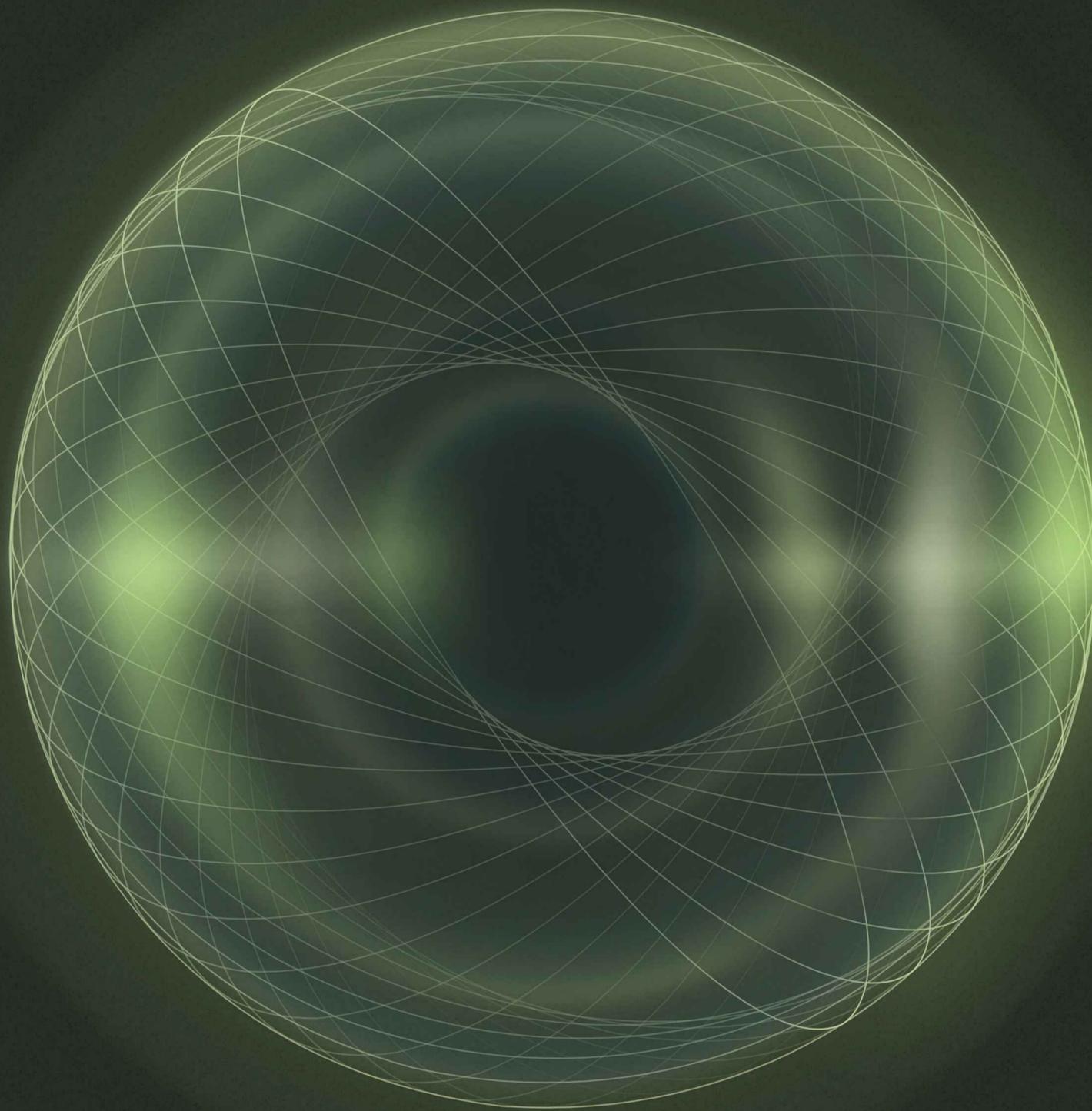


The CEO's Guide to Unified Commerce



In business, all roads lead to the CEO. There's a never-ending pressure to make decisions that will affect the entire company—and to make them quickly. Unifying commerce enables CEOs and their teams to make consumer-informed decisions faster, paving the way for growth and efficiency.



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01

Unified commerce is a future-proofing strategy



Charlie Munger, former vice chairman of Berkshire Hathaway, famously said, "Opportunity comes to the prepared mind." With game-changing opportunities—what Charlie referred to as lollapaloozas—being so few and far between, what really costs businesses in the end are the blown opportunities.

In today's world of omnichannel commerce, many of those blown opportunities are the result of data that's dropped, not collected—or not plugged into the right place.

The question is, then, how will you as CEO be able to spot the lollapaloozas and act on them decisively if you don't have a unified view of your business?

The simple answer is: you won't be able to spot them—at least not very easily. You need unified commerce.

Unified commerce enables businesses to deliver seamless experiences to customers and equips operations teams with the real-time data they need to make critical consumer-informed decisions.

In this comprehensive guide, we'll zoom in on the biggest challenges facing CEOs today, and demonstrate how you can unify commerce to prepare your business to recognize a lollapalooza when one comes and seize it boldly.

02

Headwinds: Economic Challenges



Optimizing production, inventory management, and shipping costs

In the face of economic headwinds, every aspect of your operations must be running at maximum efficiency to keep your current lines of business humming while saving room for experiments and innovations that foster growth.

That's a tough ask under the best circumstances, but one variable presents a unique challenge: forecasting consumer demand. According to a 2022 study of US and Canadian retailers, overstock and out-of-stock events cost retailers \$349 billion in lost sales⁰¹ that year. Without a clear prediction of consumer demand, it's difficult to optimize your business's free cash flow for maximal financial slack, dramatically limiting the options available when you're forced to make the tough decisions. In other words, you're left with no buffer.

Optimizing inventory management is especially challenging in the piecemeal technical environment many organizations find themselves in, trying to integrate ecommerce platforms with ERPs, fulfillment, and sales and marketing channels. This fragmented system inherently creates inefficiencies, including costs paid to engineers to manage, maintain, and upgrade each third-party system as well as the middleware that connects them to your ecommerce platform.

Inefficiencies, in this case, are a clear opportunity cost, distracting burdened engineering teams away from spotting areas for innovation. After all, it's hard for technical talent to spot that lollapalooza opportunity when they're just trying to get the shopping cart to load at checkout. And when the devs can't deliver innovation, sales and marketing teams struggle to experiment downstream.

You can think of this as a "fragmentation tax," as Peter Joyce, vice president of engineering at Shopify, puts it. It's simply harder to strategize, plan, and innovate when you don't have a single source of truth.

Challenges predicting inventory also spell trouble for fulfillment optimization. It is difficult, after all, to guarantee the shortest delivery times when you don't have full insight into how you should be stocking different warehouses in different localities across the globe.

Customers today expect rapid delivery times, as well as omnichannel fulfillment options, including buy online, pick up in-store (BOPIS), and ship from store. Inventory and fulfillment networks need the agility to rapidly experiment with new methods as they arise, and clear ways to connect their technical back-end as they power these approaches.

And they've got to do it in a way that creates a seamless experience for shoppers.

Those are a lot of needles to thread when you're working with legacy or custom platforms.



“In today's retail landscape, the most cost-effective solution isn't necessarily the cheapest to buy—it's the one that costs the least to own and operate over time.”⁰²

Patrick Joyce
VP, Engineering, Shopify

[Learn more](#)

03

Finding new revenue streams



Being able to identify, test and quickly capitalize on new revenue streams is critical. But you've got to be able to do it with agility and consistency—and those are two extremely hard things to do without a unified foundation.

No path for low-risk new channel experimentation

The greater your company's profile, the more crucial it is for your marketing and sales teams to experiment in a low-risk manner, testing and trying out new channels with limited investment—and they can be crippled or late to the game if they can't do that quickly.

On most platforms, quickly testing a new channel is next to impossible. Requests for new capabilities from sales and marketing first have to make their way through the dev queue. It can take many months—and upwards of hundreds of thousands of dollars on top of that—to implement.

Opening up new channels in international markets is also key for retailers looking to grow. But working at speed is challenging, given the need to understand new compliance policies, financial reporting standards, and tax regulations, while also analyzing and speaking to the buying behavior of new target consumers. If improperly managed across a disjointed platform, cost overruns, fines for noncompliance, and poor brand experiences are just the tip of the iceberg of what could go wrong.

Disjointed experiences

With a disjointed platform comes a disjointed experience on both the front and back end.

For technical teams working on the back end, building, maintaining, and upgrading integrations with new channels can be time- and resource-intensive, with a particular burden put on engineering resources. When things go wrong, imagine your teams troubleshooting within a tangled technical environment. Where does the issue stem from within the third-party vendor's software? Or is it something to do with the middleware that's connecting it? Every moment your engineers spend on these kinds of issues is another moment they could have been spending on innovation.

There's a similar risk on the front end: every moment these issues remain unresolved opens the door for a poor experience that could cost you a customer. But it's not solely about 404s, slow load times, and broken features. A disjointed back end creates a disjointed customer experience on the front end—all at a time when omnichannel seamlessness is fast becoming a customer expectation. Your shoppable Instagram story not talking to your warehouse can result not only in a lost sale, but it can also threaten brand equity.

Lack of unification has real consequences. But the right tools and strategies do exist to solve them.

What is unified commerce?

Unified commerce is ultimately a business strategy. Its goal is to provide a seamless shopping experience for customers wherever they shop, while also giving retailers more centralized operations and a holistic behind-the-scenes view of their business. Retailers that successfully deploy unified commerce strategies gain a significant competitive advantage, including:

Improved efficiency: Back office operations such as order and inventory management are more streamlined in a unified commerce environment, eliminating the need for larger tech stacks and budgets.

Accelerated growth: Unified commerce unlocks more conversion opportunities, easier channel expansion, better business insights, and a deeper understanding of customer needs.

Better customer experiences: With unified insights, businesses can deliver more personalized, innovative, and relevant customer experiences across all sales channels.

Now, let's see what that looks like in action.



04

The many growth levers of unified commerce

Top-line growth with unified sales channels

Diverse growth strategies need to be properly connected to work well at scale.

Let's look at an example with Instagram Shoppable Stories. To run it, your team will need the orders generated from Instagram to feed directly into your inventory and fulfillment systems. And, whether they buy or not, you'll want the data from customer interactions with your Stories fed into your marketing engine so that those customers can be retargeted and identified across any platform or device with which they might engage with or buy from your brand. In short, you want a diversified channel mix with a single view of the customer, so that data and indicators for growth and experimentation opportunities are effectively identified and leveraged.

Shopify is unified by design, allowing you to both open up new marketing and sales channels and keep them natively integrated. It's extensible, so you can reshape and customize your capabilities to suit your specific and unique needs. It's also composable, making it simple to choose the right implementation, the best Shopify tools, and your preferred third-party integrations.

Unification directly impacts your sales channels by removing the complexity of deep integration, allowing your teams to sell more.

When your sales channels are unified in that one platform, that means you can drive way more velocity to those channels. Customers get the same high-converting checkout experience across every channel, and you don't have to worry about new features breaking your channels, because we solve for that coordination complexity in our back end.

Inventory management: A central source of truth for a web of logistics

There are three core ways that Shopify helps enterprise businesses streamline their inventory management:

Out-of-the-box inventory management tools

APIs that plug your preferred order management system (OMS) or ERP directly into your ecommerce architecture

Shopify POS, which connects your front end sales to your back-end inventory management

Centralized inventory data is crucial for companies selling across multiple online and offline channels. Many companies these days use multiple warehouses located closer to prime customer locations to minimize shipping costs and delivery times. Add to that a diverse SKU mix with varied kitting demands—suddenly a centralized data inventory becomes even more crucial.

Even if you're aware of what to look for in good inventory management software, it's worth looking at the criteria to note the common thread.

01 Inventory monitoring

02 Inventory control

03 Multichannel sales alignment

04 Comprehensive reporting and analytics

05 Volume forecasting

06 Purchase order generation

07 Multi-warehouse syncing

Within each of these criteria is the implicit need for unification to effectively create data alignment within the inventory management system itself. You'll find it all out of the box with [Shopify's native inventory management tools](#).

It just makes sense to manage your inventory from within your ecommerce platform. This centralized approach is at the heart of the seamless shopping experiences today's buyers expect, such as BOPIS and buy in-store, ship to home, to just to name a few.

Here's how other brands are doing it

Australia-based shoe brand, [Bared Footwear](#), used Shopify to consolidate their commerce stack and streamline fulfillment capabilities. They now use the ship-to-customer feature to turn their stores into an endless aisle, and use email carts to allow customers to complete purchases online with a preloaded cart sent directly to their email by store employees.

[Allbirds](#) uses Shopify's ship-from-store technology to increase conversions, allowing customers to discover and purchase items in-store that are shipped directly to their home.

We know that moving over to a new inventory system can present challenges, and the fact is you may already love the inventory software you have, such as Stocky, ShipHero, Shopventory, Katana, Cin7 Core, or Netsuite. All you need is for that system to speak more directly to the rest of your ecommerce system. Unlike other ecommerce platforms, with Shopify those third-party systems you love can be plugged directly into your ecommerce architecture with APIs.

That's not to overlook the role that the front end of your operation plays in this with your point of sale. A good point-of-sale system is fast, capturing customer data for future retargeting while connecting to your back end to inform customers and employees about what's in stock, how long items will take to ship to home or store, and other helpful information. Shopify POS does just this, unifying omnichannel

operations to simplify fulfillment and create a single view of the customer. Unified customer data carves out clear paths to conversion and growth, as well as the extensibility and flexibility you need to continue with the third-party systems you rely on, without adding hurdles of unnecessary software in between.

With their previous platform, DARCHE, an Australian outdoors and camping company, struggled to integrate their ERP, making it difficult to provide visibility into their inventory. Deploying Shopify Plus completely removed the roadblock, giving both DARCHE and their customers the ability to see in real-time which items were in stock before placing an order.

Castañer, an iconic footwear brand, struggled with inventory management on Adobe Commerce. By switching to Shopify Plus and Shopify POS, they unified their OMS and POS, enabling an omnichannel strategy. This gave them visibility into stock across stores, increasing sales in physical stores by 10% and improving their customer experience.

Apparel company Mizzen+Main uses Shopify POS to maintain a unified customer profile across online and offline channels. The system provides a real-time view of inventory, enabling staff to check stock levels across all locations. If an item is unavailable in-store, it can be sourced from another location or the central warehouse and shipped directly to the customer. The ship-to-customer feature accounts for 20% of the brand's weekly transactions.

Inventory management: Outsourcing fulfillment

Outsourcing fulfillment can reduce delivery times. Even better is the ability to collectively negotiate the lowest shipping rates for your business, so you can pass on low or free shipping rates to your customers.

Shopify offers fulfillment to all merchants through the Shopify Fulfillment Network (SFN) and a strategic partnership with Flexport, which handles warehousing, distribution, and both domestic and international shipping, and negotiates shipping rates collectively for Shopify merchants. On SFN, Shopify retailers deliver on promises to their customers and lower operating costs. In fact, we're so confident in our delivery times that we offer Shop Promise to our SFN retailers, a delivery badge that guarantees transparent shipping and has been shown to increase conversion rates. When customers see Shop Promise, they're more confident clicking "Buy."

Here's how other brands are doing it

Before joining the Shopify Fulfillment Network, hot sauce company Heatonist often had to warn customers about potential fulfillment delays. Because SFN strategically distributes inventory closer to customers, orders now arrive exactly when promised.

Apparel company EasyStandard experienced growing pains with third-party apps and fulfillment partners before partnering with Shopify. They used Shopify Fulfillment Network, Shop Promise, and Shopify Plus, which allowed them to offer product bundles. They've now got a 93% on-time delivery rate, fewer back-end issues, and a 19% relative increase in conversion using Shop Promise.



"Prior to partnering with Shopify, we would spend a lot of time tracking order issues and responding to support tickets... We're now able to be hands-off with backend operations and quickly fulfill customers' orders in three days or less. This service, combined with Shop Promise and Shopify Plus, have allowed us to create a positive customer experience and grow our business. There are very few instances where a fulfillment provider can impact your top-line the way Shopify can."

Sabrina Pereira
Head of Growth Marketing, EasyStandard

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“When we onboarded with Shopify Fulfillment Network, we had 1,000+ preorders backlogged. [They] pushed out the orders in literally a day and a half. We didn't have to spend any time on it and were instead able to focus on creating a complete, top-notch mobile experience for our customers.”

Blake Van Putten
Founder, CISE

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“Future partnerships are now much more approachable through Shopify Collective’s simplified onboarding process and the ability to quickly meet consumer demand in the market.”

Mark Hall, Senior Director of Digital Technology, Mattel Creations

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The mission-driven apparel company CISE struggled with order fulfillment due to their rapid expansion and initial reliance on manual fulfillment, which proved unsustainable. Using the Shopify Fulfillment Network, CISE outsourced their fulfillment which allowed them to shift focus and resources to marketing. That shift resulted in a 600% increase in orders, with a 9100% growth in SKUs between 2020 and 2021, and a 71% decrease in average fulfillment time—with lower shipping rates.

Inventory management: Lowering the risk of holding inventory

No matter how much insight you have into your inventory, holding it still comes with risk. Collaborating with other brands helps lower this risk. When another brand offers your products to their customers, your potential reach grows. Offering another brand’s products to your customers allows you to test new options for revenue generation without having to hold additional inventory.

Now, you might be thinking, “Wait a second. We went from talking through the importance of unifying across sales channels and connecting them with inventory to adding a whole other brand’s ecommerce stack into the mix.” And you might be wondering how you’re supposed to juggle simplifying your systems with spooling up a collaboration.

Shopify Collective, that’s how. Shopify Collective fosters seamless collaboration from within your ecommerce platform, enabling endless aisles through dropshipping and curating brands you can partner with—all managed within Shopify.

Here’s how other brands are doing it

Mattel Creations needed to quickly respond to the increased demand for Barbie products on the heels of an upcoming movie release—and they needed to do it efficiently to capitalize on a trend without the upfront costs of buying inventory. Through Shopify Collective, the team partnered with Funboy to sell Barbie-themed products. The Funboy floatie had a 31% higher AOV than regular products on the Mattel Creations site. And 57% of sales of the Funboy floatie came from first-time customers, indicating that the collaboration attracted new customers.

Looking to cross-sell products from a sister brand, Cozy Earth needed an easy way to share product information, inventory, and pricing between brands without managing duplicate SKUs and additional reporting structures. They also wanted to avoid apps that took a percentage of their sales. Shopify Collective allowed them to seamlessly integrate product listings and track sales between the two brands without inventory duplication. During the collaboration, over 60% of web traffic to the website for the sister brand, Fount Society, came from their cobranding efforts with Cozy Earth. A whopping 36% of Fount Society’s sales on Cozy Earth were attributable to new customers, indicating new exposure for the brand.



“The seamless product sharing and efficient inventory management provided by Shopify Collective relieved the burden on our fulfillment center, freeing up resources to explore additional avenues for co-branding.”

Alex Nelson
Digital Product Manager, Cozy Earth

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Top-line growth: Finding new customers

With customer acquisition costs as high as they've ever been, you need new, more cost-efficient ways to build a new customer pipeline. [Shopify Audiences](#) draws from Shopify's extensive commerce data network to help marketers optimize advertising campaigns based on customer data aggregated from across Shopify.

The custom lists consist of buyers looking for products similar to yours, based on machine learning for different stages of the marketing funnel—awareness, prospecting, retargeting, and existing customers—which we've pulled from the millions of anonymous transactions our merchants process every day on Shopify. Retailers who use Audiences can target the right customers—the ones who are most likely to engage, follow, and convert—on major ad platforms like Meta, Google, Pinterest, Snapchat, TikTok, and Criteo. Benchmarking tools allow you to compare your ad performance to that of similar stores or industry groups to hone your strategy further while measuring performance over time to demonstrate incremental gains.

It's an advertising edge powered by buyer behavior insights that are available only on Shopify. And because it's all unified, you'll do more than simply reach those customers—you'll more effectively segment and identify them wherever they wind up converting, so that you can secure and serve the customer wherever they show up.

Here's how other brands are doing it

[Mac Duggal](#), a luxury women's apparel brand, struggled to reach potential buyers and maximize their return on advertising spend (ROAS) due to privacy regulations and operating system changes. With Retargeting Boosts on Shopify Audiences, they expanded their retargeting audience size. They drove conversions, while prospecting and lookalike audience lists helped them reach new customers interested in similar products or brands. Their retargeting audience size increased by 2.3 times, their cost per purchase with retargeting ads decreased by 3.6 times—and their ROAS doubled.

Now let's say you've attracted a highly motivated customer with Audiences. You'll take it one step further when you offer your customers [Shop Pay](#), Shopify's accelerated checkout option, which can increase conversion by up to 50% as compared to guest checkout⁰³. In fact, once a customer is signed up with any brand within the Shop Pay network, you'll be able to recognize them when they visit your store, even if they've never shopped with you before. With this information in hand, you can run a conversion campaign, such as reaching out via email using contact info you'll receive through Shop Pay, with a discount to promote conversion.

And while we're here, let's add one more growth lever to the mix: influencer collaboration. The value of the influencer market tripled in size between 2019 to 2024, with Statista estimating a rise from roughly \$6.5 billion to \$24 billion⁰⁴. Marketers see reach, engagement, conversion, sales, and brand lift as the top positive effects of working with influencers.⁰⁵



“Shopify Audiences helped us grow and prove our campaigns in the future. With all the tracking challenges in the marketing world, Audiences keep our campaigns fueled correctly.”

Emily Greenfield
E-commerce Director, Mac Duggal

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89%

of surveyed marketers planned to increase their influencer marketing budgets

[Source](#)

As of September 2024, 89% of surveyed marketers planned to increase their influencer marketing budgets, with 28% indicating they'd increase their budget by 51% to 100%.⁰⁶

Anticipating this explosion in influencer marketing and its impact on ROAS, we launched [Shopify Collabs](#) to help you execute affiliate marketing programs within Shopify without needing to involve an agency. This significantly reduces your up-front campaign costs and enables you to run a more efficient influencer marketing program, with the ability to find creators, send them samples and gifts, and pay them all within a single space directly connected to your larger platform.

That simplicity and ease-of-use is the benefit of native innovation tools, managed by our engineers, unified into the platform on which your business runs.

Top-line growth: Expanding to international markets

While we're on the subject of channel growth, let's talk international markets. On Shopify, it all begins with a unified core: centralized admin for your products, a marketing engine, and customer databases. From there, growth is just a matter of employing Shopify's numerous integrated features to simplify cross-border sales while opening up new markets for growth.

Businesses can choose between an all-in-one package called [Managed Markets](#) or a selection of [international growth tools](#) (with more flexible, self-managed features). With these tools, Shopify supports local currencies, payment methods, content localization, custom domains, market-specific pricing, and regional address forms. Every Shopify plan comes with a range of built-in tools to support international sales, such as tailored themes, localized content, market-specific catalogs, and a multimarket dashboard.

Most recent estimates put Shopify's international sales tools as generating more than \$444 billion (USD) in global economic activity, with more than 644 million customers worldwide from the 175 countries where Shopify brands operate.

Here's how other brands are doing it

[SilkSilky](#), a silk product company, faced challenges in international expansion, including the need for better ERP integration, granular data insights, and regional localization. Upgrading to Shopify Plus provided seamless ERP integration, allowing for efficient data analysis and cost control. Shopify's international sales tools and multiple site capabilities facilitated localized experiences, while also offering customized checkouts and payment options. Shopify Flow helped reduce returns, and the Shopify App Store provided tools to improve customer service and loyalty. This approach led to a 680% increase in sales within two years, higher European conversion rates, a reduction in return rates, and significant drops in procurement costs.

When [The Indoor Golf Shop](#) needed to simplify the purchase process for their high-quality indoor golf simulators, they saw Shopify as the solution that would allow them to focus on growth without getting bogged down in technology—and to expand into Canada with the help of Shopify Markets. On Shopify, the company doubled their Black Friday and Cyber Monday sales in 2024 and saw a 22% increase in units per order compared with 2023, all while maintaining site performance.

“In order to quickly expand our business to more countries and markets, we upgraded to the Shopify Plus plan. This allows us to achieve one-stop management for multiple sites while also maintaining the freedom to operate each site independently. The upgrade process was very smooth; it was completed with just a click.”

Sam Peng
Founder, SilkSilky

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"Shopify makes it so easy for an early business to focus on the things that matter. One person can build and maintain an entire brand presence. Then, it's fully scalable as the business grows and moves into new revenue tiers, revenue types, locations, and channels."

Bill Graham
Vice President of eCommerce,
The Indoor Golf Shop

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05

Smarter, faster growth for the future



As we evolve beyond the “growth at any cost” era, businesses face far more challenging economic headwinds, forcing CEOs to scrutinize every dollar spent. At the same time, we’ve entered a new era in which customers expect brands to deliver more immersive and intuitive shopping experiences across online, retail, B2B, and mobile touchpoints.

Your legacy is secured in a company that’s able to grow regardless of macroeconomic conditions. Unified commerce puts every relevant growth tool and channel within your reach, enabling you to do just that: grow, at your speed, keeping up with your customers and outpacing your competitors.

The benefits are only fully realized using a diverse mix, not a fragmented or tangled one. And with Shopify, your business is empowered by a managed platform, run by a company that invests in innovation and engineers to anticipate business and technology trends and delivers the capabilities you need out to you before you even know you need them.

This is the growth flywheel on Shopify.

We grow when you do. Our 20 years of focus on commerce means that you get frictionless software, globally scaled infrastructure, flexible technology that adapts to your business and not the other way around, and relentless innovation. On Shopify, you will always stay ahead, and you'll do it with the lowest TCO, the highest ROI, and fastest time to value.

The most innovative and iconic brands on the planet trust Shopify as their ecommerce platform of choice. They choose to partner with us because they never want to replatform again.

And we put in the work to make sure that they don't need to.

The headwinds of economic volatility are here, but so too are the steadiness and flexibility you need to experiment, innovate, and grow coherently and consistently.



Your legacy is within reach.

[Give us a call](#)

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