

Composable commerce, the building blocks of successful commerce

What constitutes commerce success in 2022?

It's a seriously tough climate out there. In B2B and B2C, it's harder than ever to win and retain customers. There's so much choice, and it's easy to switch suppliers, which means that customer experience has become the primary way of differentiation.

But that's not to say that there isn't hope for a manufacturer or retailer setting out on a new commerce venture, whether that's a new online marketplace or a different commerce brand entirely. Consumers want bespoke pricing, tailored offers, excellent CX and new features, while B2B customers look for order customisation, request to quote processes and the ability to facilitate orders from a wide range of different interfaces.

This is all achievable via organisational agility and a new approach that's set to be the bedrock of successful commerce for years – composable commerce.

What exactly is composable commerce?

The term 'composable commerce' was originally coined by [*Gartner*](#) in 2020. The idea behind it is that businesses must go down a modular route to

commerce. This involves selecting the best-of-breed solutions to 'compose' a highly customised tech stack that meets the organisation's particular needs and, in turn, those of its customers.

In straightforward terms, composable commerce gives businesses or commerce teams the freedom to select vendors that offer the commerce solutions required for their specific business requirements. This is even truer now than in 2020, since then, shopping habits (B2B and B2C) have changed, and customers now look for even more personalisation in their experience.

Like many great ideas, composable commerce makes such sense that one might question why all organisations aren't adopting it. However, many organisations are still stuck with monolithic ERP environments, which are inflexible and unsuited to modern commerce. They may even have acquired other organisations with similarly antiquated systems over the years, making it even harder to adapt to the requirements of modern commerce.

Understanding composable commerce and legacy systems is a little like comparing Lego to Playmobil. With the latter, you can play with it as delivered, but with Lego, you can build your own toy if you understand how to connect the bricks and make what you want. If you cannot connect the bricks or don't know what to build, then Lego will not help you.

Composable commerce and extreme personalisation

The pace of digital transformation has accelerated enormously since the pandemic. But it's still not fast enough for many organisations seeking to make the most of composable commerce and its modular, modern and flexible approach to commerce.

This is concerning, given the varied extreme personalisation benefits that composable commerce provides, including:

1. Greater flexibility – customers are demanding more and more functionality on their favourite commerce platforms and across the various touch points they use. Businesses need to be agile in responding to such an ever-changing business environment. Composable commerce creates the room for this flexibility that an out-of-the-box solution will not deliver.
2. More cost efficiency and control – this is pivotal to any commerce business. Selecting which capabilities and which vendors are most relevant for a business can help reduce unnecessary costs. Additionally, this makes it much easier to avoid potentially costly vendor lock-in,

- thanks to the freedom afforded by replacing components as needed.
3. Open standards – adopting a composable approach means that applications should be seamlessly integrable and built on open standards. Customers want unique experiences that speak to their individual preferences, and the only way to deliver them is by being flexible enough to adopt the modern technologies that drive innovation.
 4. Fresh features – a significant part of personalisation includes the rolling out of new features, interacting with customers via their preferred medium and giving out bespoke prices or offers unique to the customer. This cannot be done with an old and antiquated system and is especially relevant for B2B, where requests to quote processes are common and even expected by customers.

A window of opportunity?

The emergence of composable commerce – and the benefits outlined above – has come at a time when a real window of opportunity has opened. Amazon has dominated commerce for decades, with competitors unable to compete with its scale, inventory and CX.

But its most recent *financial figures* (April 2022) show a vulnerability. They revealed Amazon's slowest-ever revenue growth in the first quarter and its first loss since 2015, and much of the modest success can be attributed to AWS, Prime, and Amazon advertising. The e-commerce results are even more encouraging for Amazon competitors, continuing a downward trend that started in Q4 2021.

Extreme personalisation will be crucial to make the most of this opportunity, and composable commerce is the most effective way to achieve that. Its best-of-breed principle is far more relevant than off-the-shelf bundles, which compel businesses to use redundant or outdated technology.

I know that composable commerce will be the foundation of any successful commerce business, and smart organisations will embrace this sooner rather than later. So get involved now if you do business online.

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