

Future-proofing ecommerce

Why headless commerce is key
to delivering a modern retail
experience for automotive brands.



Headless Commerce

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Landscape

Headless commerce is not a new technology but is still somewhat shrouded in mystery. Nevertheless, adoption has accelerated over the past two years with a reported **CAGR** of 6.9% and it is expected to reach a market size of \$3.6 trillion by 2027. Funding in headless technologies has also skyrocketed with an estimated **\$1.6 billion** raised since 2019 as investors have flocked to its commercial potential. There are many reasons behind these trends but two stand out. Firstly, as the world continues to pass through the COVID-19 revolving door, retail-led organisations, including automotive brands, have had to rapidly shift their traditional analogue shopping models to digital or risk losing substantial ground to industry disruptors.

Secondly, the new breed of online car retailers like cinch and Cazoo are reimagining physical dealerships within online spaces to revolutionise the buying journey. Whilst the pandemic has reduced traditional footfall levels, new immersive technologies are changing how and where people research and buy cars with the emergence of AR, VR and Metaverse experiences.

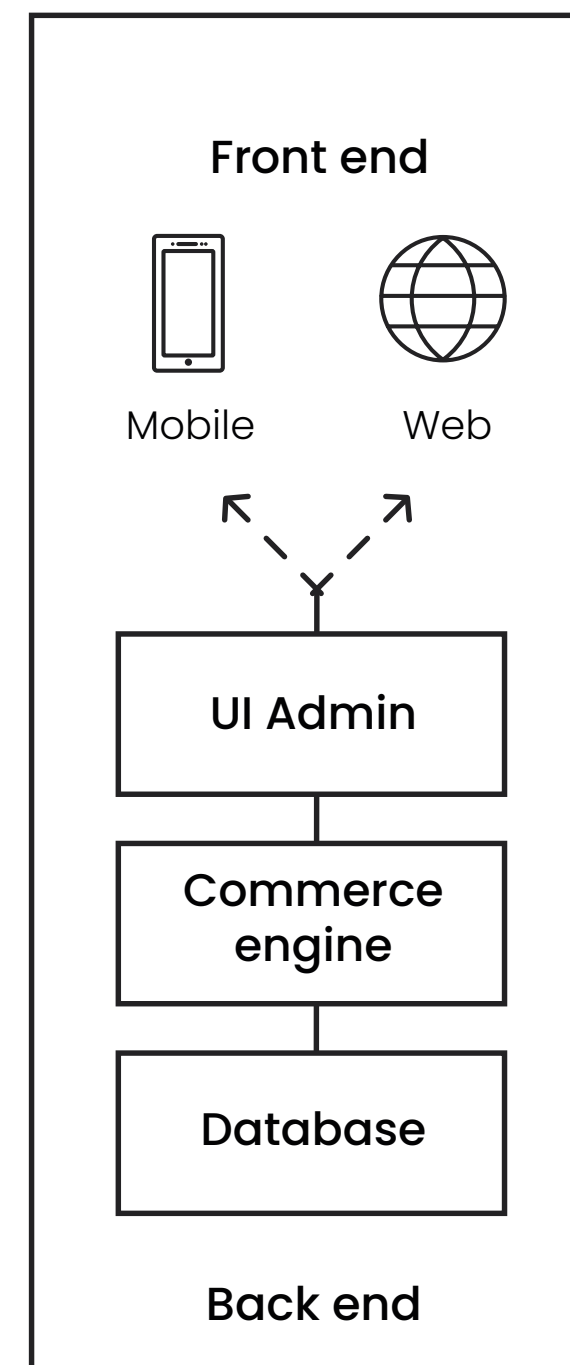
Headless commerce is addressing both of these challenges head-on (no pun intended). But with many existing nuances, platforms and providers, it can represent a minefield for the uninitiated. As a digital product agency, CI&T has implemented headless solutions for many global companies across multiple verticals. In this paper, we not only unpack the business case for headless commerce but also what decision-makers should be considering when thinking about making the switch.

What is headless commerce?

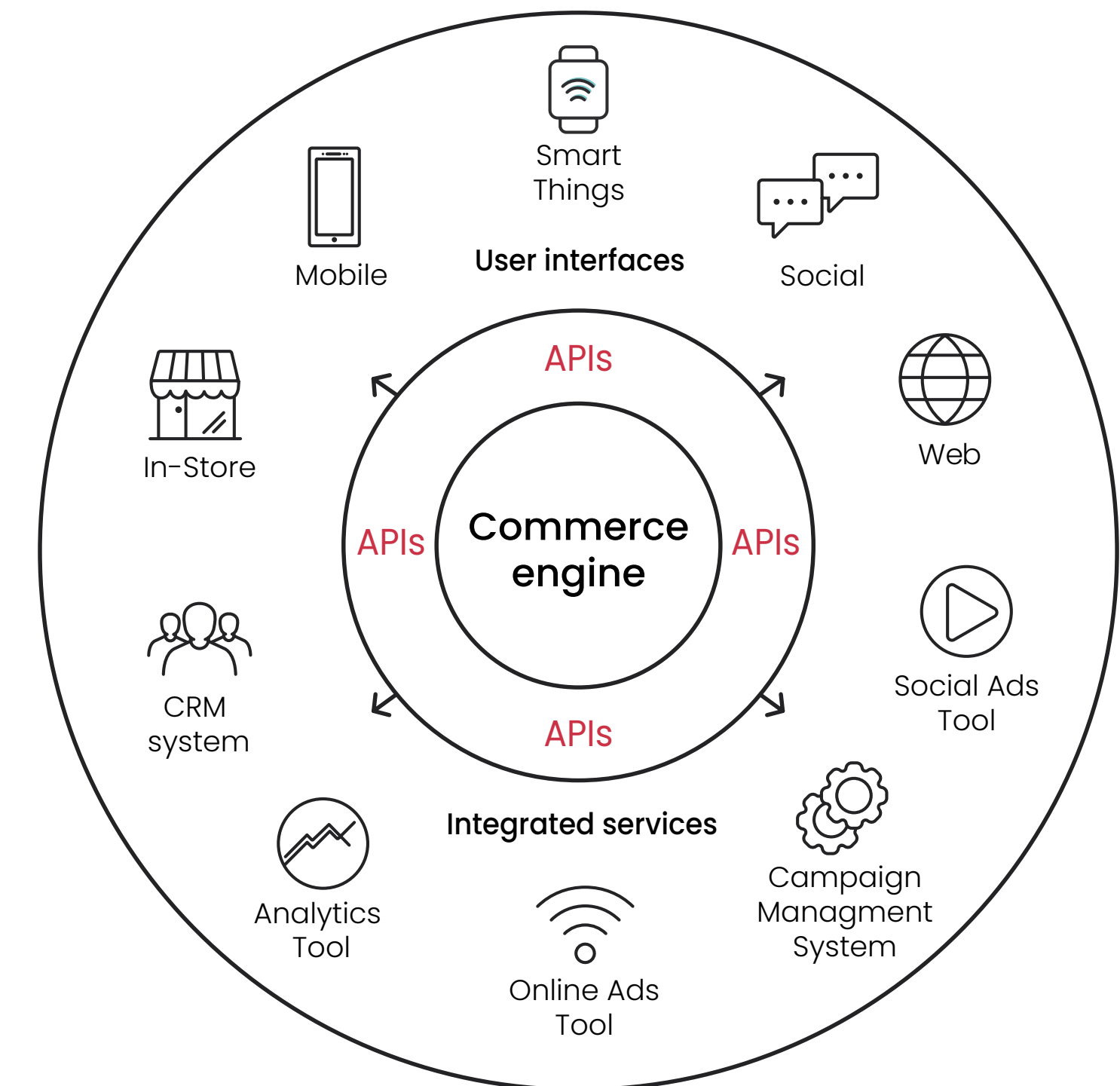
Headless commerce is the separation (aka 'decoupling') of the front-end user interfaces (the 'head') and the back-end infrastructure (the 'body') of an ecommerce application. So the front-end can be updated or changed independently of the back-end through APIs, whether, for example, this is an e-shop on a social page or an in-store kiosk.

Traditional commerce **vs.** headless commerce

Before we dive into the benefits of headless commerce it's worth highlighting how it is different from traditional ecommerce. Traditional (aka monolithic) commerce is essentially one big system with all elements interconnected, not decoupled. If one part gets broken, the whole system could get disrupted or broken. Typically, traditional commerce relies on sticking with a fixed website architecture which restricts the number of new features that can be added or the scope to make design changes. It also needs heavy optimisation because the bigger an e-store gets, the slower the site speed and performance become.



Traditional commerce approach



Headless commerce approach

Headless commerce business benefits

What are the benefits to businesses?
Let's break it down by key employees and stakeholders.

02



For marketers and product managers: a personalised, omnichannel experience

Today, customer experience is a [key brand differentiator](#), with research suggesting that it has overtaken price and product. Headless commerce improves customer experiences because it's built to serve today's (and tomorrow's) omnichannel shopping habits. This could take the form of starting a purchasing journey in one touchpoint and finishing it on another, or the act of reading blog posts and watching product videos directly within the cart.

Optimising product placements, content and offers to increase traffic are key tasks for web marketers. But updating pages on standard ecommerce platforms can be challenging because they rely on a built-in CMS which limits the flexibility to customise. With headless, this isn't an issue as you can have multiple front-ends, all of which are separated from the CMS. So it's easier to integrate tools like AI-powered smart search or a new payment gateway, as well as rich product content, and therefore personalise the buying experience.

For ecommerce and project managers: no need to start from scratch

Introducing headless commerce doesn't mean you have to rip out what you have already, which may not be feasible, especially in the current climate. You can leverage the benefits of headless by applying open-source APIs to connect your desired front-end to your existing platform, without disrupting the UX or other web development projects happening in parallel.

Many traditional vendors like Salesforce Commerce Cloud have adapted their systems to offer ecommerce APIs, while headless only solutions such as Shopify Plus, Elastic Path or BigCommerce provide complete customisation from the ground up. So you can transition to a headless commerce approach in phases and prioritise the areas that deliver the most value to your business.





For developers: freedom to develop more efficiently

Traditional commerce platforms come with many unwanted housekeeping dev tasks which can interrupt more pressing needs like deadlines or solving problems. With headless commerce architecture, front-end developers can make changes without interrupting backend developers, while backend developers spend less time on things like updates and maintenance, thereby reducing overall technical debt.

Headless commerce gives developers the freedom to create more modules, more efficiently with the tools they want to use, which is impossible with the templated, pre-packaged constraints of traditional platforms. It also makes it easy to implement common commerce processes such as PIMs, OMS, ERPs, shipping logistics; custom checkout flows, or adding fields to a customer account.

And now the concept of composable commerce has entered the fray as an evolution of headless commerce, enabling developers to work in a more lean and agile way. Instead of creating solutions to problems from scratch they can select best-in-class, pre-existing components from other vendors to build specific applications. Gartner has predicted that “by 2023, organisations that have adopted a Composable Commerce approach will outpace the competition by 80% in the speed of new feature implementation”.

For sales and growth teams: speed to market, speed to value

For the same reason you don't need to start from scratch, a headless approach gives you more commercial agility. It empowers businesses to get multiple products, sales touchpoints and sites out to market in days rather than months.

This could help you recruit new customers faster than your competition, while those customers get a consistent experience across all your touchpoints, leading to improved conversion and loyalty.

For CTOs and CIOs:
easy to scale and future-proof

Due to its coupled nature, scaling with traditional commerce architecture is difficult as you can be forced to update or replace everything simultaneously. On the other hand, headless commerce makes it easier to support emerging technologies and implement updates as the front-end can be scaled independently from the CMS. An architecture that allows independent scaling according to usage needs is more cost-effective and easier to operate because it minimises delays and disruption.

For customers:
a faster mobile-first journey

Headless technology may not mean anything to your customers, but it powers the way they shop. Big e-tailers or marketplaces like [Amazon and Etsy](#) are able to release updates in a matter of minutes, even seconds, because of headless technology. And it's fuelling the growth in social commerce and shoppable content too with the likes of TikTok, Snapchat and Instagram all on board. Put simply, headless is the most effective way to build a mobile-first experience that seamlessly integrates with other digital presences. It improves SEO by delivering faster updates, faster product releases and faster page loads and is a big reason why mobile shopping is becoming the norm.

Headless commerce **elevates** mobile commerce

**\$3.56
trillion**

expected Mobile
commerce sales
by the end of 2021.

72%

global Mobile
commerce share
of all ecommerce
sales in 2021.

**£105.28
billion**

estimated revenue
from UK mobile
commerce in 2024.

60%

mobile commerce
share of total UK
retail online sales
in 2021.

Headless commerce in practice

The scale and impact of headless implementations vary by business needs – there is no ‘one size fits all’ solution. Here are some examples that show the value it has delivered and problems solved across different sectors.



CI&T case study

Customising smart devices: Motorola Moto Maker

Motorola's Moto Maker programme was designed to strengthen relationships with customers by allowing them to customise their own smartphones and smartwatches. We started working with the tech giant in 2015 with the goal of developing a mobile-first platform that unified content and ecommerce. The solution was built around using a headless inspired Drupal solution that was integrated with relevant Demandware.

The project team approached development from two angles. Firstly, continuing to evolve the Moto Maker platform to expand the product portfolio. Secondly, to oversee the complete migration of Moto Maker's ecommerce platform to open-source, solution-based microservices. The Moto Maker programme resulted not only in sales growth, but also an enhanced omnichannel experience for users.

Tell me more

If you'd like to know more about Motorola Moto Maker or other headless case studies from CI&T, contact Chris Sheldon.

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Things to consider first

If what you have read so far has piqued your interest in headless commerce, the following questions will help inform what to do next.

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Firstly, is it right for your business?

Headless commerce can benefit any business but it's generally best suited to rapid turnover, consumer-led ones. If your ecommerce roadmap doesn't rely on frequent product iterations, customisation or an omnichannel experience, sticking to a traditional approach may seem prudent in the short term. But at some point, you'll need to weigh up the risk versus reward trade-off. Should you spend time and money now to supercharge your CX and future-proof your commerce capabilities? Or delay or even avoid this investment, but risk falling behind your competitors and customers in the near future?

How and where should you start?

If you've decided to switch, you don't need to upgrade your whole ecommerce ecosystem at the start because headless can be implemented one application, one component at a time without disrupting the UX. So it's worth concentrating on the areas that aren't performing optimally or which derive the most business benefit. And to review the customer journeys you're thinking of integrating with headless to ensure they are fit for purpose. Headless commerce will elevate the buying experience to a whole new level but it will be a waste if the wider user journey leading up to purchase is already flawed.

Can your business manage implementation on its own?

Unless your organisation has a large in-house development team with the bandwidth to manage the project, it is advisable to enlist the help of an agency or partner. Integrating headless into your ecommerce system is not just about having the necessary software and DevOps expertise. It's also about adapting ways of working and adopting an agile team structure. This is where utilising a design system comes into its own, along with a strong product leadership mindset that blends design and technology to extract value where it matters most to your business.

How much do you need to invest?

Whether you're able to manage things in house or need to bring in implementation partners, you'll need to budget for the short and long term. Essential elements to consider range from recruiting the right skill sets, acquiring platform licences or subscriptions, to carrying out ongoing maintenance, employee training or even upgrading your tech stack. Like many new or emerging technologies, headless commerce can come with higher upfront costs but it is then scalable and manageable to your needs.

Why design systems and headless go **hand in hand**

– Ben Magnus, Vice President, Product, CI&T

“One of our guiding principles is that design systems are the single source of truth for digital product development. So what is a design system and why is it important for headless commerce?”

A design system is a collection of reusable components, implemented in both design and code, and guided by principles and standards, that can be used to build products more consistently, efficiently, and collaboratively. It is based on both a brand’s visual guidelines and its component libraries but combines both of them with well-documented standards and governance to derive maximum value from design and development. It also fosters greater communication and clarity in a cross-functional team by uniting designers, developers, UX architects and content creators.

If headless commerce architecture is the vehicle for scale, then a design system is the engine that connects everything together perfectly. The best example of this is how it enables a consistent user experience across a brand’s front-end applications — from desktop, mobile app, wearable device and live chat to cashier-less till and beyond. Companies like Amazon, Apple, Google and Etsy are known to live and breathe by their design systems and offer seamless omnichannel experiences because of the way these systems complement a headless approach.

Think of a design system not as a single deliverable but an evolving ecosystem to create design and build excellence. Ultimately it improves speed to market and scales your teams’ ability to build market-leading products.”

The value of product leadership in commerce

– Mike Astle, SVP of Technology,
North America, CI&T

“When CI&T delivers ecommerce solutions, rather than attempting to build everything at once, we implement the core workflows and then iterate and optimise upon that foundation. This distinguishes us from others who focus on breadth of features rather than depth of value.

This is not Project Management, this is Product Leadership – hitting the sweet spot between business needs, technology solutions, and user-led design. It is a shift away from old software development habits. From process-centred to customer-centred and from deliverables, dependencies, risks, and reporting to value creation, ownership, innovation and outcomes. It is where lean, agile, and collaborative teams bring those outcomes to life — from the whiteboard to pixel-perfect execution and UX.

In the context of headless commerce, a good example of our approach is how we think about platform customisation. Headless commerce creates many new opportunities to customise, but customisation comes with an up-front cost that is obvious and a long-term maintenance cost that can be much harder to predict. It is almost always better to prioritise customisation in proportion to business value. If the product creates an entirely new purchase workflow, then put the customisation budget into that to do it well and let other less-bespoke processes operate using the platform defaults.

For enterprise brands to achieve their ecommerce ambitions, they need to think less like an established business and more like a start-up. That means adopting technical accelerators to deliver products at pace and scale, like selecting the right tried and tested frameworks, enhancing the developer experience with modern tools, and being cloud-first by leveraging both PaaS and SaaS capabilities. That is the value of Product Leadership.”

Platform needs and wants

When you're ready to embrace headless commerce, you'll need to select the right software architecture or platform. This will of course depend on the needs and digital maturity of your business, things an agency can help you lock down. But it's typically worth looking at the following factors:

Business user friendliness

Apart from developers, will other teams be able to understand and use the architecture? Some headless commerce platforms may not have a WYSIWYG tool, so having a user interface that marketers and merchandisers can easily learn to publish content and generate emails may be an important criteria.

Product merchandising

Headless commerce is suited to organisations that have a large or growing product catalogue. Check how flexible the platform is in terms of creating and evolving catalogues that display all essential product details.





Security

How securely does the platform run to protect against hacking and support features like multi-factor authentication and data encryption?

Analytics

What type and granularity of insights does it give your business in terms of measuring visitor behaviour and capturing the data that lets you continually optimise your store?

Integration capability

Does it have APIs that support your existing or planned integrations, for instance, with your email service provider? Similarly are the APIs generic enough to cater for potential future innovations like adding a virtual customer assistant or connecting to a wearable device?

SEO

What search functionality does the platform offer to enable you to improve your store or product rankings? A headless commerce solution should let you easily optimise your commerce content such as item lists, blog content or reviews as well as target key customer search terms.

Payment and delivery options

How well will the platform integrate with logistical tools and fulfil orders seamlessly? Like recognising that a customer at checkout is an account holder and prompts them to sign in for free delivery before they proceed to purchase. And does the platform support all the payment options that your customers currently use or may want to in the future, like cryptocurrency?

Why work with CI&T?

We hope this paper has improved your understanding of the benefits and user considerations of headless commerce. If you're ready to take the next step, CI&T has a unique approach to guide your business towards the right solution and deliver your digital ambitions. So how are we different?

1

We're leaders in product thinking

We bring together design, technology and business needs to build value for your customers and brand.

2

We're flexible to your needs

We're just as happy to build MVPs and transfer knowledge to in-house teams, as we are to provide end-to-end ownership of delivery.

3

We're pragmatic

We look for ways to work with your existing legacy systems where appropriate rather than pushing to re-platform or start from scratch.

4

We de-risk your investment

We've developed thousands of digital products across different sectors and we use processes that involve users to reduce the risk of building the wrong things. So we know how to safeguard your investment.

5

We deliver at pace and scale

We bring your vision to market rapidly to create competitive differentiation. And we don't just build scalable products, we build the capabilities to help your business transform.

6

We're a global force

CI&T is a digital powerhouse of over 6,900 experts across multiple disciplines. Supplementing our UK office is our nearshore centre in Portugal, plus established hubs in APAC and LatAm, enabling us to operate seamlessly across different time zones.



Get in touch

For a quick chat about how CI&T can help solve your ecommerce challenges, contact Chris or Rebecca:

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About CI&T

CI&T (NYSE:CINT) is a global digital specialist, a partner in digital transformation for 100+ large enterprises and fast growth clients. As digital natives, CI&T brings a 27-year track record of accelerating business impact through complete and scalable digital solutions. With a global presence in nine countries with a nearshore delivery model, CI&T provides strategy, data science, design, and engineering, unlocking top-line growth, improving customer experience and driving operational efficiency. Recognised by Forrester as a Leader in Modern Application Development Services, CI&T is the Employer of Choice for more than 6,900 professionals.



Market

Gartner Cool Vendor



Service

A named leader in MAD services, Q3 2022



Diversity and Inclusion

Recognised for “Good Employability Practices for Disabled Workers” at the UN



Culture

Certified by the GPTW institute



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