

Thought Leadership Brief

# Platform Approach vs. Point Solutions

*Figuring Out the Right Approach for Your Business*



# Platform Approach vs. Point Solutions

---

- 1.** Solving the Omnichannel Dilemma
    - a. Advantages and Disadvantages of Point Solutions
    - b. Advantages and Disadvantages of Platform Approach
- 

- 2.** Making the Decision
- 

- 3.** Mapping User Journeys to Determine the Right Approach
- 

- 4.** Next Steps in Your Digital Transformation Journey



# 1. Solving the Omnichannel Dilemma

At NewStore, we work with up and coming brands and globally renowned retailers. They all have a common dilemma:

Do they create an omnichannel experience through a platform approach with capabilities needed today plus leave extra room for growth or by adding point solutions that meet their specific needs now?

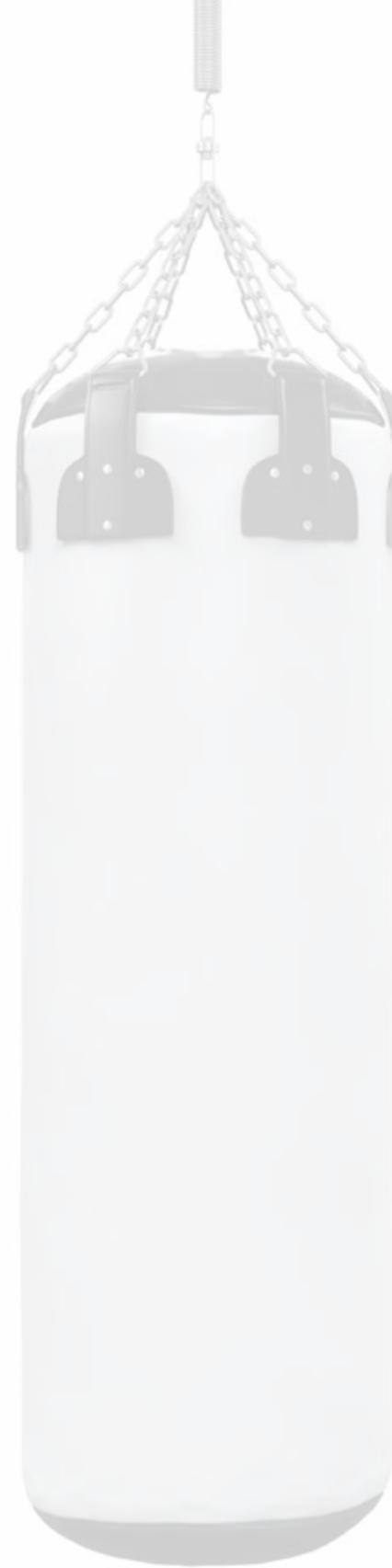
On the one hand, point applications address the needs of a specific channel. They focus on solving a specific functional gap with best-of-breed features and functions. Organizations that adopt a point solution approach to the omnichannel challenge are taking on the risk of creating technology and organizational siloes. This means they won't have a full view of their customers, promotions, or end-to-end processes across channels. Today's most successful brands look to unify their operations and create a cohesive brand experience regardless of the channel.

On the other hand, a platform approach offers seamless data sharing and omnichannel business processes for the entire organization. It means a bigger investment upfront and a major overhaul of the business. If not managed and staffed properly, implementation can easily last for 12-24 months and become a source of frustration. Given the hyper-competitive retail environment, a major investment that does not show an ROI within a year may not be a good option.

## a. Point Solutions

### + *Advantages*

- ✎ Best-of-breed solution for a specific department
- ✎ Deep functionality for one channel
- ✎ Expertise of a specialized technology partner
- ✎ The ability to easily replace the specific component in the ecosystem
- ✎ The ability to maintain one module without affecting the other modules



### - *Disadvantages*

- ✎ Managing multiple systems, multiple databases and multiple vendors
- ✎ Complex end-user training with multiple parties to coordinate
- ✎ Complex ecosystem of standalone technologies integrated together
- ✎ Difficulty troubleshooting when problems arise
- ✎ Lack of the 360 degree view of customer and interactions across touchpoints
- ✎ Additional burden on IT to support and maintain multiple systems
- ✎ Best-of-breed solution for one department will not benefit the entire organization
- ✎ Managing constantly changing applications, their interfaces and data models
- ✎ Total Cost of Ownership (TCO) may rise due to different vendor support costs

## b. Platform Solutions

### + *Advantages*

- ✎ Integrated and consistent end-to-end business processes throughout all modules in the platform
- ✎ 360 degree view of customers, promotions, inventory and orders across channels
- ✎ Cross-channel reporting and tracking
- ✎ Single technology partner for all troubleshooting and maintenance issues
- ✎ Fewer integrations, lower implementation and training costs
- ✎ Lower maintenance costs as a result of a single technology stack
- ✎ Smarter promotions with opportunities to upsell and cross sell
- ✎ The ability to innovate and adapt to changing market trends
- ✎ TCO is lower with improved end-to-end business processes



### - *Disadvantages*

- ✎ May be larger investment upfront
- ✎ May not have all the best-of-breed functionality found in point solutions
- ✎ The organization is dependent on one technology partner
- ✎ Long-term commitment, unless the technology partner is quick to innovate



## 2. Making the Decision

When making the decision about the right approach for your business, consider these four factors:

### *a. Time Factor*

If your brand needs to solve a very specific problem as quickly as possible, you may be better off with a point solution that addresses that specific need. It will cover your needs in the short-term and allow you to go to market quickly.

Caution:  
Calculate the integration and maintenance costs when choosing a specific point solution. They can add up very quickly and downplay the benefits of the short-term investment.

### *b. Budget Factor*

This factor can be a tricky one. One department may have the budget and may not be willing to postpone the purchase of the specific solution. However, long-term platform benefits could outweigh the short-term gains of a point solution. Detailed ROI calculation needs to be made to factor in a small investment for a specific department and compare it to a larger one for a platform impacting the entire organization. The math will offer a clear answer.

Caution:  
The person working on the ROI models needs to have a clear understanding of the cost savings and revenue opportunities generated by the platform approach. This information is often difficult to grasp due to the scope of the functional areas addressed by the platform.

### *c. Pitfall Tolerance Factor*

Without a doubt, taking on a platform approach is a major undertaking that requires a significant investment upfront and the courage and determination that come with it. Pitfalls can happen in any project and being prepared to face them with the right team and processes is a must. If your organization can't dedicate the right resources for a platform project, it might be easier to continue on a path of digital transformation through a point solution approach.

Caution:  
A point solution approach doesn't offer seamless end-to-end business processes across the organization and 360 degree view of the customer across touchpoints. Cross-channel reporting and tracking will also be lacking.

### *d. Strategy Factor*

When making the decision on a unified platform vs point solution approach, consider your overall strategy.

*Where do you need to be in the next 3-5 years?*

Will your current technology stack get you there if augmented by point solutions? Or will you need to replatform in a year's time because you are still not able to achieve your goals and struggle with data visibility across the organization? Can your IT team support continuous need to maintain and upgrade the point solutions or would they be more successful handling one technology with built-in integrations?

Caution:  
Strategy discussion needs to involve the C-Suite across the organization with clear goals supported by the projected revenue targets.

### 3. Mapping User Journeys to Determine the Right Approach

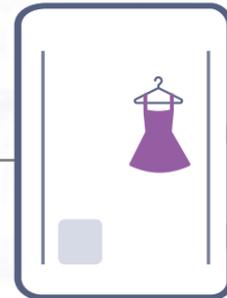
Another way of making the decision is to map customer journey scenarios and then look at technologies that support them.

#### Scenario 1

Ability to view inventory on the go, place an order from another location for home delivery and follow up with the customer later is possible through a platform approach only.



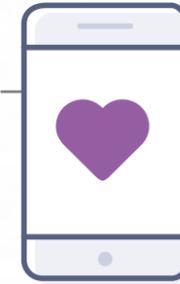
Sarah, the consumer, looked for a store on her smartphone in order to purchase a dress for the upcoming wedding of her friend. She made an appointment with a store associate, Jessica, to try a few dresses.



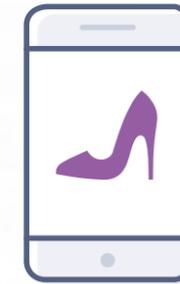
Jessica set up a dressing room in time for Sarah's arrival. While trying the dresses, Sarah asked for a dress in a different color and a size smaller than those carried in the store.



Jessica was able to access the inventory of another store without leaving Sarah and place an order to be shipped directly to Sarah's home.



In a couple of days, she messaged Sarah to follow up and make sure that the dress was exactly what she wanted. Jessica was pleased to hear that Sarah loved her new dress.



Jessica also offered her an incentive to download the app for exclusive deals on shoes that would go well with the dress, should Sarah's current pair of shoes not measure up.

#### Technology needed

- ✍ Progressive web app
- ✍ Native app
- ✍ Endless aisle with inventory visibility across the organization
- ✍ Mobile checkout
- ✍ Clienteling with 360 degree view of the customer
- ✍ Chat
- ✍ Omnichannel order management
- ✍ Integration with delivery providers
- ✍ Store Wi-Fi

## Scenario 2

The ability for a customer to return products in-store, view customer's past shopping history and preferences while they are in the store, helps turn around the lost sale into a successful one is possible through a platform approach.



Sarah wants to return an online order in the store rather than taking it to the post-office, since the store is on her way from work.

When she enters the store, her favorite associate, Jessica, gets a notification about Sarah's presence and greets her. She is able to use Jessica's information to suggest alternative looks that Sarah may not have noticed online.

Sarah tries them on and really likes one of them. She exchanges the purchase for new products and leaves feeling accomplished and happy with her new clothes.

The exchange and checkout of new items was seamless helping Sarah get home quickly before rush hour traffic.

### Technology needed

- ✍ Native app
- ✍ Clienteling with 360 degree view of the customer
- ✍ Mobile checkout
- ✍ Omnichannel order management
- ✍ Store Wi-Fi

### Scenario 3

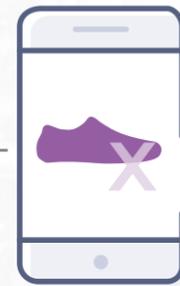
A native app that offers a tailored user experience, fulfillment from store, rich notifications, and ability to view inventory in other stores and get the right product by a certain hour is only possible through data sharing powered by the platform.



Bill is on a business trip in New York City. The airline lost his luggage and he has an important dinner meeting to get to in a few hours. He uses the app of his favorite brand to place an order for a new suit and shirt for in-store pickup.



An associate, Marissa, receives an order and prepares it for Bill. He gets a push notification letting him know that his order is ready for pick up. Bill tries on the new suit and the shirt.



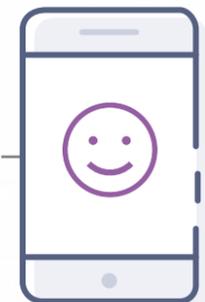
He really wishes he had his new shoes and decides to splurge on a new pair while at the store. Marissa helps Bill find the best matching pair. Unfortunately, the store doesn't have Bill's size. Marissa looks up the inventory available in other New York stores and places an endless aisle order.



Bill asks that his shoes be shipped directly to his hotel by 5 pm. Marissa schedules the same day delivery by picking a time slot that meets Bill's needs.



Bill gets a notification about the shoe order and is able to track the delivery on his app. He can also view a summary of his visit, the products he tried and purchased.



#### Technology needed

- ✍ Native app
- ✍ Endless aisle with inventory visibility across the organization
- ✍ Mobile checkout
- ✍ Clienteling with 360 degree view of the customer
- ✍ Omnichannel order management
- ✍ Integration with delivery providers
- ✍ Store Wi-Fi

## 4. Next Steps in Your Digital Transformation Journey

It is a well-known fact that retail is undergoing a major shift where the consumer is the point-of-sale. Following is the overview of the key capabilities needed to power today's modern shopping experience. Whether to achieve them through a platform approach or through point solutions is a decision that every brand must face.

### Key Capabilities

- ✦ End-to-end business processes across the organization
- ✦ Single truth for inventory
- ✦ 360 degree view of the customer online and offline
- ✦ Cross-channel reporting and tracking

*Calculate  
Your ROI  
today!*

Email us [sales@newstore.com](mailto:sales@newstore.com) for a copy of the ROI spreadsheet.

[Get your ROI spreadsheet](#)



NewStore provides the only omnichannel solution that spans OMS, clienteling, mPOS, mobile web, native apps, and modern fulfillment. The NewStore Mobile Retail Platform humanizes the digital shopping experience by connecting consumers to associates directly, and integrates with existing ecommerce platforms such as Salesforce Commerce Cloud, SAP Hybris, Oracle ATG, and Magento. Unlike point solutions that create complexity and friction, NewStore delivers an end-to-end customizable platform built from the small screen up. NewStore was founded by Stephan Schambach, creator of Demandware (now Salesforce Commerce Cloud) and author of [Makeover: How Mobile Flipped the Shopping Cart](#). The company is headquartered in Boston, with offices in New York and Berlin. Learn more at [www.newstore.com](http://www.newstore.com). For data on how retail is performing when it comes to omnichannel, explore [www.newstore.com/retail-academy](http://www.newstore.com/retail-academy).