, and interaction components. Once you know where your business is going, and what you need to fulfil your strategy, a roadmap of how to get there can be designed, and the necessary use case(s) can be added, step by step, in an iterative process. You could start with "ship from store", which may be followed by "endless aisle" and eventually "in-store web returns". Our advice is to start with the use cases that are the easiest to develop and that immediately add value. Each use case in itself is already quite complex, as it impacts various business components at once: consumer experience, logistics, HR, and other processes, as well as business model and ecosystem. All these aspects need to be handled simultaneously. Once the use case is added, it is crucial to keep assessing whether it truly adds value for consumers, where it works best, and if it needs any improvements.

### In-house or not?


When transitioning to Unified Commerce, it's essential to know which capabilities need to be available in-house and which can be sourced at third parties. Obviously, it's always best to keep core capabilities in-house - the capabilities for which you need to be in control of the necessary data. Also, it is pivotal to determine which capabilities are key differentiators, which you want to implement at your own speed and according to your own preferences. Another key factor to take into account is the technology operating model, and the question whether the organisation is actually capable of implementing the capabilities itself. There are a number of start-ups and other parties in the ecosystem that might offer easy solutions for capabilities, for instance in the field of data and insights (e.g. for supply chain visibility). This also applies for cloud solutions.

### Example 1: Ship from store

For instance, if a company wants to offer the ship from store use case, a number of conditions must be met. There should be an interface. If consumers want a certain product that is not in stock in the store they are at, but at another location, the employees in that store need to know that the product will be picked up and delivered soon. Someone should be wrapping the product, so you need wrapping paper, as well as the required address, and then there must be someone somewhere who is going to pick up the wrapped product and deliver it at the customer's home. So even an apparently simple concept as "ship from store" requires a number of elements, that need to be included in the IT landscape, but also in the systems that carry the source data. Creating such a use case always requires a combination of front end, mid office, and back end services. Several IT and digital components need to be executed and integrated to make this happen. For instance, to build an app that informs employees in a store that they need to look for a certain product and have it wrapped and sent.

### Example 2: Product placement

Even more than before, every season requires a number of strategic choices. Which products should be placed where – online or in a physical store, in the Netherlands or abroad, in the high street (say, the Kalverstraat in Amsterdam) or in an outlet store, on your corporate website and/or that of (online) retailers? At what "location" do you sell new products or last year's leftovers? What pricing strategy do you use for each product in each colour, size and shape? These choices need to be made over and over again. For the ultimate – omnichannel – shopping experience also known as Unified Commerce, this is even more vital. Facilitating these choices requires solid and well-performing data capabilities: a combination of having a data platform available to extract and load data, plus analytics and BI capabilities to analyse, interpret and visualise data.



It is key to define which capabilities are key differentiators and which ones are more commodity

### The benefits of leveraging cloud capabilities

In the last decade, much has been said and written about the cloud. Of course, most organisations, including start-ups, are already using cloud capabilities. The cloud makes it more effective and efficient to connect digital components and exchange data. When it comes to experimenting and having IT capacity available to support use cases in physical stores, the cloud has actually become indispensable. Especially for order management, you need a strong data insight capability, with a data-driven team that is able to analyse and respond to consumer behaviour. The cloud can accelerate that process, as it offers the required scalability, innovation, and speed for the various use cases – especially at the back end, with all its complexities. The cloud has enough room for the enormous amounts of data storage and exchange that are required for close collaboration within your ecosystem, and for a seamless consumer experience. Large cloud providers are offering more and more ready-to-use services, which will accelerate the implementation of use cases.

### Data-driven insights and processes

Of course, the full transition to Unified Commerce is a long-term process, especially for more traditional (brand) companies that have a strong position in the high street. It is much easier for pure (digital) players who are used to digital platforms and data-driven insights, and who do not have an IT legacy. Traditional shops and brands on the other hand, are faced with the challenge of exchanging data between their online stores (which probably have a high level of digitalization), and their physical stores, that may still operate on a partly manual level. Currently, a strong brand still offers a valuable competitive edge in transactions with e.g. digital retailers, but new, data-driven brands will soon enter the market, offering a smooth collaboration with retailers, front end and back end, and highly popular with consumers. When that time comes, traditional brands need to have made the transition to Unified Commerce if they want to maintain their strong market position.

### Are you ready to bring your omnichannel offering to the next level?

Please [visit our website](#) or contact our specialist through the contact information.

You can also [register for the Unified Commerce Lab](#), this “show not tell” experience will help you to kick-start your journey into Unified Commerce.

### Contacts

#### Michiel van den Heuvel

Partner, Consumer Products  
Sector Lead  
Deloitte Netherlands  
[Micvandenheuvel@deloitte.nl](mailto:Micvandenheuvel@deloitte.nl)

#### Johan Heuvelman

Manager Consulting – Enterprise  
Technology and Performance  
Deloitte Netherlands  
[JHeuvelman@deloitte.nl](mailto:JHeuvelman@deloitte.nl)

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