

Unified Commerce Playbook



Who this playbook is for

This information is for C-level marketing, operating, information and digital officers, vice presidents of store operations, and other retail executives who want to:

- Enable seamless customer experiences across physical and digital channels.
- Deliver a single source of truth for organisations through unified data and a central management system.
- Rapidly adjust to meet evolving customer needs.
- Build brand affinity with customers through connected shopping experiences.
- Better orchestrate intelligent supply chain practices to reduce costs and improve profitability.



Estimated reading time: 11 minutes

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Introduction

One thing is certain about retail these days: it's never boring. Savvy consumers change patterns of demand daily. Global organisations compete fiercely for share of wallet. New channels and new technologies require rapid pivots.

Smart retailers put the customer at the centre – meeting them where they shop. Personalising every interaction. Predicting what they want. Fulfilling faster than the competition.

Siloed systems and data fragment the customer into a thousand shards. Unification puts them back together so you can serve the whole person.



A new era of unified commerce is at hand. It brings together physical and digital, marketing and merchandising, inventory and fulfilment to meet customer demands for seamless engagement. Retailers should choose commerce technology that's scalable, comprehensive and agile. With the right solution, they can get the functionality they need today and build on it as they move to create a complete business system.

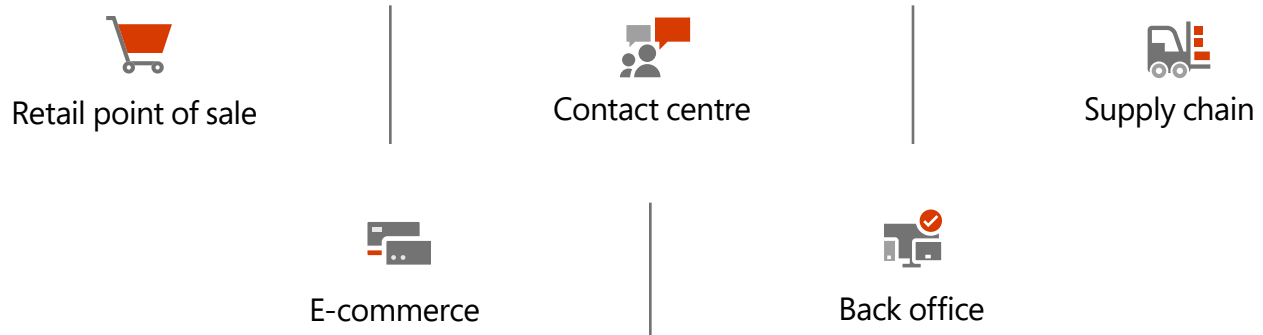


How unified commerce creates competitive advantage

Customers want a personal, unified experience across an ever-growing range of channels:

- Mobile
- Web
- Pickup in-store/curbside
- Home delivery
- In-store with digital 'endless aisle'
- Contact centre (phone/messaging orders and service)
- Social
- IoT (voice assistants, home automation, automatic ordering)

But retailers have siloed systems, creating gaps:



Unified systems, unified experience



Enabling differentiated experiences and business outcomes:

- Consistent pricing and promotions across channels
- Intelligent order and inventory management to reduce out-of-stocks and fulfil faster
- Powerful loyalty programmes that meet the consumer at key points in the journey
- Agility to meet growing customer demand for services such as curbside pickup
- Deeper brand loyalty and engagement
- Measurement of marketing and merchandising effectiveness



From the moment a consumer visits one of our wineries or tasting rooms, joins one of our clubs, or decides to purchase products online, we want to remove all sources of friction that come between the consumer and the perfect wine choice.”

Francis Perrin
Chief Marketing Officer
Ste. Michelle Wine Estates





Introducing Dynamics 365 Commerce

Retailers need a solution that unifies back-office, in-store, call centre and digital operations. It empowers your teams to build brand loyalty through personalised customer engagement, increase revenue with improved employee productivity and optimise operations to reduce costs and drive supply-chain efficiencies.

- Give customers the choice to purchase when, how and where they want, with up-to-date and personalised experiences everywhere.
- Strengthen your brand with a comprehensive customer view and intelligent tools.
- Produce engaging, intelligent digital storefronts using built-in web authoring and development tools.
- Seamlessly manage content, assets, promotions, inventory and pricing across channels.



- Unify Microsoft and other solutions with a headless, technology-agnostic commerce platform.
- Integrate and optimise back-office, in-store and online operations through built-in and pervasive AI and machine learning.
- Meet your operational requirements with flexible deployment options along with a configurable and scalable platform that adheres to global compliance and security standards.

Innovation spotlight: headless commerce

By separating business logic from front-end access, a headless commerce engine supports flexible deployment and integration.

In Dynamics 365 Commerce, the headless commerce engine powers a complete omnichannel solution across physical and digital stores using a portable architecture while supporting flexible hosting options across cloud, edge and hybrid architecture.

It also serves as the single integration point for third-party channel solutions. This makes it easy to maximise existing investments or assemble a best-of-breed solution that integrates technology from Microsoft and other providers.



Five ways that Dynamics 365 Commerce can empower your business





Build loyalty and exceed expectations



Three out of five consumers feel retail technologies have improved their shopping experiences across channels¹

Customers today demand uncompromising service. With competition a click away, seamless experiences are a must. The customer journey is more than visiting a store and purchasing a product. It includes:

- Discovering items through marketing, social media and personalised recommendations.
- Shopping on phones, tablets, PCs and voice-enabled devices, in addition to retail stores.
- Identifying the fastest way to get products based on location.
- Using wait lists and notifications for out-of-stock products.
- Creating and consuming reviews and content.
- Paying with credit cards, gift cards and contactless methods.
- Participating in loyalty programmes.
- Getting products in-store, at curbside or delivered via traditional or third-party services.

¹ '3 things to know about retail tech investments', National Retail Federation, 2019.



Retailers can win customer loyalty by focusing on two key differentiators of the customer experience. First, by bringing together data across important touchpoints, they can gain a 360° view of customer interactions. Using machine learning and AI, they can correlate behaviours to make predictions about purchase preferences, deliver offers and adapt to fast-changing demand.

Second, retailers can choose a platform that provides all the capabilities they need – not only today, but as customer tastes and preferences change. With the ability to turn functionality on and off quickly, configure the solution to meet varying conditions and integrate with a larger family of solutions – including options from external vendors – you gain agility without incurring the cost of building and managing all those capabilities yourself.

Innovation spotlight: Personalised recommendations

Personalising product recommendations can help drive customer satisfaction by helping buyers through the purchase journey – if you give them the kind of support they need. In the report [Maximise the Impact of Personalisation](#), Gartner notes that, “The data shows that a brand that moves from the bottom to the top quartile in delivering help – i.e., generating more help across personalisation experiences – is likely to see a **16% lift in commercial benefit.**”

Dynamics 365 Commerce, combined with Azure Data Lake, can incorporate product recommendations into the customer experience online and at point of sale (POS). By associating a user’s purchase and product information, the solution generates individualised product recommendations.



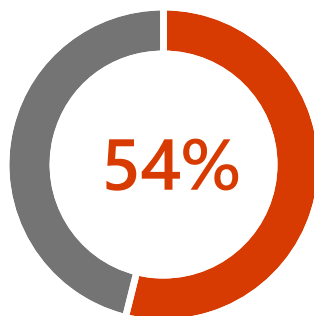


Empower workers to adapt to customer needs

E-commerce might be on the rise – but your people are still your closest connection to your customers. As the wants and habits of customer changes, employees need information, training and tools to serve them.

Businesses need the ability to manage changing worker tasks in a way that is flexible and reliable. With notifications and contextual information, you can provide workers with everything they need to complete tasks correctly and on time.

Different people need different things from task management. Headquarters needs to create consistent task lists for retail stores and centrally track completion. Managers must assign tasks to workers, send notifications and track task status. Individual workers need to be able to see notifications, view task details and update task status at POS.



Increased consumer use of contactless payment as of June 2020²

² 'COVID-19: New habits are here to stay for retail consumers', Accenture, 2019.

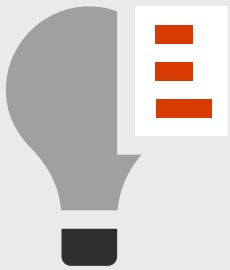


The contact centre is also a place where the front-line worker experience is paramount. Critical call centre features include advanced pricing and promotions, catalogues, gift cards, loyalty programmes and vouchers. Call centre orders need to integrate with POS capabilities to support cross-channel order fulfilment scenarios. Employees require a user-friendly customer service application that makes it easy for them to locate customer accounts and review related customer order data and attributes so they can answer the most common customer questions.

Innovation spotlight: Clienteling

When building relationships with individual customers, employees need ways to capture and reference information specific to those customers' needs. By using the client book functionality in Dynamics 365 Commerce, retail associates can filter and reference information in a single view to target customers who meet specific criteria. This might include an upcoming birthday or anniversary, or a purchase preference that would lead the associate to make a specific recommendation.





IoT in focus

The ability to connect physical devices to the cloud opens a world of possibilities for retailers. Dynamics 365 Connected Store (now in preview) enables the use of real-time observational data to improve in-store performance. Connected Store analyses customer movement, product status and the shopping experience to optimise retail space.

- Alerts can be triggered based on real-time data from video cameras, sensors to respond to in-store conditions such as lines and even outside occurrences such as weather and local events.
- AI-driven insights help optimise staffing effectiveness by applying AI-driven insights around the shoppers visiting your store and the types of alerts your workforce is responding to on any given day and time.
- Computer vision and connected infrastructure can help minimise revenue loss by immediately identifying out-of-stock inventory and increase sales by using display-effectiveness data to maximise customer engagement in key areas such as end caps.





Build and run digital commerce end to end

 **160%**

Expected increase in online purchases by new e-commerce shoppers February to April 2020³

With the growing importance of e-commerce across all types of retail, it pays to have a commerce solution with built-in web authoring and development tools. This enables you to create engaging intelligent digital storefronts connected to your marketing and commerce capabilities. With personalised, modern web experiences, you can engage customers with the content, promotions and programmes they really want.

Connecting content, assets, promotions, inventory and pricing enables e-commerce and physical retail to become seamless. This unification also helps customers find products easily and get them quickly, whether having them delivered or picking them up at the store.

Customers also expect the ability to read and create product reviews as part of their decision process. Reviews can help increase conversion by improving product selection and accelerating purchase decisions.

³ 'COVID-19: New habits are here to stay for retail consumers', Accenture, 2019.



At the same time, as a retailer you need to be able to manage the volume and quality of reviews – making it essential to seek modern tools such as AI-driven moderation, such as the one used by Dynamics 365 Commerce to redact objectionable language.

Innovation spotlight: Digital asset management

High-quality digital assets such as images, videos and files are critical to catching customers' attention and differentiating your brand. With the Digital Asset Management capability of Dynamics 365 Commerce, you can maximise the value of these assets and increase consistency by using them across websites, email and retail systems.

Upload a single, large image and it will responsively scale to fit your customer's device. Upload a source video and have it transcoded into a range of web-friendly formats to ensure customers receive the best playback experience for their device type and bandwidth. You can also offer customers content in more than 150 file types.

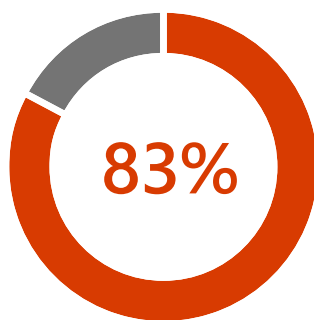




Manage products and streamline operations with cloud-enabled AI

Do you know where your inventory is? Do you have consistent merchandising and product information across your business? These factors are essential to meeting today's customer expectations. Customers want to buy what they want, when they want it and get their hands on their purchases as quickly and conveniently as possible.

Modern retail requires an end-to-end merchandising solution that can be used to manage the product lifecycle from creation through maintenance, distribution and publishing. Additionally, a pricing engine that can be used across all channels provides a single version of the truth, while also enabling channel-specific pricing as needed.



Percentage of retail executives who agree that customised, on-demand delivery will drive a wave of competitive advantage⁴

⁴ 'Accenture Retail Technology Vision', Accenture, 2019.



With growing supply chain complexity, it's increasingly important for retailers to modernise their merchandising and operational systems. If your e-commerce, store and warehouse systems communicate, you can give customers up-to-date information on product availability and reduce out-of-stocks.

The new Inventory Visibility add-in for Dynamics 365 Supply Chain Management coming to public preview in October, enables large-volume retailers and manufacturers to easily handle large numbers of transactions and determine cross-channel inventory accurately in real time. With this add-in, organisations can easily scale to fulfil orders from multiple channels on time and mitigate stock-outs and overstocking.

Ultimately, making sense of large-scale retail data is simplified by using analytics and machine learning. With data in the cloud, you can more easily extract insights to help you make the most effective decisions and accurately forecast customer demand.

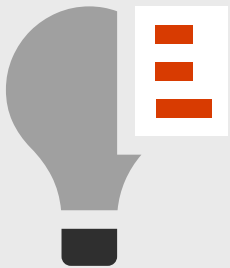


Innovation spotlight: Distributed Order Management

By connecting Dynamics 365 Commerce with Dynamics 365 Supply Chain Management, retailers can take advantage of hyperscale intelligence designed to optimise operations. For example, Distributed Order Management (DOM) optimises order fulfilment across a complex network of systems and processes. It relies on a single, global view of inventory across the whole organisation to intelligently manage orders, so that they are fulfilled accurately and in a more cost-effective manner. By improving the efficiency of a retailer's supply chain, DOM helps meet customer expectations.

Additionally, Planning Optimisation in Dynamics 365 Supply Chain Management helps retailers perform fast calculations on large volumes of data to calculate supply and distribution plans in minutes instead of hours. This allows them to stock the right merchandise at the right place at the right time. [Twilfit](#), one of Sweden's leading lingerie chains, adopted Planning Optimisation and can run plans in minutes. This helps drive smarter decisions about the inventory its stores keep on hand. Twilfit has reduced unnecessary overstocks while adding more variety and high-demand items, making both its employees and its customers happy.





The role of AI

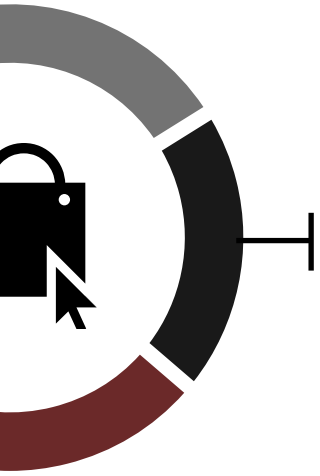
The promise of AI has been limited by the complexity of achieving it, but the Dynamics 365 family brings it to life for businesses of all kinds. With Dynamics 365 AI, every group has the freedom to solve problems and make decisions on their own with the help of intelligent tools.

For example, Dynamics 365 Customer Insights helps you gain a 360° view of customers and discover insights that drive personalised customer experiences. It brings together all your transactional, observational and behavioural data in real time with prebuilt connectors to create persistently up-to-date profiles for contacts and accounts. It helps unify your data by resolving customer identities with recommendations based on AI and machine learning. And it helps you enrich customer profiles with an array of first- and third-party signals, such as audience intelligence from Microsoft Graph, product usage, market trends and customer feedback.

Using out-of-the-box machine learning templates, you can:

- Predict churn, next best action and product recommendations.
- Discover new audience segments with AI-driven recommendations or define your own.
- Activate real-time insights on destinations including analytics, email marketing, advertising and customer engagement platforms through turnkey integrations with Microsoft and third-party applications.
- Embed Customer Insights cards into your business applications for contextual insights and informed action.
- Trigger workflows in response to customer signals by using Power Automate.





Ensure scalability, reliability, security and compliance

If a unified commerce system is going to serve customers consistently without pause, it has to be robust and secure. With cohesive security management and comprehensive compliance coverage, you can proactively safeguard your business data and that of your customers.

At the same time, no two companies have identical operational requirements. Flexible deployment options that support hybrid and edge architectures make it possible to meet the needs of customers and stores across locations, even if connectivity is uncertain.

Dynamics 365 Commerce offers flexible deployment options supported by robust SLAs, global compliance and security standards, along with configurable and extensible developer options. Dynamics 365 Commerce also uses a unique solution to help retailers in areas where infrastructure is lacking. Scale Units ensure they not only can transact at all times, but also scale their operations globally to operate large multibrand, multicompany, multinational organisations.



Innovation spotlight: Intelligent fraud protection

As channels proliferate, so do opportunities for fraud. Retailers face increased losses in-store and higher liability in the online card-not-present channel. An optional Dynamics 365 Commerce add-on, Microsoft Dynamics 365 Fraud Protection is a cloud-based solution designed to help merchants decrease fraud costs, improve the customer experience, streamline operational efficiency and protect their business reputation.

This solution reduces purchase, account and in-store loss fraud with adaptive AI technology that continuously learns and adapts to evolving fraud patterns.

[Learn about the new fraud protection capabilities within Dynamics 365 Commerce >](#)



Toward a unified future of retail

Delivering great customer experiences requires a platform capable of unifying data and insights across operations, employees and customers. Dynamics 365 provides a complete, end-to-end commerce platform – with the flexibility to meet your business needs today and tomorrow.

Dynamics 365 solutions work together seamlessly, enabling you to meet commerce needs now and expand to include supply chain, finance, sales and other functionality as needed. Retail success is about data and what you can do with it. Dynamics 365 helps you get the most value for personalisation and intelligent insights that drive loyalty and satisfaction.

[Request a live demo](#)

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Microsoft Dynamics 365

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