

AS FEATURED IN

DIGITAL RESEARCH
COMMERCE 360

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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

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.

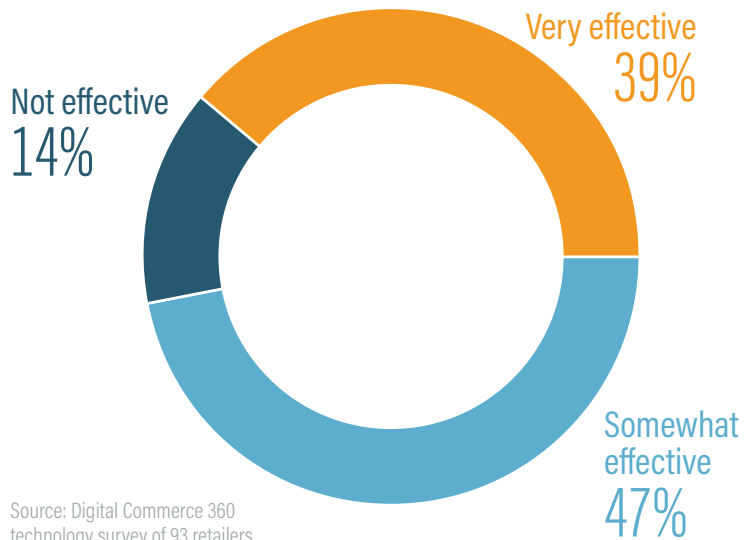
In a section on globalization, we’ll look at how platforms BigCommerce and Shopify Inc. are expanding into new markets (and teaming with giants of Asia’s retail industry.)

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.

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

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.



Modern billing technology empowers merchants to create new revenue streams

An executive conversation with **Sanjay Kamble**, vice president of product management, sticky.io

Ecommerce billing has always been an important step in the customer journey. Without it, the transaction can't take place. Traditionally confined to the back office, billing technology has become more advanced and enables many of the strategic initiatives online businesses are pursuing today. To discuss how sophisticated billing technology is an essential part of a robust ecommerce platform, Digital Commerce 360 spoke with Sanjay Kamble, vice president of product management at sticky.io.

What are the biggest billing challenges retailers and B2B companies face?

Most ecommerce platforms were designed for simple, transactional commerce, such as one-time purchases—not the more complex merchandising models that are prevalent today. These models, created to increase customer lifetime value, include cross-selling and upselling, subscriptions and recurring billing, and the unique functionality and feature sets necessary to succeed with recurring revenue models. For this reason, many merchants use independent billing platforms and shopping cart technology in combination with their ecommerce platform to bolster their capabilities in these areas.

What are the latest trends around billing technology for ecommerce platforms?

The first is the growth of the subscription economy, and billing technology is rapidly evolving to support it. The second is the proliferation of the “buy now, pay later” model that reduces the purchase barrier for consumers and gives merchants access to consumers who might not otherwise purchase. The third is the proliferation of digital wallet transactions that reduce friction in the checkout by providing consumers with a one-click purchase experience.

Ecommerce platforms have two buckets: “inclusive” with out-of-box features or “headless,” which provide more architectural flexibility. What are the pros and cons of each?

In traditional “inclusive” platforms, the front-end presentation layer is tightly coupled with the backend coding and infrastructure. They are easy to deploy and contain a standard set of innate features and integrated applications needed to power ecommerce with little overhead for technical resources. But there's little room to make desired customizations.

“Headless” ecommerce platforms decouple the front-end presentation layer from the backend coding and infrastructure and use APIs to connect the two. This allows for endless customization opportunities to the front-end user experience and endless integration opportunities to bring other applications and services into the platform. The downside is the ongoing cost of custom development and the need for dedicated development resources. It's often too costly for smaller ecommerce companies.

What are today's ecommerce customers' expectations around billing?

Consumers want flexibility and personalization, including flexibility in payment methods and managing subscriptions. Consumers also want personalized offers tailored to their interests and purchase history. Billing platforms contain a 360-degree view of the consumer and are a powerful tool for personalization.

Why should merchants implement modern billing technology now?

Historically, billing systems have been rigid. Merchants must incorporate flexible billing technology that enables them to quickly test billing models such as subscriptions, discount schemes and promotions while providing merchants with the data to gauge success metrics and viability quickly. It also serves as an enabler across the organization, empowering teams to pursue alternate monetization strategies, new sales channels and new markets.

Flexible billing technology, such as sticky.io's solutions, enables merchants to experiment with billing models beyond the typical one-time purchase and create new revenue streams from different merchandising models. With rising acquisition costs, merchants need to increase customer lifetime value. A flexible billing platform empowers teams across the business in this pursuit.





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customer bonds.

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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.



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.



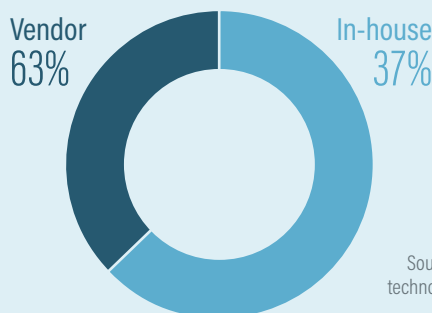
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CHOOSE AMONG LICENSED ON-PREMISE, SaaS, MANAGED-AND-HOSTED

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



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.



6

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.



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.



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. [🔗](#)

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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the full report

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\$399



ABOUT THE AUTHORS

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ABOUT DIGITAL COMMERCE 360 RESEARCH

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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