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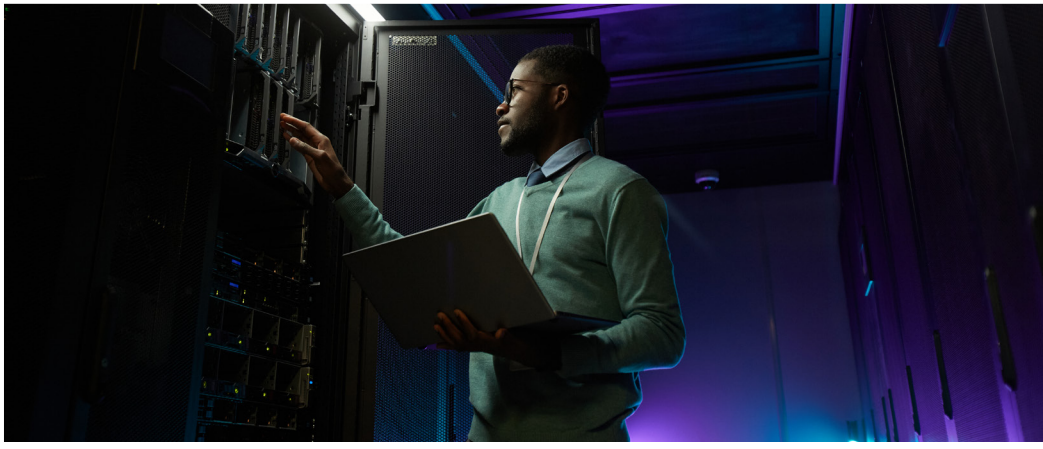
March 2022

HOW TO CHOOSE AN ECOMMERCE PLATFORM









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OVERVIEW

There's movement and expansion in the world of ecommerce platforms.

Platform providers are expanding to social commerce, hoping to cash in on the propensity of younger shoppers to use mobile devices.

Providers are also moving global, looking to find growth in overseas markets—particularly China—for themselves and their customers.

Platform providers are expanding into all-new industry segments too. B2B providers specializing in business-to-business (B2B) ecommerce are looking for business in the business-to-consumer (B2C) arena. B2C platforms are adding features that appeal to B2B merchants.

The result is a mix of confusion and opportunity.

Yet changing platforms has never been easy. The increasingly complex nature of the platforms—and the attendant use of IT



RETAILER INSIGHTS

41% of retailers plan to make their ecommerce platform a top technology budget priority in the next year.

Source: Digital Commerce 360 technology survey of 93 retailers, August-October 2021

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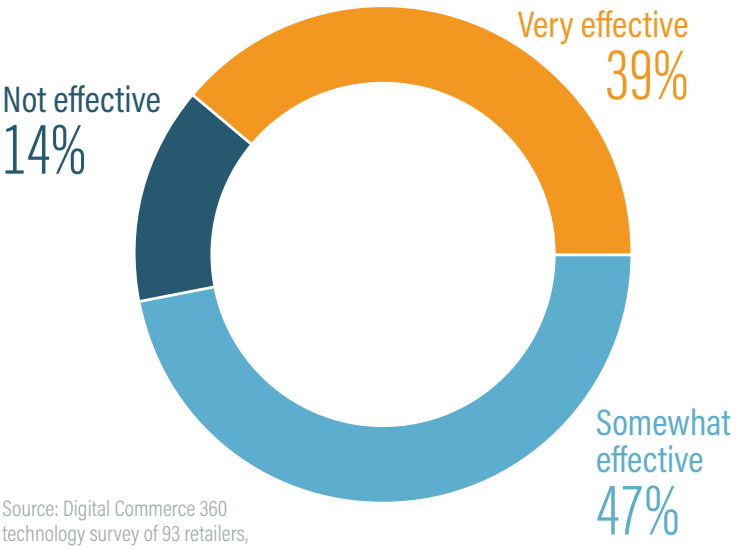
jargon like “APIs” and “headless commerce”—requires a significant learning curve for anyone who considers a switch. Despite all of that, retailers and B2B companies alike are rethinking their ecommerce platforms, wondering if it’s time to switch to new vendors and different approaches to the technology that underlies online selling.

IN THIS REPORT

This report aims to explain the nature of the ecommerce platform world in 2022.

RETAILER INSIGHTS

How effective were ecommerce platform investments at improving your conversion rate in 2021?



Source: Digital Commerce 360 technology survey of 93 retailers, August-October 2021

In a section on globalization, we’ll look at how platforms BigCommerce and Shopify Inc. are expanding into new markets (and teaming with giants of Asia’s retail industry.)

In a piece on social media, we’ll look at how platforms like Adobe and Shopify are looking to help retailers connect to Gen Z shoppers and establish a foothold in the still-nascent world of social commerce.

In a section on how companies make a business case for deploying and selling through headless commerce, we cover the ecommerce and technology strategies of several companies. They include electronics manufacturer Keysight Technologies, medical products maker Siemens-Healthineers, distributor MSC Industrial Supply, and school uniform supplier Global Schoolwear.

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As the industry analysts we interviewed noted, the headless trend comes with formidable challenges but is nonetheless on a growth trend and offers significant advantages for companies with the resources to make it work for their business. Read how the companies featured are finding value in the headless approach to commerce.

We also offer a 10-step guide to choosing an ecommerce platform and we'll look at how one retailer struggles with the decision to change platforms.

FOR THE FULL REPORT, PLEASE VISIT DIGITAL COMMERCE 360

A NOTE ABOUT TERMINOLOGY

Understanding ecommerce platforms can be confusing. The technology is complex and ever-changing. Adding to the confusion is that the language of platforms also changes. And there's no better example of that than Demandware. Back in 2004, an entrepreneur named Stephan Schambach had an idea: he wanted to build an ecommerce platform that was "hosted," i.e., it lived outside of a retailer's servers. He got the idea from Salesforce, the "hosted" CRM that had taken the world by storm. Launched in 2005, Demandware was a huge success.

Over time, the terminology of "hosted services" seemed to fall out of favor, replaced in the marketing lexicon with "cloud services." So, it's no surprise really that a) Salesforce would buy Demandware in 2016 for $2.8 billion, and b) that Salesforce would promptly rename the platform Salesforce Commerce Cloud. That deal gave the CRM leader ecommerce technology to offer clients, and the rebranding lends that technology the luster that the term "cloud" conveys—at least for now.

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SPONSORED ARTICLE

Headless commerce delivers the right digital transformation outcomes



An executive conversation with **Ram Venkataraman,** chief product and technology officer, Kibo

As consumer behaviors change, the lines between digital channels and physical locations blur. This new shopper experience is causing many retailers to rethink their current ecommerce and order management platforms. Offering the experience today's consumers expect means B2B and B2C companies need flexible platforms. To discuss how headless commerce allows merchants to build best-in-class platforms that meet the demands of today's shoppers, Digital Commerce 360 spoke with Ram Venkataraman, chief product and technology officer at Kibo.

Why does headless ecommerce continue to gain momentum?

First, as brands and retailers modernize their ecommerce, they need to manage the customer experience across all channels. This is why headless is popular. It gives organizations complete control and flexibility to deliver the best customer experience across all channels. Headless ecommerce sets up retailers and brands to be more flexible as consumer demands evolve.

Second, old platforms forced companies to work with one vendor. They could easily add capabilities but were tied to the vendor. Headless platforms, such as Kibo headless ecommerce, are built on microservices-based, API-first technology; meaning you can implement different capabilities of the old ecommerce stack (such as cart and checkout or promotions). Now, companies can implement technology from different vendors.

What are the advantages and challenges companies face around headless commerce?

Finding a balance between developer freedom and business user flexibility can be challenging. Old models let merchants make changes rapidly, but developers didn't have the freedom to create modern experiences on those platforms. Pure headless platforms gives the developers freedom, but business users lose agility. So, decision makers must build platforms and tech stacks that strike the right balance.

Headless is the framework that enables merchants to mix and match components in a modular or composable fashion. They can bring together five vendors to build something powerful. But the merchant is the aggregator, dealing with multiple vendors and upgrades. So, the merchant must have a clear vision and plan on how they bring these components together and invest appropriately to maintain these integrations.

Some retailers may not be as digitally mature. What advice do you have for them when thinking about headless and the future of their tech stack?

They must step back and look across all services. What's most important? Headless is not a big-bang approach. You should start with what provides the biggest value for your digital transformation. It might be order management or a cart or promotions component as their first transformation. But they should begin to nibble at it bit by bit.

They should also assess their resources. There is a fair amount of technology involved, and they need to make sure they have the right tech skillset. Without that, the transformation would be difficult to achieve.

Why do you believe unified commerce gives merchants an advantage?

With ecommerce, order management and point-of-sale—there is a significant overlap around catalog management, pricing and promotions, order management, call center, and consistent pricing across all channels. The underlying business domain services need to be shared between these solutions.

The API-first, headless architecture of the Kibo unified commerce platform enables merchants to choose a composable commerce strategy, enabling merchants to add solutions as they need them. Organizations may choose just one of our services, or they may choose a product like B2B or B2C unified commerce platform or a combination with order management. But with composable commerce, they can leverage the same set of services without multiple systems trying to communicate and no copying of data from one to the other.

Headless commerce isn't a painkiller that solves a problem immediately. It's a long thought-out process and at the end of the digital transformation, it will deliver the right outcomes.

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HEADLESS ECOMMERCE

Create compelling experiences wherever your customers shop





The way shoppers engage with your brand changes by the day. How agile is your business? Has your organization started to think about how to future proof your shopper experience? Kibo provides a powerful, easy-to-use headless platform designed for organizations at every stage of the commerce journey.

TOP 1000

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- FULL API COVERAGE
- STOREFRONT ACCELERATORS

www.kibocommerce.com

TIPS FOR CHOOSING AN ECOMMERCE PLATFORM



1

IDENTIFY WHAT YOUR CUSTOMERS WANT

Determine what your customers need and how your ecommerce site can address those needs and provide customers a valuable buying experience. Then also determine how you need to integrate your ecommerce site with systems critical to serving customers, including ERP, CRM, product information management and marketing platforms.

RETAILER INSIGHTS

What are your main reasons for spending more on ecommerce technology over the next year?



Source: Digital Commerce 360 technology survey of 93 retailers, August-October 2021



2

GET ALL STAKEHOLDERS INVOLVED

Determine who—and which company department—takes the lead in planning a new site while also getting input on website design from all pertinent departments and stakeholders, including your best customers.

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3

IDENTIFY YOUR MOST CRITICAL SITE FEATURES

Not all website platforms come with good site search, product recommendations, or conversion-boosting content management systems. Determine the site features crucial to your site's success and find an ecommerce platform that either offers them as built-ins or makes them available at a reasonable cost through integration partners.



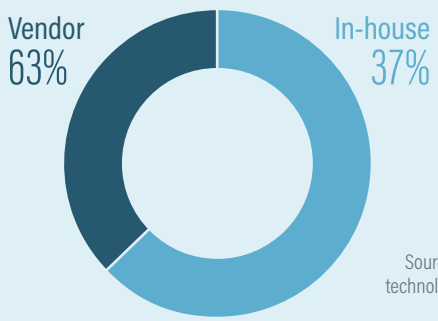
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CHOOSE AMONG LICENSED ON-PREMISE, SaaS, MANAGED-AND-HOSTED

Depending on the complexity of your ecommerce operation and internal technology resources—and how much you need to have direct control of your website content and functionality—determine whether it makes sense to deploy a commercial vendor's licensed software on your own servers for maximum direct control, opt for a site managed and hosted by a technology services firm, or subscribe to a software-as-a-service that provides automated software updates. With the SaaS option, clarify how much leeway you must have to customize your web content and merchandise displays. For all deployment models, determine if a vendor provides the development and maintenance services you need directly or through digital agency partners.

RETAILER INSIGHTS

Do you typically use a vendor for new technology or build in-house?



Source: Digital Commerce 360 technology survey of 93 retailers, August-October 2021

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5

KNOW THE TERMS OF SaaS FEES

When opting for the popular software-as-a-service model, in which a third-party provider hosts the software and delivers it to customers over the internet as a service, clarify how the SaaS vendor sets monthly subscription fees. The vendor may charge fees based on such things as the number of visitor sessions per month, the number of transactions, and the amount of data storage or bandwidth, among other things. Retailers selling high-value products, for which buyers log on for multiple research sessions while making a few transactions carefully, should consider terms weighted toward transaction activity. Merchants selling low-value items in higher volumes should consider terms focused more on the number of sessions.

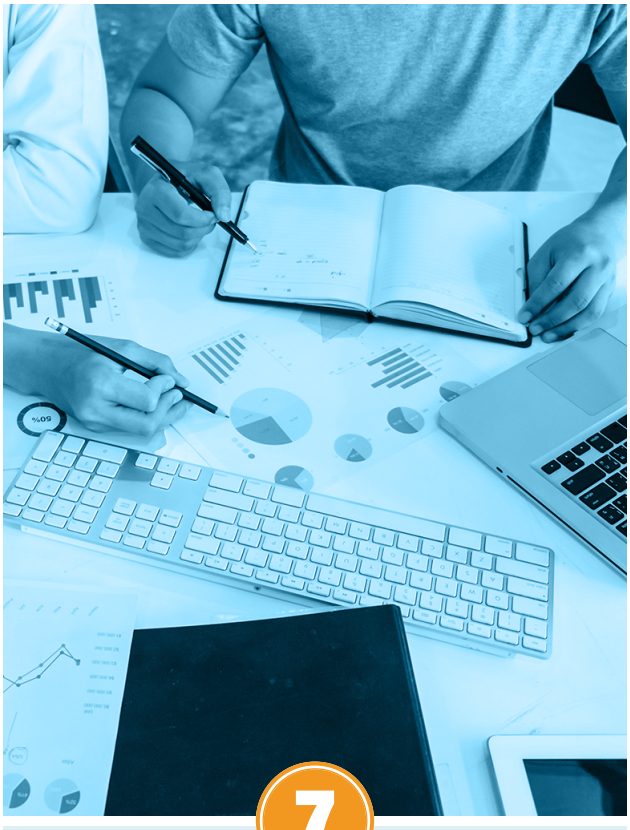


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CLARIFY SERVICE LEVEL AGREEMENTS

SLAs should explicitly state how a web developer or site hosting service will address problems and downtime, provide backup plans, and charge for such services.

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7

WATCH YOUR PRODUCT DATA

Deploy an effective product information management system to ensure accurate and consistent distribution of up-to-date product data across marketing, merchandising, fulfillment and customer service operations.



8

CONTROL YOUR DIGITAL ASSETS

Attractive imaging, including 3D images and how-to videos, are a big deal to many online buyers. Deploy tools and services like digital asset management (DAM) systems and content delivery networks (CDNs) to control image placement and ensure image-heavy web pages load quickly.

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9

SET WEBSITE PERFORMANCE METRICS

Establish a set of essential yet achievable goals, such as monthly sales volume and conversion rates, low downtime and fast-loading pages. Determine critical website performance metrics and a system of compiling and analyzing them. That will help manage a successful site deployment.



10

PREPARE FOR CHANGES

Choose website technology that offers the flexibility and scalability that will let your company adjust to changes in customer demand and market opportunities and handle expected growth in transaction volume without having to do a near-term rip and replace of your ecommerce platform.

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This 2022 How to Choose an Ecommerce Platform Report includes key featured articles published directly from the full 2022 Ecommerce Platforms Report.

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Over the last two decades, Digital Commerce 360 Research has become a global leader in ecommerce research and data, helping a wide range of businesses better understand the industry. Each year, our experienced researchers collect hundreds of metrics on thousands of retail and B2B ecommerce companies around the world and offer access to the raw data including online sales, web traffic, conversion rates, AOV and key technology partners. Most notably is our Top 1000 Database, a ranking of the leading North American online retailers by web sales. We also publish our analysis of the data in numerous annual reports on timely ecommerce topics like marketplaces, omnichannel, apparel, platforms, web design and many more. In addition, our robust custom research department is skilled at creating personalized projects—including in-depth reports, exclusive surveys, raw data pulls and more—to support top retailers, consultants, financial analysts and technology providers in meeting their goals.

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