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2025 State of the Industry

Unified Commerce in Specialty Retail

As traditional advantages erode and customer expectations soar, unified commerce has evolved from an aspiration into an imperative for growth.

The Specialty Retail Mandate

The foundations of specialty retail are being upended. Rising acquisition costs, fleeting customer loyalty, and outdated operational models are colliding with an era of instant gratification and elevated expectations.

Success now depends on rethinking every aspect of the business—from how customers are engaged to how expertise and operations scale. The retailers leading the charge are not just adapting; they're rewriting the rules to turn these challenges into lasting advantages.

The Customer Economics Reset: The math of specialty retail is being rewritten overnight. When TikTok Shop can acquire customers at one-third the cost of traditional retail and convert them at twice the rate, old customer acquisition models become obsolete. The unified commerce imperative isn't just about convenience—it's about fundamentally better economics.

The Experience Revolution: Product selection alone no longer drives loyalty. In a world where customers can find anything online, specialty retailers must transform shopping from a transaction into an immersive journey that blends entertainment, education, and commerce. Category expertise must evolve into experiences that digital natives can't replicate.

The Network Effect: Location convenience has been replaced by network advantage. When customers expect same-day delivery and seamless returns anywhere, traditional store coverage models become obsolete. Physical stores must transform from transaction points into unified commerce hubs that serve customers across all channels.

This report draws from a survey of over 250 retail executives examining how specialty retailers are navigating the unified commerce mandate, including:

- Self-assessed unified commerce maturity and transformation progress
- Critical customer experience and operational metrics
- Technology enablement challenges and investment priorities

Detailed survey methodology, retail segments covered, and respondent firmographics are available [at the end of the report](#).

Key Findings

Our comprehensive analysis reveals both the urgency for transformation and the clear path forward:

The Economics Are Compelling:

- Multi-channel shoppers **spend 15% more per order** and **show 70% higher year-over-year retention**
- Retailers who claim high unified commerce maturity have **23% higher inventory turnover** and **22% lower customer acquisition costs**

The Gap Is Widening

- **Only 17% of retailers say they have high unified commerce maturity**, even though 38% say their transformation is in advanced stages
- **64% acknowledge critical gaps** in core unified commerce capabilities

The Path Forward Is Clear

- Store networks must evolve from sales channels into experience platforms
- Commerce must become invisible, embedded naturally into every touchpoint
- Fulfillment promises must become perfect through intelligent networks
- Service must transform from cost center into value creator

Navigating The Path Forward

This report examines the current state of the industry:

- [The New Economics of Specialty Retail](#)
How unified commerce transforms fundamental retail economics
- [The Transformation Reality Check](#)
Current state of unified commerce maturity

And, how retailers are navigating four critical battlegrounds where customer expectations and operational realities collide.

- [The Modern Store Platform](#)
Reimagining physical retail for the digital age
- [The Intelligent Commerce Engine](#)
Making transactions invisible and intelligent
- [The Promise & Fulfillment Revolution](#)
Building networks that deliver perfect promises
- [The Service Intelligence Platform](#)
Transforming service from cost to value driver

Explore each section for detailed insights into how specialty retailers are approaching these critical dimensions of unified commerce. 

The New Economics of Specialty Retail

Traditional retail metrics have become dangerously obsolete. Today's most valuable customers move fluidly between digital discovery and physical experiences, creating exponential value that most measurement models miss entirely. Leaders who crack this code aren't just seeing better sales—they're fundamentally rewriting the economics of specialty retail.

Shoppers who engage with retailers across multiple channels generate

1.5X higher

lifetime value than single-channel shoppers

The New Economics of Specialty Retail

Connected Customers Drive Exponential Returns

The math of modern retail has been turned on its head. When digital browse becomes physical buy, when store visits spark online discovery, when every touchpoint amplifies the next—trapped value unlocks with explosive force. This isn't incremental improvement; it's value creation at an entirely different scale.

Multi-channel shoppers spend

15% more

per order on average

They also exhibit a

70% higher

year-on-year retention rate compared to single channel customers.



Imagine a beauty retailer that seamlessly connects online browsing data with in-store consultations. When customers who discover products online visit stores, beauty advisors already know their preferences and past purchases, enabling personalized recommendations that significantly boost both immediate sales and long-term loyalty.

Operational Excellence Amplifies Value

The old efficiency equation balanced service against cost. The new math shows that connected operations can deliver both better experience and lower costs—creating a virtuous cycle that transforms traditional retail economics.

23%

higher inventory turnover is reported by retailers who self-assess as having mature unified commerce capabilities

18%

lower return rate reported by retailers who self-assess as having mature unified commerce capabilities



Picture a specialty retailer transforming stores into mini-distribution hubs. By using real-time analytics to route online orders to optimal fulfillment locations, they simultaneously reduce delivery costs and speed up delivery times while maintaining store experience quality.

Brand Premium Powers Profitability

In a world of infinite choice, seamless experiences earn something priceless: customer trust. This trust translates directly into the holy grail of retail—the ability to command premium prices while spending less to acquire and retain customers.

22%

lower customer acquisition costs for retailers who self-assess as having mature unified commerce capabilities

12%

higher full-price sell-through for retailers who self-assess as having mature unified commerce capabilities.



Consider a lifestyle retailer whose unified profile system ensures customer preferences and past purchases inform every recommendation. By delivering consistently relevant experiences that demonstrate deep understanding, they build the trust that supports premium positioning.

The Transformation Reality Check

The promise of unified commerce is clear, but the path to value remains elusive. Despite heavy investment and clear strategic intent, most retailers remain trapped in early transformation stages—struggling with foundational capabilities that customers now take for granted. This isn't just a technology challenge; it's a fundamental rethinking of how specialty retail operates.

Even though

38%

of retailers say their unified commerce transformation initiatives are in advanced stages...

...only 17%

rate themselves as having "Leading" unified commerce maturity

The Transformation Reality Check

The Digital-Physical Divide Deepens

The gap between customer expectations and retail reality is widening at an alarming rate. While customers move fluidly between channels, most retailers still operate in parallel universes—creating friction that drives up costs while eroding trust and loyalty.

47%

retailers rate their unified commerce capabilities as basic or developing

Only 11%

rate their ability to recognize customers in-store as mature



Picture a retailer whose loyalty program members experience a jarring digital-physical disconnect. Despite being a top online customer, they're treated as a stranger in-store, while their valuable in-store interactions never inform their digital experience. Each channel interaction starts fresh, wasting both customer patience and sales opportunities.

Technology Promises Fall Short

The uncomfortable truth about retail technology: massive investment isn't translating into meaningful integration. Current tech stacks weren't built for unified commerce, creating a growing gap between what customers expect and what legacy systems can deliver.

64%

of retailers acknowledge critical gaps in core unified commerce capabilities



Imagine a retailer attempting to launch flexible fulfillment options. While customers expect seamless order modification and delivery changes, rigid legacy systems mean even simple changes require complex manual intervention across multiple platforms, making innovation nearly impossible.

Hidden Costs Multiply

Channel separation isn't just creating poor experiences—it's destroying value across the business. From duplicate inventory and redundant labor to lost sales and eroding customer trust, the true cost of disconnected operations grows exponentially.

77%

of retailers say their customer acquisition costs have risen in the last year



Consider a retailer operating parallel systems for online and store operations. Simple processes like returns require separate teams, systems, and workflows, driving up costs while creating inconsistent customer experiences that damage brand trust.

63%

of retailers reported an increase in store labor cost over the last year

The Modern Store Platform

Physical retail's power isn't in transaction processing—it's in experience orchestration. Leaders are transforming stores from sales channels into dynamic platforms that amplify brand value across every touchpoint. Yet most retailers remain trapped in early transformation stages.

21%

of digital sales are influenced by store associates

The Modern Store Platform

The Store as Digital Influencer

Store associates are evolving from product experts into content creators and digital stylists who shape discovery far beyond store walls. They're crafting shoppable looks, producing how-to videos, and strengthening relationships with their best clients - effectively becoming micro-influencers who drive both online and offline engagement.

69%

of retailers say real-time clientelling is a key enabler for personalized experiences

Only 26%

rate their unified customer profiles and mobile capabilities as mature



Enable mobile access to complete customer context including preferences, past purchases, and digital engagement data, coupled with tools for associates to create and share personalized content that drives cross-channel discovery.

The Store as Experience Canvas

Physical retail spaces must transform from static product showcases into dynamic environments that adjust to local customer behavior and preferences. This means digital displays that update based on real-time browsing patterns, interactive fixtures that respond to customer movement, and merchandise layouts that reflect local digital engagement data.

57%

of retailers see interactive digital elements as a key enabler for creating immersive in-store experiences

Only 23%

rate their in-store digital content management capabilities as mature



Connect real-time store analytics with digital engagement data to power dynamic merchandising decisions, while enabling local content adaptation based on customer behavior patterns.

The Store as Connection Hub

Stores need to evolve beyond basic fulfillment points into seamless connection centers where digital discovery transitions instantly into physical interaction — from online browsing to in-store trials, from social media inspiration to immediate availability checks, from digital wishlists to personal styling sessions.

73%

of retailers say seamless cross-channel cart and wishlist functionality are essential for enhancing customer convenience

Only 32%

rate their cross-channel cart and wishlist capabilities as mature



Synchronize inventory, cart and wishlist data in real-time across channels while enabling seamless session transfer between digital discovery and in-store experiences.

The Intelligent Commerce Engine

The future of specialty retail commerce isn't about payment processing—it's about removing friction from the path to purchase. Leaders are embedding commerce naturally into every touchpoint while maintaining the operational excellence that drives profitability.

Retailers who rate their unified commerce maturity high report

18% lower

cart abandonment

The Intelligent Commerce Engine

Commerce as Invisible Experience

The checkout process needs to disappear naturally into the shopping journey, adapting intelligently to context and customer behavior. Whether a customer is completing a styling session in-store, reordering through social media, or purchasing during a virtual consultation, payment should feel like a natural extension of the experience.

57%

of retailers say seamless store checkout is critical for unified commerce leadership

Only 29%

rate their current in-store checkout capabilities as efficient and mature



Prioritize unified access to customer payment preferences and transaction history across all touchpoints, enabling contextual payment experiences that adapt to shopping behavior and channel.

Commerce as Personal Choice

Payment has evolved from transaction processing into a form of personal expression. Customers expect to split payments across methods, pay in installments, use loyalty points, or combine gift cards - all while maintaining a smooth checkout flow

76%

of retailers say flexible, mixed payment methods are critical for lowering cart abandonment

Only 37%

rate their ability to accept mixed payment methods as mature



Focus on orchestrating complex payment combinations while maintaining checkout simplicity, including seamless handling of mixed payment methods, loyalty points, and alternative payment options.

Commerce as Trust Builder

Every transaction should strengthen customer confidence and deepen brand relationships through intelligent promotions, transparent communication, and perfect accuracy. This means ensuring promotional offers are consistently honored, loyalty benefits are automatically applied, and order modifications are seamlessly handled.

68%

of retailers say integrated loyalty and real-time promotions are critical for lowering customer churn.

Only 44%

rate their real time promotions and loyalty program integration as mature



Establish real-time synchronization of promotional and loyalty data across channels, coupled with intelligent offer optimization based on customer behavior and preferences.

The Promise & Fulfillment Revolution

Modern retail promises extend far beyond product availability. Leaders are creating intelligent networks that deliver unprecedented certainty in an uncertain world, turning every touchpoint into an opportunity for brand enhancement.

27%

lower fulfillment cost for retailers who report high unified commerce maturity

The Promise & Fulfillment Revolution

Fulfillment as Network Intelligence

Every store, warehouse and partner needs to function as an intelligent node in a dynamic fulfillment network that optimizes in real-time. This means using predictive analytics to position inventory ahead of demand, automatically routing orders to optimal fulfillment points, and seamlessly balancing speed against network efficiency.

72%

of retailers say real-time inventory visibility and dynamic order routing are critical for operational excellence

43%

rate their dynamic order routing and real-time inventory visibility capabilities as mature



Power real-time order routing decisions with predictive demand data and network capacity constraints while enabling dynamic inventory positioning across nodes.

Fulfillment as Living Promise

Delivery promises must adapt intelligently to customer context - from the urgent gift purchase that needs same-day delivery to the furniture order requiring white glove service. This means providing early, accurate delivery estimates that build confidence while proactively communicating any changes.

77%

of retailers say a comprehensive set of fulfillment options and on-time order delivery is critical for meeting customer expectations

44%

rate their fulfillment capabilities offered as mature



Calculate precise delivery promises using real-time network data and customer context, while maintaining continuous communication throughout the fulfillment journey.

Fulfillment as Customer Choice

Modern fulfillment must flex seamlessly to changing customer needs, even after purchase. Whether modifying delivery timing, changing pickup location, or splitting shipments across methods, customers expect total control over their fulfillment experience.

59%

of retailers identify, flexible modification of orders post-purchase as key to enhancing customer experience

Only 15%

rate their post-order modification capabilities as mature



Support real-time order modifications across fulfillment methods while maintaining accuracy of delivery promises and network optimization.

The Service Intelligence Platform

Service is evolving from reactive problem-solving into proactive relationship building. Leaders are using AI to handle routine inquiries while elevating human expertise to focus on high-value consultative interactions.

30%

higher first pass issue resolution rate for retailers who rate their unified commerce maturity as high

The Service Intelligence Platform

Service as Predictive Force

Modern service must identify and resolve issues before they affect customer experience. This means using AI to analyze patterns across customer interactions, purchase history, and product data to surface potential problems early - from fit issues to delivery delays to product questions.

93%

of retailers say proactive issue identification and resolution is the foundation to deliver seamless customer experience

Only 34%

rate their unified service desk platform capabilities as mature



Leverage AI analysis of customer interaction patterns and purchase history to identify potential issues, while automating proactive communication and resolution workflows.

Service as Seamless Connection

Service interactions must maintain perfect context as customers move across touchpoints - from chat to store to phone. This means ensuring every service touchpoint has complete visibility into customer history, past interactions, and current context to provide consistently personalized support.

53%

of retailers say seamless cross-channel service continuity is pivotal to creating a cohesive customer experience

Only 19%

rate their personalized post-purchase engagement as mature



Unify customer interaction history and context across all service channels while enabling real-time synchronization of ongoing service conversations.

Service as Value Creator

Service teams should drive relationship value, not just resolve problems. This means transforming every service interaction into an opportunity for deeper engagement - whether through personalized product recommendations, proactive maintenance reminders, or style advice.

47%

of retailers say store-based expert service delivery is crucial for enhancing shopping experiences

Only 12%

rate their store service management capabilities as mature



Empower service teams with real-time access to customer preferences and purchase patterns, coupled with tools to deliver personalized recommendations and advice.

The Unified Commerce Imperative

The gap between customer expectations and current capabilities isn't just a technology challenge—it represents a fundamental reimagining of how specialty retail creates and captures value. The future of specialty retail will be defined by those who master unification across key battlegrounds.



The Economics Are Compelling:

- 1.5x higher lifetime value and 70% higher retention of connected customers
- Retailers who self-assess high unified commerce maturity have 23% higher inventory turnover and 22% lower customer acquisition costs

The Gap Is Widening:

- Only 17% say they have achieved unified commerce maturity
- 47% assess themselves as being in lower maturity stages
- The majority lack critical capabilities across all four battlegrounds

The Path Forward Is Clear:

- ☑ Reimagining stores as dynamic experience platforms
- ☑ Embedding intelligent commerce into every touchpoint
- ☑ Building fulfillment networks that deliver perfect promises
- ☑ Transforming service from cost center to value creator

Those who execute this vision aren't just connecting channels—they're creating sustainable competitive advantages that will define specialty retail's future. The time for transformation is now.





Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption.

Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

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Manhattan designs, builds and delivers innovative solutions for stores, transportation networks and fulfillment centers, eliminating silos created by legacy commerce, warehouse, and transportation systems to create seamless operations and optimal efficiency.

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Survey Firmographics

Incisiv conducted a hybrid online + Computer Aided Telephonic Interview (CATI) survey of 256 retail executives in North America. The study was conducted from **Nov 1, 2024 - Dec 23, 2024**.

Respondents by Retail Segment

Apparel, Accessories & Footwear	34%
Consumer Electronics	9%
Cosmetics & Skincare	10%
Home Furnishing & Furniture	10%
Jewelry	9%
Luxury	14%
Sporting Goods & Outdoors	14%

Respondents by Annual Revenue

\$50M - \$100M	2%
\$100M - \$499M	17%
\$500M - \$1B	31%
\$1B - \$5B	32%
More than \$5B	18%

Respondents by Role

CXO	11%
SVP/EVP	19%
VP	34%
Director/Sr. Director	36%