Headless Commerce for the C-Suite

Understanding and identifying opportunities for your business.

LiveArea | BIGCOMMERCE

What exactly is headless commerce and why do we need it?

In an age of uncertainty, with rapidly evolving markets, shifting consumer habits and an increasing number of channels, businesses need to be incredibly agile. They need a new ecommerce architecture, one that is nimble and scalable at speed, and reflects the complexity of the 21st Century shopping experience. This is where headless commerce – also called composable commerce – comes in.

Headless commerce separates the customer-facing head — the storefront — from the back-end solutions body — product and order management systems.

Traditional ecommerce architecture ties both systems together, but this approach is increasingly not fit for purpose with the myriad of new touchpoints and technologies.

Today, every customer expects to communicate with a brand on the channel and device that they choose. Meeting the customers where, how, and when they want to shop is crucial. Using apps, mobile stores, wearable devices, websites, or social selling sites, consumers don't want to be restricted in their product discoveries and content consumption. The digital environment needs to reflect this.

Given the breadth of what can be enabled, a more accurate term might be many-headed commerce, a Swiss army knife of customer-facing tools with a single commerce platform at the back-end.

There is a lot of hype around headless commerce, but also misunderstanding. It is still a growing concept within the industry, but has been around for a while and its virtues are well known, so why hasn't it been adopted unilaterally? Is it worth investing in right now? Amazon and eBay think so. But it's not for everyone, there is no one-size-fits-all approach, and there are challenges to consider.

What's clear, is those brands still operating monolithic systems are being forced to re-examine how they engage customers with a more flexible, agile and innovative approach.
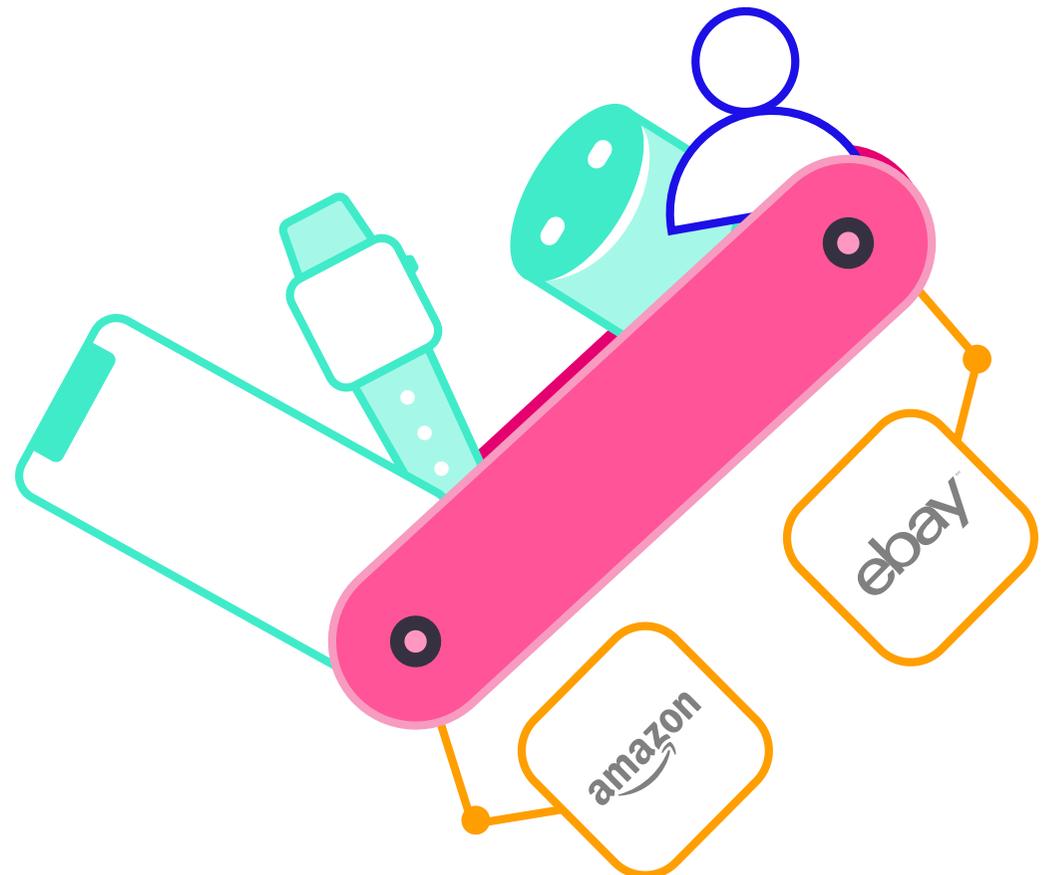
What can headless achieve?

Agility

With the front-end independent, you can create new experiences via mobile app, chatbot, VR or IoT device quickly without changing the back-end. If all your customers are suddenly on TikTok, you need to be there too. The head, or front-end, in headless can achieve this speedily.

Scalability

Once decoupled, the customer experience can scale independently of the back-end. This works well if your business is growing rapidly on one platform, if you're expanding into new markets, or when you need to scale quickly for the holiday season or a product launch.

Innovation

It's a lot easier to innovate when the front-end and back-end are separate. You can experiment, iterate, launch faster, fail and relaunch again at speed with new APIs.

"Front-end freedom is what this is all about. Headless commerce is focused on giving customers the opportunity to interact with you in the ways that they choose and evolve your offering at speed."

- Mark Howes, Sales Director, EMEA, BigCommerce

How is this different from monolithic systems?

Many ecommerce platforms were built for desktop shopping. These monoliths had everything in one framework including stock and order management, dispatch, product pages, blogs, carts and checkout, and worked well for many businesses in the early days of ecommerce.

Complex and interconnected, any changes made to one aspect have multiple knock-on effects for other parts of the monolith. For instance, if you alter product pages, this has implications for checkout and online carts.

The rise of smartphone use is tightly connected to the need for headless commerce. Mobile now accounts for over half of all web traffic worldwide. The rise of smartphone and tablet shopping mean that desktop websites and ecommerce systems haven't been able to meet customer expectations.

Innovation has continued beyond the storefront portal. There are now apps, artificial and virtual reality, machine learning and artificial intelligence, as well as chatbots. Consumers interact with products, services and entertainment in many ways now. These all need APIs – Application Programming interfaces. Fulfilling these through monolithic platforms is cumbersome.

This is where headless commerce comes in. It is more modular and allows businesses to integrate an ever-increasing number of touchpoints, through APIs. Monolithic legacy systems do not facilitate the agility necessary to create the customer experiences fit for this new era.

Do you need headless?

If the business answers no to the following questions, think more about headless:
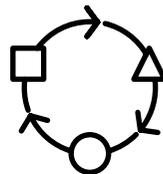
Can you adapt the user experience to different stages in the shopper journey?
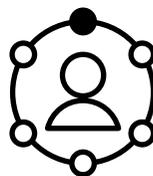
Can you release new APIs in days, not weeks or months?
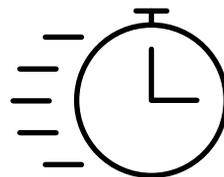
Can your customers make purchases from multiple digital touchpoints?

Is it easy to make updates to either front or back-end?

The C-Suite: How does headless affect me?

When considering a digital transformation project such as this, it can often present a challenge in gaining buy-in from key decision-makers across the business. Before exploring the more technical aspects of technology implementation and wider business considerations, it's worth laying out the high-level impacts and benefits that headless commerce has on each member of the C-suite and their respective areas of business.
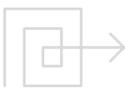
Chief Executive Officer

Role

The most senior executive, ultimately responsible for managing the organisation as a whole. The CEO is charged with maximising the company's value and leading its culture and direction.

Why headless matters to the CEO

- Headless can accelerate digital transformation and growth for the business as a whole
- Businesses that adopt this approach can innovate faster than their competitors
- Adopting headless commerce creates agility and flexibility — key qualities needed right now
- Headless encourages a culture change and shift towards customer-centricity
- Adopting headless is good for the brand, future-proofing ongoing strategies

Culture

Leadership

Growth

Direction

Value

Chief Operating Officer

Role

Responsible for the day-to-day internal operations of the company, ensures that the business achieves its short and long-term objectives, fulfils budgets, with coordination of all company activities.

Why headless matters to the COO

- Encourages collaboration within an organisation combining different business functions
- Easy integration into existing business systems and processes
- Scalable, evolving technology, you can test and add small projects over time
- Headless commerce is a secure SaaS/cloud solution
- Easy to remodel a process, reiterate, learn and evolve systems

Budget

Set Goals

Day-To-Day

Coordinate

Collaborate

Chief Marketing Officer

Role

Leads the marketing strategy to generate business and brand growth, responsible for market research, brand and product management, communications, loyalty, pricing and customer service.

Why headless matters to the CMO

- Headless put marketing teams in the driver's seat with a focus on content-led experiences
- True omnichannel capabilities with multiple storefronts for products/markets/sub-brands
- Facilitates innovation in new commerce experiences that can be scaled to drive growth
- Ability to work with best of breed solutions that can be developed faster
- Integrates with existing CRM, email, analytics, social selling and marketplaces

Digital Marketing

Growth

Pricing

Manage Products

Research

Chief Financial Officer

Role

Responsible for managing the company's finances, including financial planning, record-keeping, risk management, data analysis and reporting. The role is much more active with technology drivers.

Why headless matters to the CFO

- Achieves financial agility since you're not being tied down to a long-term monolith provider
- Potential for cost savings in the long-term, although upfront costs needed for deployment
- Once deployed headless commerce involves small, low-risk projects
- Headless can be SaaS (software as a service) reducing the risk of investment
- This represents a new technological shift in operating expenditures

Financial Data

Analysis

Finances

Planning

Risk

Chief Sales Officer

Role

Responsible for leading a company's sales teams with the aim of meeting sales revenue targets. This involves the creation of sales strategies with a focus on maximising market penetration.

Why headless matters to the CSO

- With headless sales, teams can exploit new channels at speed
- Adjustable front-end sales tools in the form of APIs allows a lot more flexibility
- The potential for a true omnichannel approach
- With headless you can test and trial new customer facing sales-driven tools
- Headless commerce allows you to scale solutions fast and seamlessly if they are working

Market Penetration

Revenue

Sales

Strategy

Targeting

Chief Technology Officer

Role

Responsible for managing IT systems, creating policy and strategy, using technology for growth, procurement and systems maintenance, deploying systems to streamline business processes.

Why headless matters to the CTO

- It can integrate easily with existing systems and processes
- Once setup it can be less of a burden on development teams
- Facilitates and represents innovation in technology, therefore attracting talent
- Can A/B test, fail fast and iterate with small modular projects, which can scale
- Enables an agile and flexible approach

Simplify

I.T.

Strategy

Systems

Networks

Chief Data Officer

Role

Responsible for data governance. This role is becoming increasingly important as it involves ensuring that data is relevant; involves providing intelligence on customers, competitors and markets.

Why headless matters to the CDO

- Headless commerce is all about agile and flexible data mobilisation
- Enables a more customer-centric approach to data, since this is an API-first approach
- Data learnings are at its core, applying insights and continuous improvements
- Allows for data-based, personalised customer experiences

Market Data

Data

Customer Data

Competitor Insights

A.I.

Why now? What's changed?

Coronavirus has sped up change

Even though many physical stores have now reopened, the pandemic has been a catalyst for some of the world's biggest brands to go direct to consumers digitally, and some of the smallest to open online stores.

The pandemic has accelerated the shift away from bricks and mortar stores to online shopping by an estimated five years. Ecommerce is now just commerce — the main conduit for how we buy things. Social selling is also reaching fever pitch.

Coronavirus restrictions meant that some companies had to pivot their strategies and look to exploit new markets via the web. It's shown businesses how important it is to have the right technology platforms in place. Headless has helped some retailers be better prepared for rapid change in consumer demand during these unsettling times.

Being agile enough to deal with crisis scenarios is now crucial. Businesses need to be able to quickly and easily change their UX (user experience) or CX (customer experience) at speed. Modern systems that sit on the cloud, are API-first and leverage headless commerce, as well as microservices, are part of this picture.

ECOMMERCE   IN-STORE
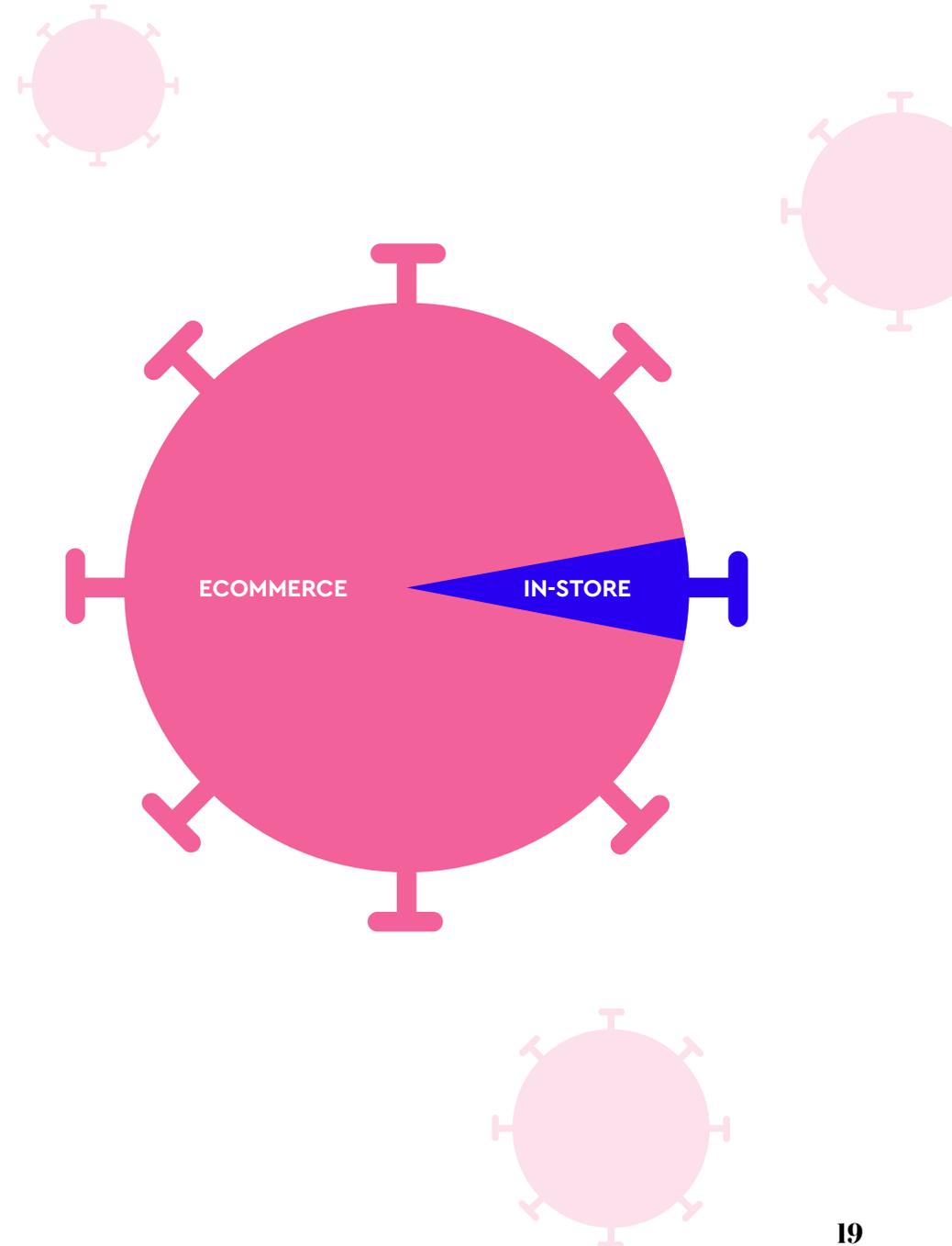
An era of greater customer expectations

We now live in a customer-centric age, with expectations reaching new heights, and brands needing to deliver memorable experiences in order to differentiate themselves in a crowded marketplace.

Customers expect to be able to conduct transactions on whatever device or platform they choose. Businesses are now embedding transactional functions into social feeds, loyalty shoutouts and advertising. Headless makes it easy for this to happen in a frictionless way.

At the same time, if customer acquisition costs rise, making the most of existing customers and articulating conversion, along with new user experiences, really matters.

In order to meet rising customer and business expectations, global IT research consultancy Gartner is now talking about a future where solutions are composable, so called composable commerce. This comes as cloud-native capability comes to the fore, and digital commerce becomes more modularised, reflecting the multi-experience world we live in.

"By 2023, organisations that have adopted a composable approach will outpace competition by 80% in the speed of new feature implementation."

- Gartner, Composable Commerce Must Be Adopted for the Future of Applications

A shift in buying patterns

Businesses are creating new ways to sell, such as via voice on Amazon Alexa and Google Home, or buying via social feeds on Instagram or Facebook Shops. Furthermore, we are moving to an age where the Internet of Things will power consumption.

Amazon, Netflix and Walmart all utilise headless commerce. Think about buying products and services through your smart watch, TikTok, YouTube, or the next channel that is yet to be invented. Headless commerce can help support these new platforms as they become mainstream.

The benefits of headless explained

The real benefits of headless commerce
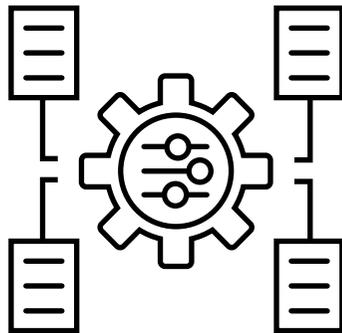
Flexibility

Businesses can deliver changes to the front-end quickly and easily. This is also true of the back-end. There is also flexibility to experiment with APIs for different customer journeys to see what fits the best. Traditional ecommerce platforms are less flexible.
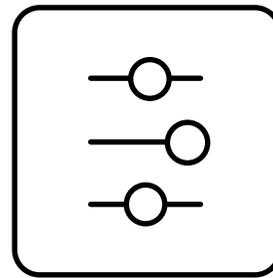
Customisation

Headless can be customised, more so than past architectures. Brands can deliver content and payment options to Alexa devices, smartwatches, in-store kiosk screens. Traditionally, developers had to edit multiple layers of coding between the front-end through to the database layer of the back-end. Not with headless.
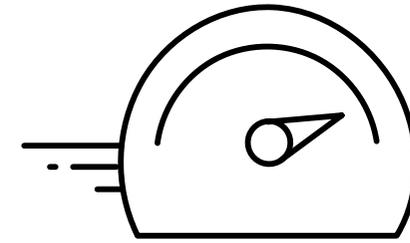
Faster time-to-market

With legacy architecture it can be difficult to move quickly when front and back-end are intertwined. This is true with scaling solutions as well. With headless commerce, content and product information are located centrally. It can be pushed via APIs anywhere. This reduces the time it takes to create new visibility in a market.

The real benefits of headless commerce
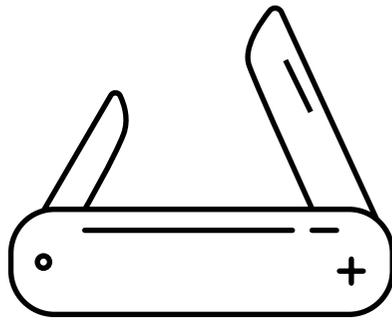
True omnichannel experience

Traditional monolithic systems aren't set up to take advantage of a multitude of channels. Businesses need to be able to join up mobile apps to voice-activated devices, smart refrigerators, AR or VR and in-store touchpoints. Headless commerce can easily facilitate this process.
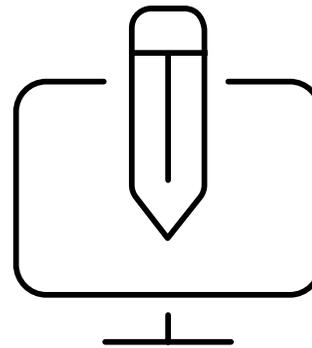
Greater levels of personalisation

Headless commerce allows brands to use whatever front-end best supports their business goals and customers. This could be PWAs, content management systems, IoT devices. Any front-end changes do not require IT or developers to make changes on the back-end.
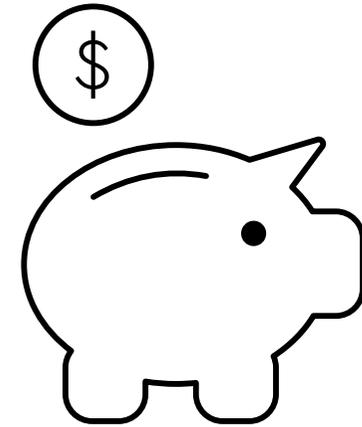
Long-term cost-savings

Legacy systems require workarounds, plugins and hacks if a business needs change, since the back-end and front-end are integrated. Short-term costs for headless may be higher but once implemented you can compartmentalise costs. New headless front-end APIs can be more streamlined, rollouts and updates are more efficient.

What can headless really achieve with APIs?

Headless commerce allows brands to store and administer content about their products and services in the back-end, and then present content in the front-end. This is where APIs come in — they are able to push content to different platforms.

What this means is that the content in the CMS is no longer tied to a particular template or delivery layer. It can now be displayed using any front-end tech, whether in a browser, mobile app, or chatbot, it's able to be sent to any channel or device.

Right now, there is a proliferation of digital customer touchpoints; at the same time many brands are looking to amplify their digital storefronts. With APIs, brands can now exploit all new channels that arise. Content is as likely to show up via a smartphone app or IoT device as a web page. Brands need that flexibility.
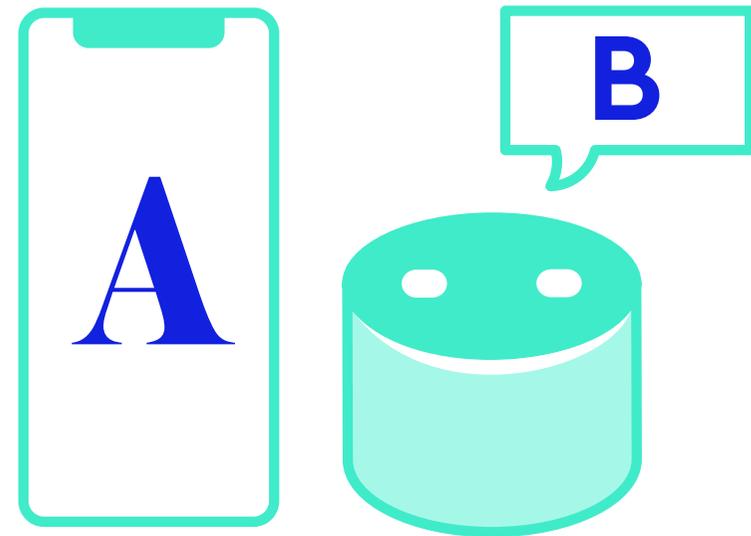
It gives developers a lot of freedom to create personalised shopping experiences and to be on cutting-edge channels that new consumers are now using. By using different heads, brands can easily experiment with different channels and customer experiences to see which one is the most effective. By constantly A/B testing small changes and optimising conversions with feedback on what works, this process can bring in more organic traffic and potentially lower customer acquisition costs.

"The good thing about headless commerce is that brands can focus on developing front-end experiences and rapidly deploy new functions that are relevant, frictionless, and memorable for customers. The future for brands is headless commerce technology."

– James Wilson, Solutions Director, LiveArea

The issue with legacy and traditional systems

Traditional content management systems weren't set up to take advantage of omnichannel. Many were put together in the age of the desktop. These legacy systems have locked in developers to using preferred back and front-end systems together. These have predetermined experiences for both consumers and businesses. There is little room for customisation or personalisation.

In a traditional integrated CMS, all the components are inside its four walls: front-end, content, ordering, authentication, checkout carts and inventory. The headless CMS moves away from legacy systems by letting the content management system do what it is supposed to do — and that is only manage content.

It is true that today's integrated CMSs have state-of-the-art features. However, many are still fundamentally web-centric in their approach. It means it is harder to adapt the code for new digital channels and devices. A best-in-breed approach allows more flexibility, whilst delivering optimal customer experience.

"Traditional systems have worked well for years now, but the tech and the customer landscape has evolved rapidly. Businesses need to take a new approach to content management. This is where headless comes in."

– Mark Howes, Sales Director, EMEA, BigCommerce

|	Legacy/Traditional	Headless Commerce
Front-End	Inhibited designs	Endless possibilities
Customisation	Predefined	Can be personalised at speed
Flexibility	Front & back-end integrated so inflexible	Can make changes to back and front-end without constraint

Legacy Systems vs. Headless Architecture

Customers

Traditional Commerce

Platform UI

UI Admin

Commerce Application

Database

Hosted Infrastructure

Admin

Headless Commerce

Smart Things

Mobile

Social

In-Store

Web

UI Admin

DXP

APIs

Commerce Application

Database

Hosted Infrastructure
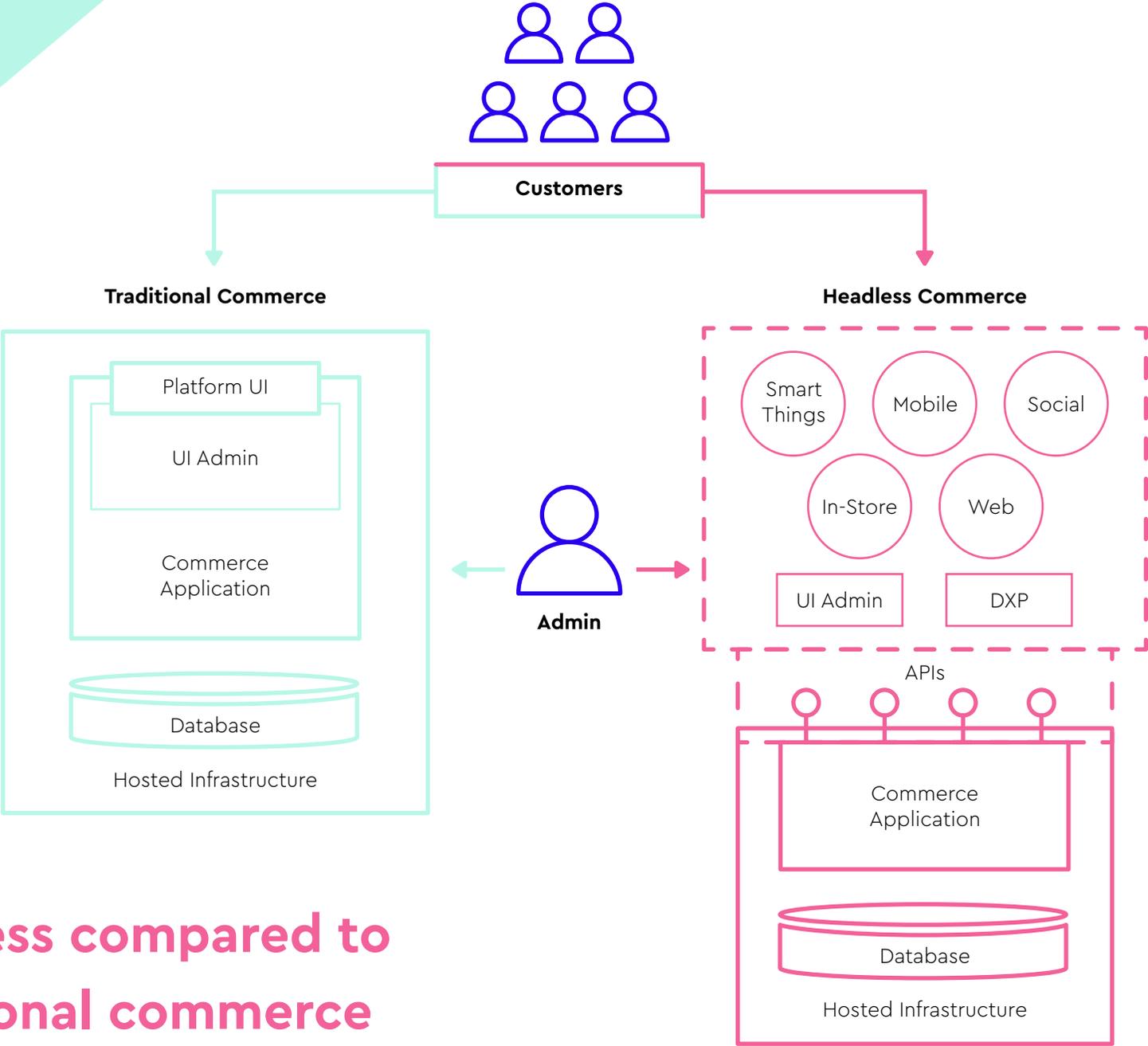
Headless compared to traditional commerce

The challenges and questions to consider for your business
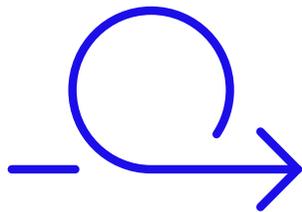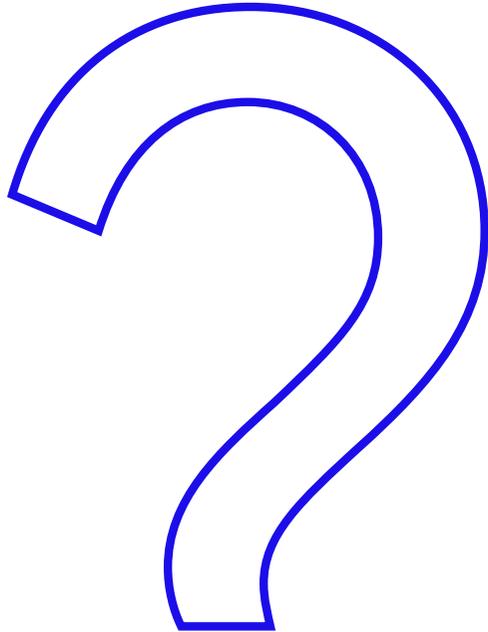
Will headless address agility?

There are a lot of questions over where agility is actually realised with headless commerce. Agility is mainly achieved through the head or front-end. Once decoupled, content is stored in a way that is agnostic to how it is presented. This means you can pick and choose the heads you want to use and develop. There is also a lot more ability to change rapidly in response to market conditions and evolving customer sentiment. If there is a retail craze on Facebook Shops, brands can be there at speed to exploit it. It can therefore give businesses a competitive edge.

Since the front-end and back-end exist independently it means that they can be worked on by developers simultaneously or in sequence. This gives teams more agility in terms of upgrades and development. The agility is also realised by marketers who can better couple content with commerce at speed. Businesses can also focus their APIs on where there are established markets or SEO-optimised content.

# K2 Sports adopts Headless Commerce

K2 Sports is a collection of iconic global brands devoted to creating unforgettable experiences for outdoor enthusiasts. This includes skiing and snowboarding to snowshoes and backcountry safety equipment.

Each brand under the K2 umbrella maintains a distinct voice and point of view while sharing the K2 standards for customer satisfaction and pioneering innovation.

With their new headless setup, they were able to launch 8 brands and 16 sites all in under 9 months. They have also become more efficient with creating content.

Reasons for choosing headless
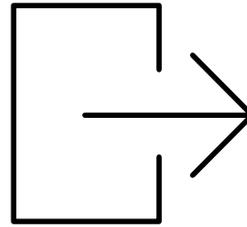
K2 could leave behind a monolithic platform for a SaaS one

API performance and speed allowed K2 to deliver innovative shopping experiences at a lower cost of ownership
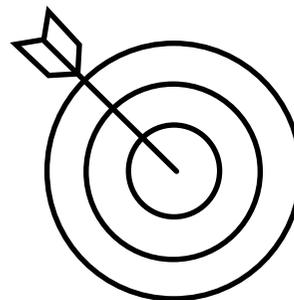
On the front-end they wanted a CMS to deliver content-rich experiences that made each of their sites resonate with a desired audience

Headless needs a customer-centric approach

The need to reorientate the business around the customer is crucial. Headless commerce assists in this process. The whole point of adopting headless is to create experiences for various customers that best fits their shopping journeys. You can achieve omnichannel personalisation, reach out on social channels using content APIs or present customers with rich, relevant content across their relevant touchpoints.

A customer-centric approach empowers headless commerce in the best possible way.

Agile businesses can swiftly respond to customer behaviour, providing new and improved interfaces or content APIs within hours or days. Headless ecommerce also supports AI-driven services, search functionalities and other tools all of which assist in delivering a personalised customer experience.

"Headless commerce can help deliver content that is platform agnostic and is squarely focused on where the customer is discovering products and services."

– Mark Howes, Sales Director, EMEA, BigCommerce

When is the right time to consider headless?

✓ **You are considering a new content management system**

✓ **You are redesigning your website or online store**

✓ **You are happy with your existing CMS, but you want more front-end agility**

✓ **Your customer experience needs a new lease of life**

✓ **You've moved beyond web sales, into multiple channels from smartphones to smart watches**

✓ **You need to produce constant, dynamic content across many platforms**

✓ **You need to prioritise high-speed content delivery**

✓ **You need to scale your offering quickly**

# The real challenges in implementing headless

Headless commerce is not for every business. It has a time and a place. There are still challenges, as listed in this section. Businesses need to be able to articulate its benefits. It may make sense from a technical standpoint in terms of what it offers, but can its implementation actually achieve your business goals?
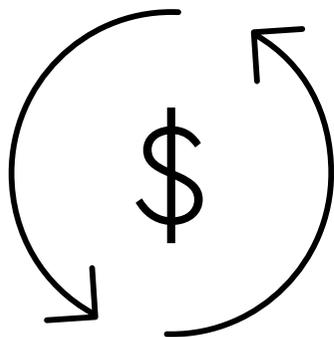
Upfront investment

There is no doubt that headless commerce can create a cost for businesses. It's important to shop around and find a supplier and architecture that meets your needs, as well as budgets. Headless commerce requires budgets and teams capable of making the most of the technology. For larger enterprises with legacy codebases and systems, the move to headless can be onerous and time-consuming. Developer and infrastructure costs can add up quickly.
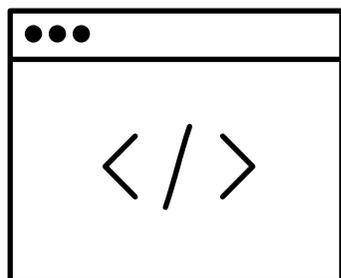
Upfront development

Headless is likely to require a greater amount of development and design work initially because businesses are operating two separate systems — front and back-end. They can be more complicated than traditional ones, especially in the initial setup. The back-end and APIs developed need to be extremely robust, yet flexible. Implementing various APIs also brings more facets to the ecommerce picture, and brands will need to create customer touchpoints from scratch.
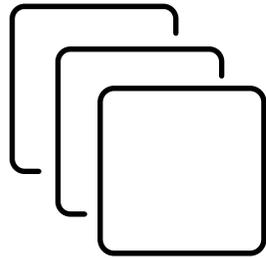
Consistency across touchpoints

Headless commerce enables brands to have many front-ends delivering various content and customer experiences. However, with more options and numerous ways to create touchpoints with customers, the more issues brands are likely to have with consistency in their voice.
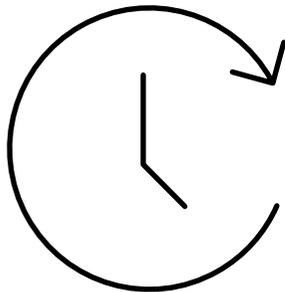
Ongoing commitment

If brands continue over time to accumulate bespoke front-ends for different channels and various content APIs, there is likely to be ongoing costs. This can be reduced by investing in pre-built display layers and off-the-shelf APIs. Third-party providers can assist here, but can sacrifice some elements of customisation. A decoupled approach also requires IT teams to create individual front-end frameworks. These need to be supported between applications and systems and everything has to be integrated separately.
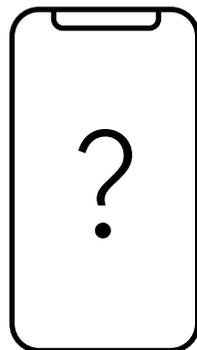
First mover disadvantage

At present, the market is in the early stages of embracing this approach. It is currently being implemented at the leading edge rather than as mainstream practice, although it is being more widely used. Many brands are loath to ditch their integrated front-end and back-end approach so easily. The success of headless commerce is not a well-worn path. It takes time to develop and fine-tune separate, highly customized APIs and how they deliver business value. This involves a learning curve that needs to be accounted for when adopting a headless approach.

What happens if I've already invested in systems?

There will be times when you are already using back-end and front-end systems that work perfectly fine or you've already invested in a CMS that works and everyone is familiar with. So why change to headless? It is possible to maintain the content management system and add a stronger ecommerce platform at the back-end. This way you will keep the progress you've made. Headless commerce is modular and can accommodate specific building blocks. It also involves easy integrations with legacy systems. This allows you to move forward without ripping out and replacing entire systems.
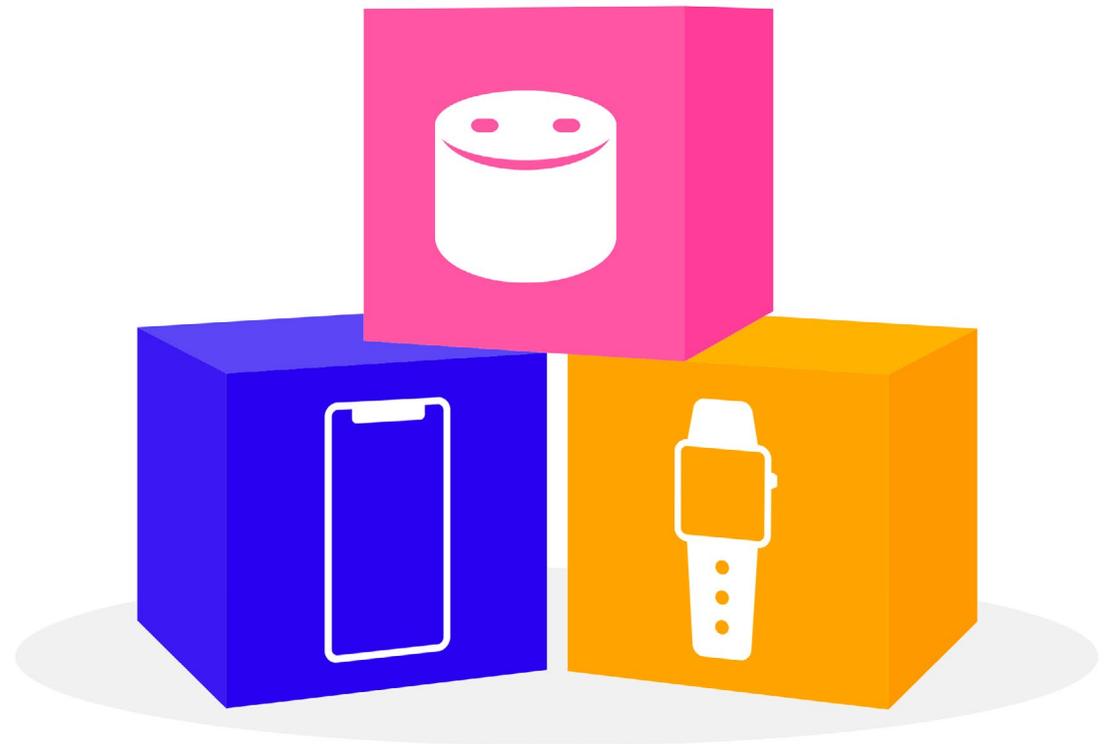
# How to evaluate headless in your organisation

When thinking about whether to deploy headless commerce for your business, these are the issues worth considering:

Identify expertise internally and externally

Before deploying headless, make sure that your team has enough knowledge to implement it. If it doesn't have the ability, know where you can source that expertise.
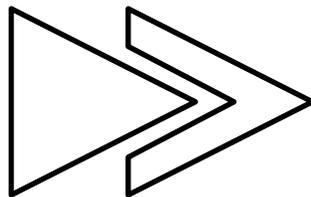
Think about speed of delivery internally and externally

Using familiar technology, developers can do a lot quickly, but the latest, state-of-the-art solutions aren't always the easiest to deploy. Once you have a headless commerce solution in place then it is possible to deliver API solutions at speed.

Create a roadmap

This is specifically for your headless strategy and what you want to achieve. Scrutinise IT vendors and their offerings to ensure they match your roadmap. Tie your roadmap into how you can become more customer-centric. Both strategies should run in parallel in order to make the most of headless commerce.
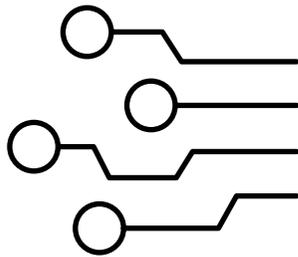
Deal with legacy systems

Get new deployments like headless right and they can transform your business, get them wrong and they can set your business back at great expense. The business case needs to be made for overhauling your legacy systems. Yes, you are future-proofing your customer-facing strategy. If you are prioritising high-speed content delivery and multichannel, the business case is stronger.

Think hard about technical debt

Some retailers spend 90% of their IT budget keeping legacy systems running. Headless can allow more flexibility in the long-run because it allows a modular and a more variable approach to front-end applications. Changing legacy systems piecemeal to cope with a fast-moving market could be more costly in the long-run.

Realising the future through headless
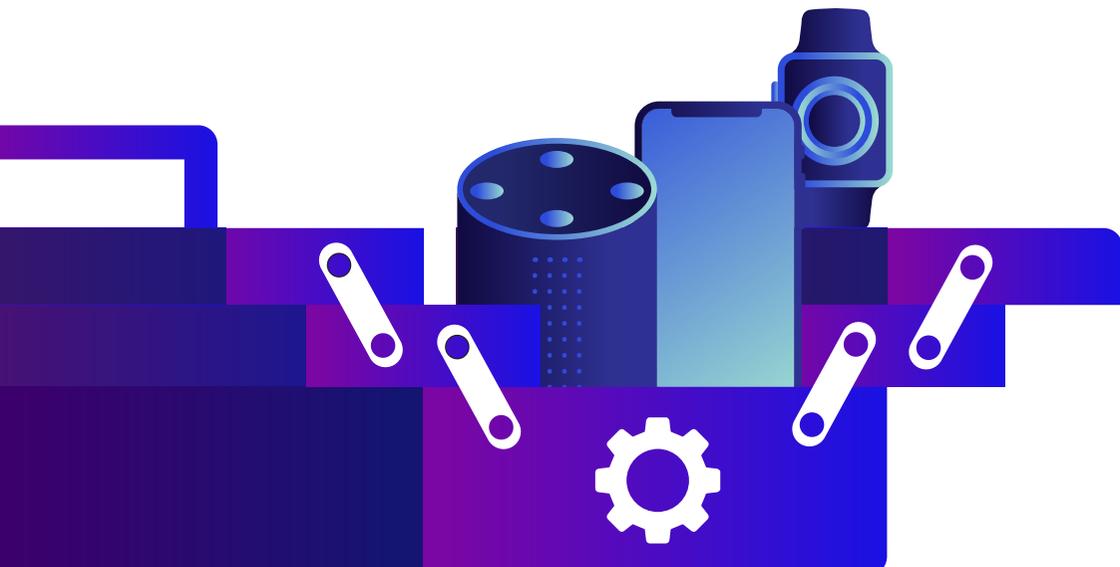
Monolithic architecture has served businesses well up until now. However, the proliferation of devices and platforms has disrupted this, and businesses now need more. This is why headless commerce is the future.

With a multitude of digital touchpoints and connected devices coming into play, brands need an agile toolbox of technology that can be scaled up and deployed at speed. We're only at the beginning in terms of what can be achieved in this evolving industry. Future-proofing your business is therefore essential.

Decoupling and compartmentalising technology applications into discrete but complimentary services is a common theme that runs through a lot of enterprise architecture in recent years. Microservices are the way forward. It allows for the building blocks of innovation. Low risk, discrete investments and scalability when things work, makes a lot of sense.

Right now, it is still hard to predict the wider impact of technologies like voice, machine learning, AI, virtual reality or the Internet of things over time. But recent developments have taught us that we need to create resilient businesses, able to adapt and evolve at speed.

Headless commerce is very much part of this picture.

BIGCOMMERCE

bigcommerce.com

BigCommerce (Nasdaq: BIGC) is a leading software-as-a-service (SaaS) ecommerce platform that empowers merchants of all sizes to build, innovate and grow their businesses online. As a leading open SaaS solution, BigCommerce provides merchants sophisticated enterprise-grade functionality, customization and performance with simplicity and ease-of-use.

Tens of thousands of B2B and B2C companies across 150 countries and numerous industries use BigCommerce to create beautiful, engaging online stores, including Ben & Jerry's, Molton Brown, S.C. Johnson, Skullcandy, Sony, Vodafone and Woolrich. Headquartered in Austin, BigCommerce has offices in San Francisco, Sydney and London.

For more information, please visit www.bigcommerce.com

LiveArea

liveareacx.com

LiveArea is a global customer experience and commerce agency. We bring together world-class commerce technology to elevate customer relationships – online and in-store. Services include product innovation, connected commerce, service design, performance marketing, and orchestrated services. B2B, B2C, and D2C solutions are delivered to clients in health and beauty, fashion and apparel, luxury, consumer packaged goods, retail stores, healthcare, and automotive.

As a BigCommerce Elite Partner, LiveArea creates custom commerce solutions powered by BigCommerce. Leveraging the BigCommerce cloud platform, LiveArea brings new levels of integration, service, and support to enterprises looking to engage and convert buyers and improve performance across all sales channels.

- Award-winning agency services recognised by BigCommerce
- A holistic portfolio of services — strategy, design, technology, and digital marketing.
- Large, experienced global design, development, and support team.
- Integrations, customisations, and third-party solutions that extend the platform's value.
- Guided selling and sales advisor tools, removing the guesswork from buying.
- Proven delivery methodology – rapid, efficient.
- Expertise extending across wide-ranging verticals: health and beauty; fashion and apparel; B2B; retail; Consumer goods; luxury; and more.

For more information, please visit www.LiveAreaCX.com