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Next generation commerce

REIMAGINING RETAIL COMMERCE

Retail focus has been shifting towards ecommerce and digital over the last decade. Now, the impact of COVID-19 has radically accelerated this shift. However, adjusting to this pace is one thing, standing out from the crowd is another.

Those businesses that want to survive must do more than adapt to the pace. They must innovate digitally; they must reimagine retail commerce.

- Approach ecommerce creatively
- Understand which behaviours drive customers to touchpoints
- Create a unique Customer Experience

MODULE LIST

Welcome to the first module in our headless ecommerce professional development programme: Reimagining Retail Commerce.

This module is an introduction to headless ecommerce. It assesses how the retail market has changed as a result of new digital technologies, and how disruptors use this to their commercial advantage. Above all, it aims to challenge you to think creatively about the ways you can differentiate your customers' retail experiences.

How can you reimagine the customer relationship using creative and innovative digital concepts?

Key learning outcomes for this module:

- Understand the significance of Customer Experience in a highly competitive digital landscape

- Consider ways you can innovate and differentiate your brand proposition from disruptors and competitors

- Understand how new technologies and approaches can help you gain greater insight about customer behaviour and how to leverage this

- Recognise how an API-first approach provides more freedom to innovate digitally

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RE-IMAGINING RETAIL COMMERCE... WITH THE RIGHT TOOLS

Today's disruptive retail landscape is nowhere near what it was during the glory days of the department store, or even the advent of "click and mortar" in the not-so-distant past.

New technologies and channels are emerging at breakneck paces, creating a retail future that's full of both challenges and opportunities. From direct buy options on social media to robots, voice-activated assistants, and even virtual dressing rooms, retailers are tasked with finding creative ways to stand out and support customer experiences across channels, even creating dedicated innovation labs and teams to explore the plethora of online and offline retail opportunities..

Why? Because savvy retail innovators know that to survive in this new age of commerce where the customer is boss, digital dominates, and competition abounds, brands must leverage engagement to build memorable shopping experiences — meeting customers wherever they are and with the specific technologies they choose. Lee Kent, principal at Your Retail Authority, LLC, perhaps said it best:

"The important thing for retailers is to understand their customers' shopping journey and create great experiences that will have them coming back."

Throughout this paper, we will cover:

- Where your opportunity for retail innovation lies

- How commerce is radically evolving to support richer experiences and deeper engagement

- The specific tools you need to build a compelling experience for your brand and gain newfound levels of agility, scalability, speed, flexibility, and ROI

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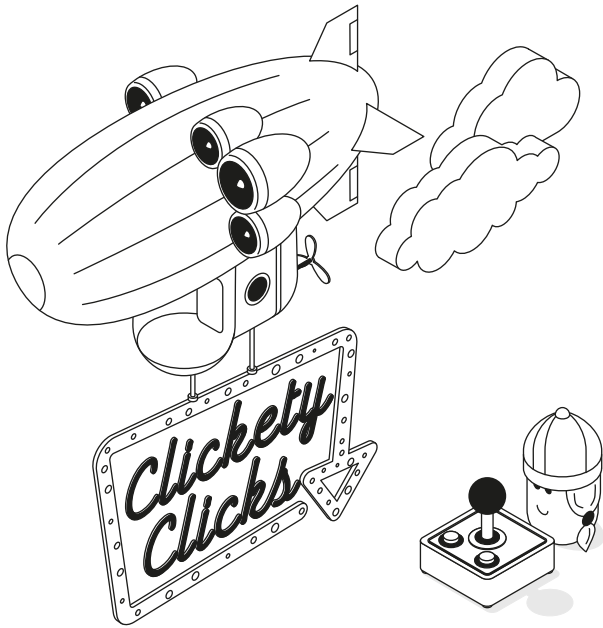
THE LAND OF OPPORTUNITY

For many retailers, the challenge of building an innovative, forward-thinking, unique commerce experience is heightened by the growing presence of mega-companies like Amazon that continue to dominate the online market. And as phrases like "Retail Armageddon" and "innovate or die" splash across industry news headlines, you might wonder how it's possible to truly compete amid all of the noise.

But the truth is, you don't necessarily have to compete against the Amazon giants of retail to be successful. Let's take a look at why.

Companies like Amazon and Walmart thrive on selling "non-discretionary" or commoditised products (such as batteries, dishwasher detergent, diapers, and socks) — the things consumers have to buy for day-to-day convenience and physical needs. For these buyers, it's less about interacting with a brand and more about convenience and product selection.

The land of opportunity (cont.)

And while Amazon undoubtedly owns the non-discretionary, commoditised portion of the retail market, the territory of discretionary, specialized products that consumers really want to buy is still up for grabs. It's within this space of interesting, high-value, and emotion-driven purchases that you can really make your mark. By using innovation to support customer engagement and make your brand experience inviting, authentic, distinctive, and personal, you can compete and succeed even in the wake of Amazon.

Two examples of retailers who have really found their groove in experience-driven commerce are Bear Naked Granola and Dollar Shave Club. While these companies come from entirely different market segments, they have an important thing in common: They both add value for customers through an overall brand experience. For Bear Naked Granola, the value comes from using humour to entertain and capture customers' interest, providing a useful, searchable way to find products, and even letting granola fans create their own, customized recipes. Dollar Shave Club (also a big proponent of brand humour) creates an equally engaging experience — one that's not only fun and convenient for customers, but also makes them feel part of something different and special.

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THE MONOLITH CHALLENGE

In today's ever-evolving market, retail innovators have an increasing array of technologies and options to expand, differentiate, and personalize the customer experience, both in the store and across online platforms.

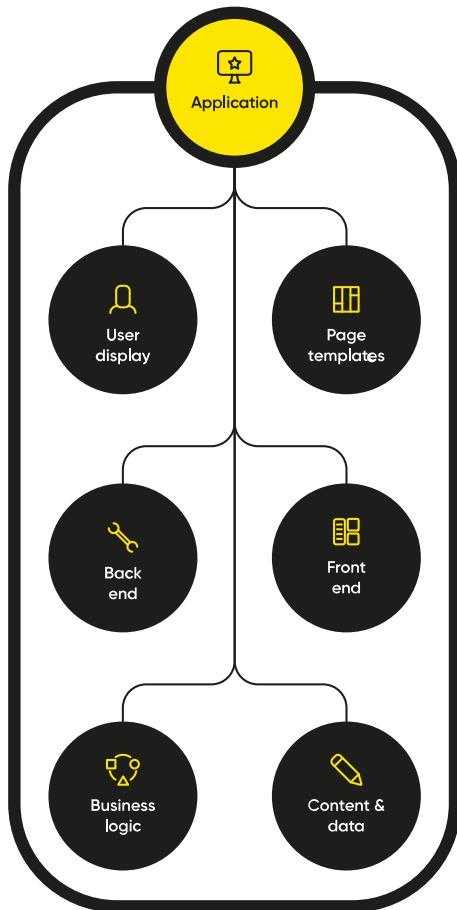An example of a traditional "monolithic" web CMS

Yet truly utilizing these tools to drive revenue and respond to rapidly changing consumer preferences depends on having the right commerce software on the back end.

Unfortunately, many retailers remain constrained by outdated commerce platforms written in a monolithic style that are costly to maintain and require weeks or months to modify. While the architecture of older platforms served its purpose at the advent of online commerce in the early 1990s, this 20-year-old software hasn't evolved to help retailers compete in the modern world. For maximum agility and speed, online giants like Amazon are bypassing these so called monolithic commerce platforms and utilizing a more modern architecture instead.

Major industry analyst firms are reporting on this shift, too. In a recent research note, global analyst firm Gartner states the following:

"Gartner is seeing a shift in architecture from historical 'monolithic' digital commerce platforms with integrated UI and product catalogue functionality to a more flexible, componentised architecture."

However, replacing the old commerce platform with an entirely new solution is a substantial undertaking — one that involves significant time and risks for established companies. But even if you are one of the many retailers that simply cannot justify starting from scratch with a brand-new commerce platform, you can still make innovation happen... innovation that makes a major impact.

DIGITAL COMMERCE

Technology has evolved extensively over the past several years — presenting new and exciting possibilities in digital commerce.

And the more digital your commerce capabilities become, the more innovative and customer experience focused you can be across all of your channels—be it web, mobile, social, or IoT (internet of things).

According to Gartner,

"Application leaders responsible for digital commerce must choose a digital commerce architecture that provides an optimal customer experience."

Today's content and experience management solutions — the systems used to observe customer interactions, respond to customer expectations, and improve customer satisfaction — are no longer the clunky, technically daunting machines they once were. Rather, they are more accessible and intuitive for business users than ever before. And when coupled with an API-oriented digital commerce platform, these applications enable marketing teams to do more on their own with less reliance on IT.

Yet another (and perhaps more important) technology shift has to do with the move toward API-oriented digital commerce platforms — a trend identified by Gartner as "one of the three approaches to digital commerce." Like Lego blocks, individually consumable APIs (aka standard programming interfaces) give you the ability to build whatever you want over time — without having to replace your entire architecture all at once or synchronize functions across your back-end platforms. And with API-oriented solutions like those offered by commercetools, APIs can be used behind the scenes to fulfil specific micro-services (i.e., payment, inventory, product catalogue, etc.) across various channels, letting you inject commerce virtually anywhere.

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> APPLICATION LEADERS RESPONSIBLE FOR DIGITAL COMMERCE MUST CHOOSE A DIGITAL COMMERCE ARCHITECTURE THAT PROVIDES AN OPTIMAL CUSTOMER EXPERIENCE.
> "

Digital commerce (cont.)

Gartner further defines API-oriented commerce as follows:

"Under API-oriented commerce, all capabilities required can be decoupled services — e.g., commerce, experience management, content, search, payment, personalization and analytics. Thus, this also enables the deconstruction of what have been considered core commerce platform attributes into component services that are no longer required to come from the same vendor."

Kelly Goetsch, chief product officer at commercetools, explains this concept perfectly:

"If implemented correctly by the provider... APIs can be written in a way that they can be consumed individually. You could consume just a promotions API, for example. Or just the inventory API."

By combining a sophisticated content and experience management solution (like Adobe Experience Cloud) with an API-based commerce platform, your marketing innovators can own the customer experience while IT takes care of the data and functionality. And because modern commerce solutions like commercetools give you unsurpassed flexibility in how you choose to structure your commerce applications, you don't have to fear (or justify to your CIO) a mammoth migration from your current monolithic platform. Instead, you can break the migration down into a series of reasonable, manageable steps over time — eventually arriving at full digital commerce nirvana.
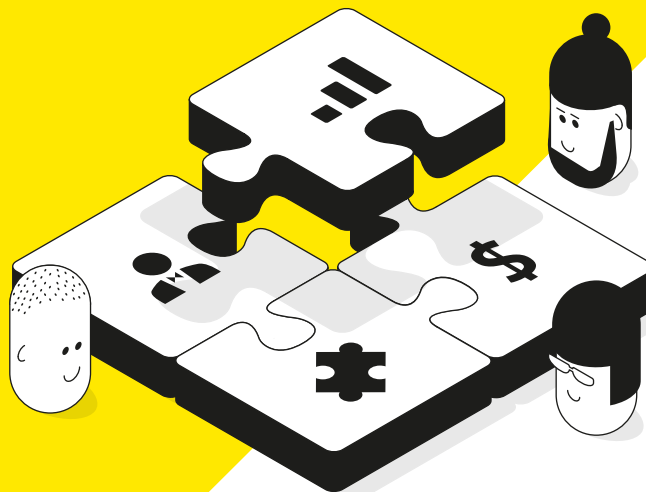
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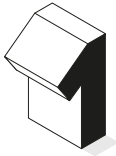
Step 1: Evaluate your needs and opportunities.

What are the gaps in your current solution that need to be filled? Think about the problems hindering your business, as well as new opportunities for change. Do your research to pinpoint primary goals, customer demands, benchmarks for success, target segments, etc. A tech-savvy web design agency or solution provider can help with this step.
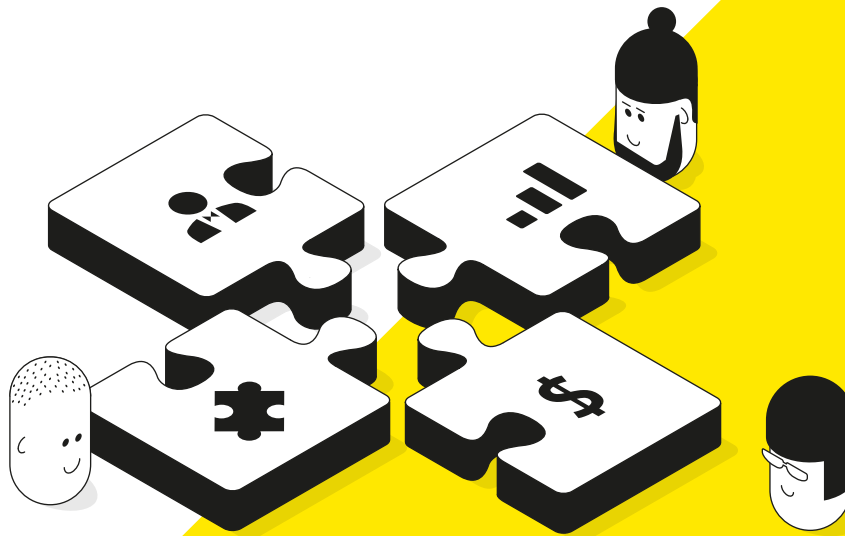
Step 2: Decide what you want to change first.

Go after the biggest gaps to get the ball rolling. Or take on a smaller, more isolated project to test first. Regardless of what you choose to tackle in the beginning, be sure that your goals, strategies, and decisions align with your overall company focus and direction for the future.

one piece at a time (cont.)

Step 3: Start innovating (without the risk).

Run your current platform and new commerce functionality in parallel to test a single, stand-alone component (micro-service) and see how it performs (i.e., payment or cart and order management).

Get creative and add new functions that keep your company ahead of trends. For example, you can maintain your current website and also start selling on Facebook using a customized, preconfigured social integration. Or, integrate on Pinterest to gain more visibility for your brand.
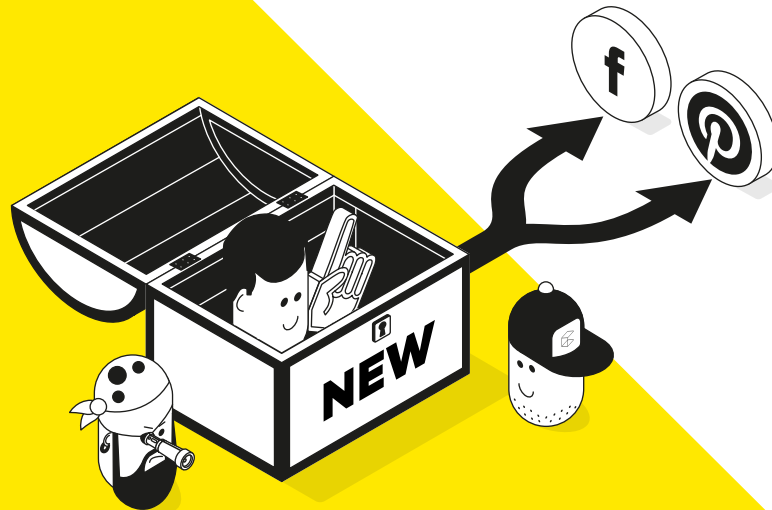
Step 4: Maintain forward momentum.

Keep going after those BHAGs (big, hairy, audacious goals) to encourage ongoing innovation. Continue replacing parts of your old architecture to arrive at a complete, modern commerce solution — one that creates a consistent, engaging experience across multiple channels and touchpoints.

Eventually, the same back-end platform will support every aspect of your innovative brand experience, whether your customer is looking at a virtual shelf or browsing products on a mobile device. And as time goes on, you can leverage your new commerce platform to gain better insight into customer behaviours and gauge the effectiveness of certain components and campaigns.
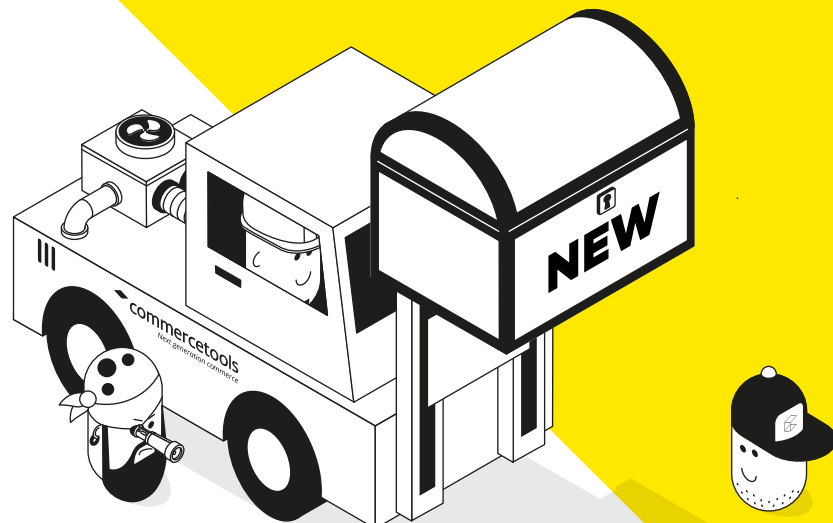
THE BUSINESS BENEFITS OF COMMERCE INNOVATION

When it comes to modernizing your entire commerce solution, it can be hard to take your eyes off of what you've got to lose and focus instead on what you've got to gain. By taking these gradual yet effective steps toward a new and improved modern commerce platform, your company gets the benefits of:
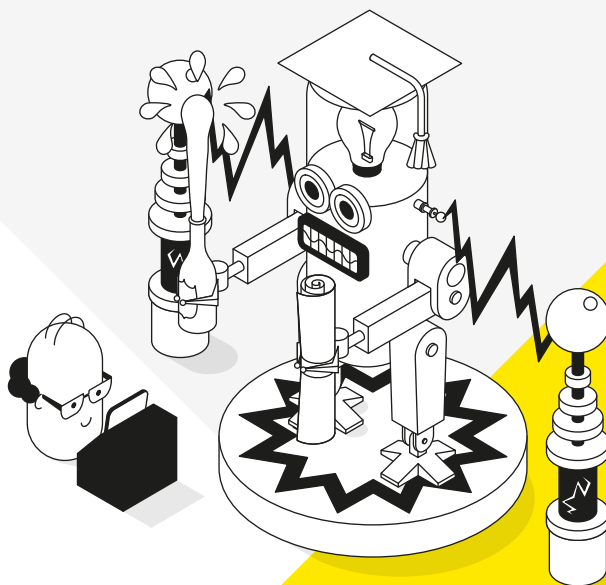
> **PLATFORMS LIKE COMMERCETOOLS DELIVER A CLOUD-BASED SOLUTION THAT'S READY TO USE... IMMEDIATELY**

Agility

Platforms like commercetools deliver a cloud-based solution that's ready to use... immediately. That means you don't have to do a single thing to maintain it. And because the platform is automatically and seamlessly updated several times a week, you don't have to waste time and energy worrying about how your solution is running, if it's performing properly, or whether it's safe and secure. Instead, you get the freedom to implement smart functions, ideas, and campaigns to make your job even easier. As your company (re)gains agility, you can compete effectively in your market. Launch promotions, products, and campaigns FASTER than ever, plus fearlessly test and modify new ideas and easily discontinue programs that don't give you the results you want.

Scalability

Another benefit of a true cloud-based solution is that it automatically accommodates increases in traffic. With solutions like commercetools, you can rest easy with guaranteed response time, even if your new product or flash sale blows up on social media. As your business evolves and grows, the platform automatically scales in accordance with your needs, ensuring ongoing performance. So instead of hesitating to launch a campaign because you're worried about site downtime or slow performance, you can focus on ways to create unique commerce experiences and give your team the power to implement new ideas within days — not months.

> **ANOTHER BENEFIT OF A TRUE CLOUD-BASED SOLUTION IS THAT IT AUTOMATICALLY ACCOMMODATES INCREASES IN TRAFFIC**

Flexibility

Solutions like commercetools also put the control back into the capable hands of you and your marketing team — allowing you to pick and choose exactly what your company needs to be successful in digital commerce. Develop customized integrations with a wide range of ERP, CRM, and CMS solutions to continually import and export products, customer information, orders and more — anywhere you want on the World Wide Web. And with adaptable APIs, you can keep designing great experiences for new and existing channels — making every last one of them shoppable.

Outstanding ROI

Last but not least, an API-based platform empowers you to sell innovation internally. When you go with a platform like commercetools, you don't have to advocate for a two-year, multimillion-dollar rip and replace. Instead, you can innovate with reasonable resources and see a big impact in a fairly short period of time. To keep creating solutions that ensure a more rapid return on companies' investments, commercetools even launched its own innovation labs where experts use the platform to develop new and advanced retail ideas, including social media commerce, virtual reality (VR), and voice commerce

DON'T TAKE IT FROM US

As if the advantages of modern commerce technology don't speak loudly enough for themselves, Forrester reaffirms the many benefits of such a platform. In its Q1 2017 publication of The Forrester Wave™, the market research firm identified commercetools as one of the 13 most significant vendors for B2C commerce suites. In the report, Forrester notes that today's effective commerce suites must deliver qualities such as omni-channel engagement, personalized experiences, and faster time-to-market — all rich components of the commercetools platform.

Forrester specifically recognized customers' fondness for the flexible, "à la carte" nature that commercetools delivers, which gives them the "ability to choose specific commerce capabilities without the feature bloat of more traditional all-in-one platforms." And in noting the platform's particular forte for "innovative use cases, like conversations and social commerce," Forrester dubs commercetools "a good fit for firms looking to innovate."

> ## COMMERCETOOLS IS A GOOD FIT FOR FIRMS LOOKING TO INNOVATE.

The Forrester Wave™: B2C Commerce Suites, Q1 2017

THE BOTTOM LINE

Facing the crowded, commoditised, competitive world of digital commerce can be overwhelming, especially when you're equipped with 20-year-old software while big shots like Amazon are leveraging cutting-edge commerce tech. So it's a good thing that modern commerce technology is well within your reach, helping you innovate now with dynamic, powerful brand experiences that drive engagement and build loyalty.

With API-based micro-services platforms from industry pioneers like commercetools, you don't have the near impossible task of convincing IT to toss your company's existing solution. Instead, you can revamp your platform over time, getting the plug-ins you need to support any project. And by allowing your marketing team to control the commerce experience, you can more effectively and efficiently expand your brand—reaching more customers online, truly engaging potential and current customers, staying nimble to customer demands, and quickly implementing new ideas that make you stand out from the crowd. The future of commerce is here, and you're free to innovate. Embrace the technology that helps you do it all.

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MODULE LIST

1 Reimagining Retail Commerce

2 Replatforming

3 Platform Migration

4 Monolithic to Microservices

5 What is Headless?

6 APIs Enable Headless

7 The Fusion of Content and Commerce

+ **Put your newly learned knowledge to the test at our headless ecommerce masterclass event in London in October. Naturally, the latest social distancing measures will be enforced to ensure your safety.**