

GUIDE TO FUTUREPROOF YOUR DIGITAL COMMERCE

# Increase experiences with a composable approach



Columbus

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## DIGITAL COMMERCE

# What direction to take today and tomorrow

I have had the good fortune to have worked in e-commerce for many years, which gave me the opportunity to try out new technological innovations and follow the growth of the market. In recent years, many new challengers have emerged in digital commerce that have adopted the latest technology to meet various types of customer needs. Now I see a phase in which more established organizations are undergoing a transformation and many others are highly keen to embark on this journey.

The right technology is needed to enable the journey. However, even though the technology is important, it is not everything. New strategies and ways of working are required for this technology to be effective and reach its full potential. The companies that are today's leaders take a customer-centric approach and have everyone working towards common goals to deliver valuable products and services to the customer quickly and efficiently. This requires a more agile approach and a more cohesive organization.

At Columbus, we now see several clear e-commerce trends. Most of all, we see that we will be much more data-driven going forward and that we will learn to use data in smarter and more effective ways. Personally, I also see that increasingly more and more companies are breaking free from silos to operate as a cohesive organization in which everyone is working towards common goals. The purpose of this is to meet customer needs and requirements, and especially to offer a cohesive customer experience across the board.

Whatever stage of the digitalization journey our customers are in, at Columbus, we always make sure to provide assistance where needed, regardless of whether our customers need a completely new e-commerce solution or already have a modern e-commerce solution in place but need to work on being more efficient and data-driven. Whoever we meet, the strongest driver for my colleagues and I is helping companies create value by adopting new strategies, ways of working and technologies to be on the cutting edge.

In this guide, some of our most renowned experts shed light on the hottest current trends in digital commerce. They also share their insights on what innovations and strategies you should focus on to be more competitive and future-proof. If you're interested in hearing more about our approach to digital commerce in several industries, don't hesitate to contact us.

### Happy reading!



**DAN ANDERSSON**

*Head of strategy & solution development*

## GLOSSARY

# What digital commerce terms mean

**API**

An application programming interface (API) serves as a link between different applications and can be used together to make certain functionality easier to use. The advantage of APIs is that you can customize your e-commerce solution, opening up significant potential to improve the customer experience.

**Artificial intelligence**

Artificial intelligence (AI) means that a machine can predict events in a way that no human could manage. This creates major opportunities for both data analytics and the optimization of other tasks such as inventory management, quality control, product development and logistics.

**Connected commerce**

Connected commerce, also referred to as unified commerce, aims to create a seamless shopping experience across channels and devices. This has been a goal for many companies and now the technology to support this strategy has arrived in a big way.

**Composable commerce**

Composable commerce is a modern approach that enables e-commerce businesses to handpick and consolidate the best e-commerce components and combine them to meet specific business needs.

**Computer vision**

Computer vision is an AI domain that involves training computers to identify and understand visual objects using photos and videos. Computer vision can be used to identify manufacturing defects or ensure regulatory compliance of products such as by verifying correct labeling.

**Digital Commerce**

It's easy to believe that digital commerce is limited to e-commerce, but it is much broader than that. When we say digital commerce, we mean the entire customer journey: From marketing to lifelong customer.

**Direct to consumer**

Direct to consumer (D2C) is a form of e-commerce that involves selling products directly to the end consumer. This means bypassing intermediaries such as resellers and distributors. D2C is an emerging trend now because products reach customers faster and you save money.

**Headless commerce**

Headless commerce is the separation of the backend and frontend, meaning that your e-commerce platform and your online store visible to the customer are separated. Instead, APIs are used to enable them to communicate with each other. This differs from traditional e-commerce solutions where the

frontend and backend are managed in the same system, and it unlocks more flexibility and scalability.

**MACH**

Today, e-commerce platforms are based on for guiding principles: Microservices, API-first, Cloud-based and Headless (MACH). These principles ensure simplicity, flexibility and improved performance.

**Microservices**

Mini applications that are developed, deployed and scaled individually, own their own data and meet a highly specific business requirement.

**Modern commerce**

A modern commerce architecture is based on a more modular approach building on composable commerce and MACH principles.

**Omnichannel**

An omnichannel strategy is focused on integrating channels to create a consistent experience, which is now extremely important for winning and retaining customers. The goal is to offer the same level of service regardless whether the customer comes in contact with your business through mobile services, social media or in-person in a physical store. This requires a carefully considered strategy but also the right IT infrastructure.

**Optichannel**

The purpose of an optichannel strategy is to optimize the shopping experience for customers based on their preferred channel for a specific activity. This is made possible using data collected about the customer's interactions across all channels.

**PIM**

A product information management (PIM) system streamlines the administration, publication and presentation of products in a clear and attractive manner. PIM makes it easier to present product information to your customers.

**Time to market**

Time to market (TTM) is the definition of the time it takes to launch a product to the market, from development until availability for sale. In today's rapidly changing digital world, you need to win your customers with brand building and product loyalty, and it helps to be the first out of the gates. If your time to market is slow, you'll be overtaken by competitors quickly.



# Lay the foundation for successful customer experiences – now and in the future

**To give your customers the shopping experience they deserve, you must now be able to offer self-service options and quick access to the right information at the right time. Customer requirements are changing as new trends and technological innovations emerge. To stay competitive in the long term, you must be proactive and lay a stable foundation for your customer portal and your e-commerce solution.**

## Capability to provide rich functionality and flexibility

“Ensuring your e-commerce solution is flexible may very well be the most important criterion for building a customer portal that meets your customers’ needs,” says Sara Kempe, Regional and Business Manager.

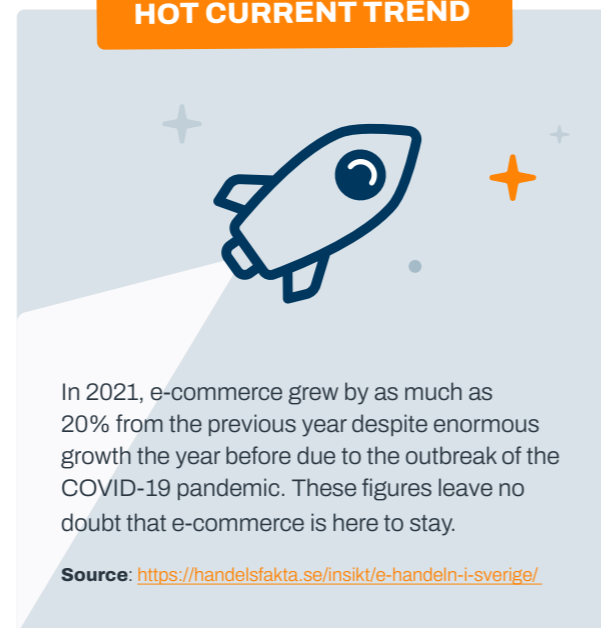
It must be possible to compose different parts together that are unique to your business and to scale up as needed. In the manufacturing industry, access to product information is an extremely important factor in the customer’s buying process.

In many cases, the customer wants to see various types of certificates or drawings associated with a specific product. To do this, you must take control of your data and consolidate everything in a PIM system that is integrated with your e-commerce solution.

## Direct sales without intermediaries

Manufacturers selling products directly to end consumers, via a marketplace or a direct sales process without a reseller, has been trending for a while now. This is cost-effective and saves time for both the manufacturer and the customer. More industry-specific marketplaces are the next step in this direction and represent an emerging trend.

### HOT CURRENT TREND



“We see that some companies now want to establish their own marketplaces where they sell both their own and other suppliers’ products as a complement to their own offering. The difference is that they only offer the actual sales channel for the products they do not own. Distribution is managed by the companies that sell the product,” Sara explains.



Sara has served as regional manager at Columbus for eight years. She has long-standing experience of work involving e-commerce and digital commerce solutions that make a real difference for customers and business operations. The goals of these solutions included increasing sales, streamlining ways of working and creating a consistent e-commerce experience.

**Sara Kempe**, Regional and Business Manager.

## Simple and convenient user experiences

To succeed in e-commerce, you need to know which features your customers want to better manage support cases and to easily and conveniently place orders. You also need to ensure that your customer solution performs at a high level.

“The tolerance level of customers is much lower now than in the past as customers demand an almost perfect user experience. In this context, expectations are higher for your customer portal to be easy, convenient and fast to use,” says Sara Kempe, who cautions that companies will lose customers to competitors very quickly if they cut corners on quality.

## Focus on more personalized experiences

Customers now expect the same shopping experience regardless what channel they use. An omnichannel strategy enables a more cohesive and personal shopping experience, and Sara believes that omnichannel will soon be joined by a new trend – optichannel. Optichannel means

that the channel is optimized for a specific area of use or purpose.

“Consolidated data on customer behaviors enables you to determine what channel a specific customer prefers for a specific activity and use this as a basis to personalize your communications and streamline your processes,” says Sara.

In order to execute a portal or omnichannel strategy, it is necessary that the architecture is created to be flexible and fast. An omnichannel and portal solution must be integrated with several different underlying systems and offer customers an experience based on the current customer journey

## Long-term vendor partnership

With a modern solution and a reliable vendor that can be a long-term partner, you will be well positioned to meet the demand of your customers, now and in the future.

“Much time and talent must be dedicated internally in order to build a successful customer portal. It is also extremely important to have a vendor with knowledge of your industry combined with technical expertise and an understanding of your customers.”

### HOT CURRENT TREND

The D2C concept is trending, regardless of whether it's B2C in the form of reaching the consumer without a reseller, or whether it's B2B in the form of selling directly to the end customer instead of having a reseller or distributor in between.



# Benefit and value are the best customer magnet

**The rapid progress of digitalization has created completely new buying behaviors. People now expect an easy and convenient shopping experience regardless of what they're buying. This sets the bar high for companies to meet customer needs and offer something more than merely products. For many years, our experts Kristoffer Persson have helped companies adopt new technological solutions and strategies to add business value. Here are their top tips and insights.**

## **New generations – new demands**

As the world around us changes, so do the people – and your customer base. The new generation have grown up with computers and phones and are used to everything being digital. These are also the people who now represent the greatest purchasing power in your industry.

“We have reached a situation in which customers expect the same or even a better experience at work as when shopping in their personal lives,” says Kristoffer Persson, Global Head of Architects.

In addition to wanting fast and accurate deliveries, your new target group also want to be able to easily find information about products and make orders – from their own computer or phone. Also, they are more aware of sustainability than ever before and in many cases choose environmentally friendly options and suppliers that can prove they take an active approach in this area.

“In a couple years, I think we will see a fewer number of larger market participants because they have kept up with developments, putting out of business the smaller companies that didn't go on the same journey,” says Kristoffer.

## **HOT CURRENT TREND**



Composable solutions are the future! Leveraging composable commerce creates great flexibility and makes it easy to scale up, scale down and make changes based on your market, customer needs and business goals.

## **More focus on benefit and value, less on products**

“These days, putting out a product on the market is not enough to get your customers to choose your company as their supplier. It's extremely important to show that you bring other values besides merely price points,” says xxx, Head of xxx. He explains that you can do this in many different ways but to win over the customer going forward, your most important task is to demonstrate the value and benefit of your products.

“To demonstrate a product's value and benefit, and to create content that communicates these, you must understand customer behaviors. How do customers want to learn about your product and what need does your product meet for them? Use this as a starting point to review what packages you want to sell and which digital tools to offer,” says Kristoffer.

## **Composable Commerce is the key**

“In B2B, the need to customize products and orders is generally much higher than in B2C. The fact of the matter is that few e-commerce platforms on the market today offer that kind of flexibility, unless you use a solution based on composable commerce,” says Kristoffer.



Kristoffer has a technical background spanning many years and now serves as Head of Architects at Columbus. In this position, he works with potential customers in a strategic manner to help them make decisions about what solutions are the best fit for their unique needs. He is driven to make the complicated look simple.

**Kristoffer Persson**, Global Head of Architects

“In traditional e-commerce platforms, you have a basic package with what you need. You do everything in one platform, but, in many cases, these platforms are limited and difficult to customize,” he explains.

In Kristoffer’s experience, many feel locked into the solution they have that cannot be customized, and there are often fears of long and expensive transformation projects that do not guarantee success.

“I am highly driven to provide training and share my knowledge in order to show customers that there is a path forward and that there are solutions that do not result in transformation projects lasting several years,” he says.

Composable commerce unlocks great flexibility with an open system architecture in which you can implement APIs. At the same time, you can keep your old system in place during the initial phase before migrating your solution to a more modern architecture.

“This gives you freedom to test different features and scale up at your own pace, without having to make extensive changes in a short period of time,” says Kristoffer.

### **Innovation is the name of the future**

Kristoffer sees that many more digital services and innovations are poised to emerge in the next couple years for businesses that manufacture

and sell products. These solutions will make it easier to meet customer needs and requirements while boosting the industry’s efficiency.

“I think that employees will be more connected when at a workplace. For instance, it will be possible to order things immediately on site in front of an empty shelf. There will also be automated flows for machinery maintenance. Connected cars will automatically order spare parts to the workshop when needed,” says Kristoffer.

### **You have everything to gain from digital maturity**

Long customer service response times and difficulties finding information will put you at risk of losing business, and it can happen fast. This is something Kristoffer emphasize.

In addition to getting your potential customers to like your brand, you must be able to offer them fast and easily accessible service.

#### **HOT CURRENT TREND**

Accessibility requirements and demand for information. It is important now and will also be in the future to be able to make product information accessible to customers. Especially now that the sustainability aspect is becoming increasingly important to consumers.

They should be able to manage their support cases on their own and if they need to speak with someone, they want to be able to communicate efficiently and in their preferred channel, such as social media or chat.

“You have everything to gain from digital maturity. You will be able to engage with your customers 24/7. You can make an enormous amount of information accessible to customers who can shop more efficiently with self-service,” says Kristoffer.

“For example, a customer may need a drawing for a specific product or assistance to invite their own customers to approve quotes. Then the way to go is to make what’s needed to meet these needs conveniently accessible in a customer portal. In addition to the customer liking it, this also provides significant cost and time savings for your organization as you don’t need to have as large a customer service team to receive all these support cases,” Kristoffer explains.

“Always start with the customer’s values and needs when building your offerings and solutions. “

### **Kristoffers best tips for successful customer experiences**

-  Adapt to the younger generation – they represent the largest share of your customer base.
-  Always start with the customer’s needs when building your offerings and solutions.
-  Win your customers by demonstrating the value and benefit of your products and services.
-  Enlist the help of experts that can help you transform and future-proof your e-commerce solution.

# How to future-proof your e-commerce business – insider tips from our expert

**New digital times also bring with them new demands for what your business must be able to achieve. Traditional commerce is no longer an option. The time has come for modern e-commerce solutions, which demands that you be proactive, innovative and attentive to avoid being overtaken by your competitors. Maria Joons, Business and Solution Architect, goes over her top tips for future-proofing your e-commerce business.**

## 1 Start small – think big!

“To succeed, your e-commerce solution must be fast, user-friendly and tailored to your customer base. But when it’s time to kick off a modernization project, many organizations are left struggling in the dark. It may feel scary to start messing with established, albeit dated, systems and ways of working,” says Maria.

“Many think that their business is too complex to be modernized. It’s simply not possible to make it understandable to their customers in any other way than how it’s done now. To achieve results, it’s important to take small steps with a vision of the future in focus. All successes are successes, even if they are small!”

## 2 Invest in composable and headless commerce

Building your business on a foundation of composable and headless commerce unlocks more flexible, scalable and innovative system features and ways of working that benefit your organization both internally and externally. The capability to scale up, scale down and quickly make changes empowers you to adapt your operations to your specific needs. A composable and headless commerce approach enables you to be more agile while also being better prepared for the ups and downs of the future.

## 3 Get your whole organization onboard

“When talking about the e-commerce solutions of the future, it’s extremely important to get your entire organization on board,” Maria emphasizes. This involves not only implementing a new system solution from a strictly technical perspective but also ensuring organizational buy-in across the board.

“If you are going to change systems, this will require quite a lot from everyone and it will be a completely new way of working. Collaboration and understanding especially between IT and operations must be seamless to enable the business to move forward smoothly.”

**HOT CURRENT TREND**

Artificial intelligence (AI) and augmented reality (AR). Now, such advanced solutions coming out that AI and AR can actually be used. These types of solutions open up incredible opportunities for the future! For example, with AR, you can try out a product before you even order it.

#### 4 Keep the customer in mind

All business-critical changes that occur in an organization must be made with the customer in mind. And in a world which is in a state of constant flux, you can be certain that your customers and their needs will change as well. As the years pass and digitalization progresses, your customer base's digital knowledge will increase and your business will need to meet other expectations. For instance, at present we see a great focus on the environment and sustainability among the younger generations. Don't forget to continuously evaluate the profitability of your operations and platform in relation to your desired target group – and optimize your business accordingly.

#### 5 Enlist the help of experts

Taking the first step in a change journey may seem overwhelming, and we usually need a push in the right direction to get started. With guidance from an external expert, you can gain invaluable knowledge that will help you make more well-founded decisions about your business.

“When turning to us, our customers want help with establishing competitive operations in both the short and long term. In addition to reviewing the customer's e-commerce platform and its features, our work may also involve making changes in terms of organization, work and competencies. With an external resource, you and your business can keep up with trends, be more agile, flexible and automated, and, quite simply, get further.”



Maria has a background as a programmer and her current role is Business and Solution Architect at Columbus. After ten years at Columbus, she has documented experience of successful e-commerce projects in B2B and B2C. Maria excels at data-driven business development and using new technology to solve old problems.

**Maria Joons**, Business and Solution Architect

## Many interesting e-commerce trends



The fact that e-commerce is now only getting hotter and hotter means that it will also grow at light speed in the coming years. As demand increases, more resources can be allocated to expand and improve the customer experience. Here are two other exciting trends that will get hotter going forward, according to Salesforce:

#### **M-commerce**

The mobile phone is now a key component in online shopping. As a result, it will become more important for your customer experience to ensure that your e-commerce website is optimized for mobile devices.

#### **Social commerce**

Features to purchase products directly in social media will become more important. For example, with “Buy Now” buttons directly in social channels, your customers can skip several steps and go straight to buying.

**Source:** <https://www.salesforce.com/se/blog/2021/09/e-handel-i-sverige-2021-statistik-historisk-utveckling-och-framtidsperspektiv.html>



# Do you need help with your roadmap towards composable commerce?



Increasing competition and rising customer expectations mean companies need to be fast and flexible. Composable commerce is the answer if you want to develop a digital platform that empowers compelling shopping and customer experiences.

But, where to start? Columbus can guide you through both a strategy and prestudy phase where we jointly create a strategic and tactical roadmap for your future journey towards Composable commerce.

**Want to know more? Contact Dan**



**LET'S HAVE A CHAT**

Dan Andersson has +35 years of experience in the Digital Business both in B2B and B2C related projects and in his current role as Head of Strategy & Service Development he and the team has delivered successful solutions for companies just like yours. Don't hesitate to get in touch if you are looking for advise in how to future proof your business.

**Dan Andersson**, Head of strategy & solution development

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