

How Data-centric Enterprises Are Accelerating the Shift to a Digital-first Business Design

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The impact on commerce across the world due to COVID-19 has been nothing short of devastating. Retail sales are down close to 20% in the United States, with many categories—namely automotive—suffering even more precipitous drops.

The rapidly changing trends we are seeing in real time are certainly patterns that we will expect to see once we emerge—with our health mostly intact, but our retail environment likely changed forever: more online shopping, further declines in mall and department store traffic, reliance on gig workers to shop and deliver.

But many of the effects we are seeing are the acceleration of trends and behaviors that were building prior to the pandemic, which acted as the brutally impactful tipping point. The trends increasingly distinguish those losing relevance from leaders—those retailers, financial institutions, travel providers, and B2B enterprises that invested in customer-focused business strategies and digital-centric technical capabilities.

A few strategies worth exploring:

Channel Blurring. While many businesses were laying the groundwork for dual-channel capabilities, the most innovative enterprises were thinking more abstractly about eliminating the idea of rigid channels completely. They fundamentally understood that the purchase process from awareness to selection to completion to service was best delivered across platforms and touchpoints so transparently that customers no longer thought of channels—instead simply focused on engaging and buying.

Predictive Engagement. Predictive engagement provides the highest degree of relevant and personalized interaction between organizations or businesses and their current and prospective clients or customers. When a service or product provider combines the full contextual awareness of location, real-time behavior, inventory, and competitive pricing with past purchases and demonstrated preferences to generate a highly appropriate “next action,” they demonstrate predictive engagement.

Experienced-based Commerce. Ironically, while we’re experiencing an almost unimaginable change in how we’re engaging with stores and restaurants, curbside pick-up replacing person-to-person interaction, for example, the ongoing importance of curation of digital and hybrid experiences will likely emerge as one of the most dominant characteristics of post-pandemic commerce. Experts like [Joseph Pine](#), author of *The Experience Economy*, highlight the intrinsic demand to be delighted and the profitability impact of that strategy.

Seamless Ecosystems. While already on the uptick, the closing of stores and restaurants accelerated the importance of last-mile delivery. And even when commerce returns to something that resembles the old normal, consumer demand for close to on-demand goods and services will prevail. The combination of new insight into the availability and location of inventory, and the ability to seamlessly connect to the means of delivery, likely through third-party partnerships, will be a dominant aspect of a longer-term digital commerce ecosystem.

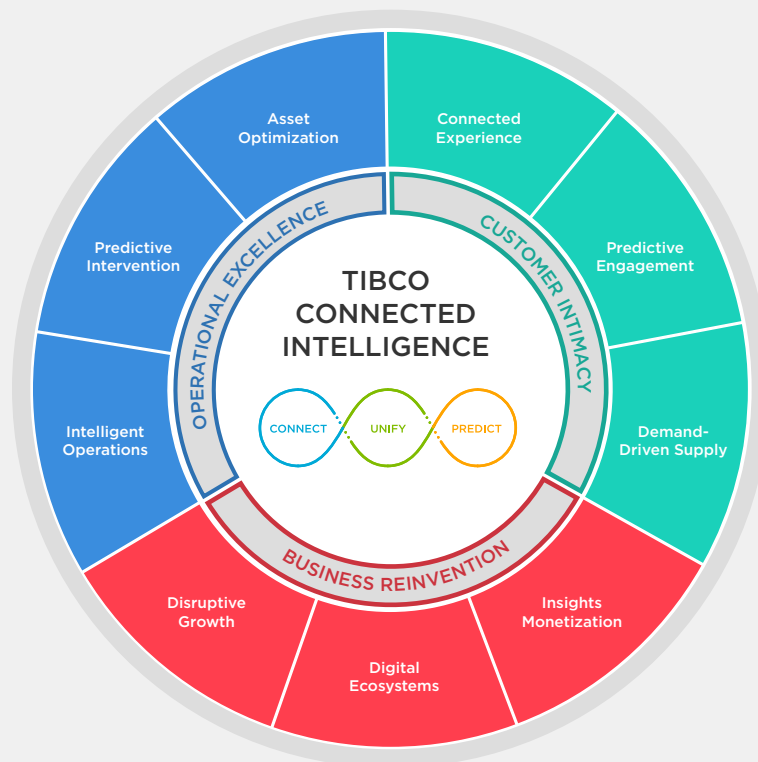
Demand-driven Supply. A final aspect of the shift that we’re experiencing reflects the need to more closely match the investment in supply with the realities of customer demand. Digital commerce requires a much higher level of availability of more items combined with a much more sophisticated ability to personally merchandise. Digital commerce provides choice and switching with a keystroke or swipe. Knowing your customers, aligning to their demand, and managing the economics are critical to share, retention, and profitability.

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A Framework for Digital Commerce Initiatives

We find a common thread of digital initiatives that fall into three categories: Customer Intimacy, Operational Excellence, and Business Reinvention.



Customer Intimacy

Businesses that place customers at the center of their strategy and process design, sync every aspect of their business model with the expectations, preferences, and potential of their customers. They build trust, deliver greater value, and develop long-term and sustainable loyalty.

Operational Excellence

Utilizing data-driven insights and decision-making allows businesses to optimize every opportunity. Return on capital investment improves with more informed choices, and operating expenses are better controlled with streamlined decision-making and more efficient alternatives.

Business Reinvention

Some of the most transformative innovations in consumer-focused commerce comes from players initially not even considered to be in those spaces. Using data-driven insights and strategies to reshape the traditional value chain has allowed companies like Apple, Uber, and Facebook to redefine the digital commerce experience.

Required Capabilities for a Next Generation of Digital Commerce

Each of the initiatives described above relies on a common data journey: accessing the sources of data that define the digital landscape and interconnecting each device, system, and application that plays a part in that ecosystem; managing and refining data into an intelligent data layer that provides governed access to the right information in a form that is more easily understood and used; and applying the power of data insight and discovery to understand the past, predict the future, and closely monitor and adapt the what is happening in real time.



REQUIRED CAPABILITIES

Access and Connectivity to Disparate Data

Secure Real-time Device and System Connectivity

APPROACHES AND TECHNOLOGIES

Digital commerce requires a flexible event-driven architecture that is unconstrained by platform and application compatibility or deployment strategies. Data gathered in real time provides context for decision-making.

Predictive engagement—a critical component of digital commerce—is typically set “in the moment” and requires seamless connectivity to applications and devices where customers engage and respond. Interactions build upon prior actions, requiring real-time digital conversations.

REQUIRED CAPABILITIES

APPROACHES AND TECHNOLOGIES

Management of Multiple Domains of Master Data

Structured, integrated, and governed data is the foundation of insight and decision-making. Seamless digital commerce relies on multiple domains of data including customer, product, location, and asset.

Shared Customer Insights across Organization

Organizations that rely on deep and shared knowledge of their customers are better equipped to define, determine, and deliver personalized and relevant experiences. Data visualization and discovery are the language of insight.

Robust Data Science

Confidently predicting positive experiences and outcomes requires a number of key data science capabilities including dynamic customer segmentation, correlation, and causation analysis; and predictive analytics.

Continuous Learning and Adaptation

Predictive engagement is directional but imperfect. As data is captured, the predictive strength of models improves. Engagement plays in a state of flux, so campaign design and model management must reflect a dynamic market.

Next Steps and Opportunities

Consumer expectations and behaviors were already moving towards a very different model for commerce—in nearly every segment in which we buy. The COVID-19 pandemic ripped the covers off the segments that were most vulnerable and fragile and accelerated this dramatic shift. Without question, there will be long-term implications that we will tie to the pandemic: bankruptcies, shuttering of malls, proliferation of delivery options. But it will be the enterprises that foresaw their opportunities and digitally innovated that will emerge with the fewest scars—and in some cases, even more relevant and powerful.

To learn more about how TIBCO can help your organization shift to a digital-first business design, browse to <https://www.tibco.com/solutions/retail> or contact us today!



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