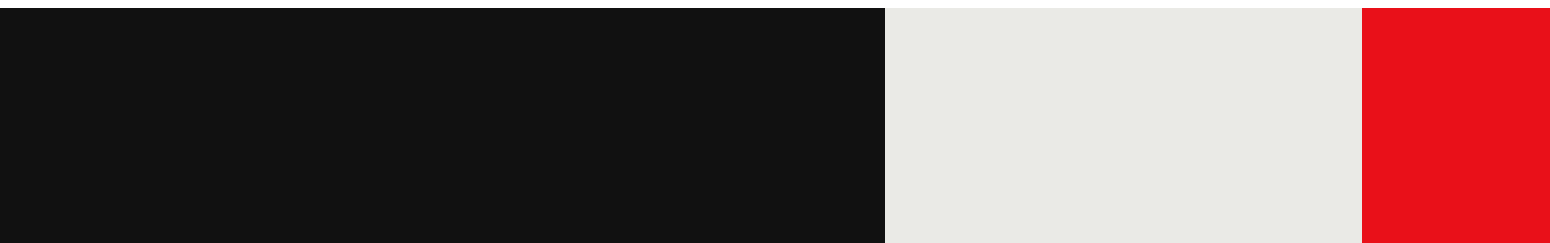



What is composable commerce, and how does it work?

Article

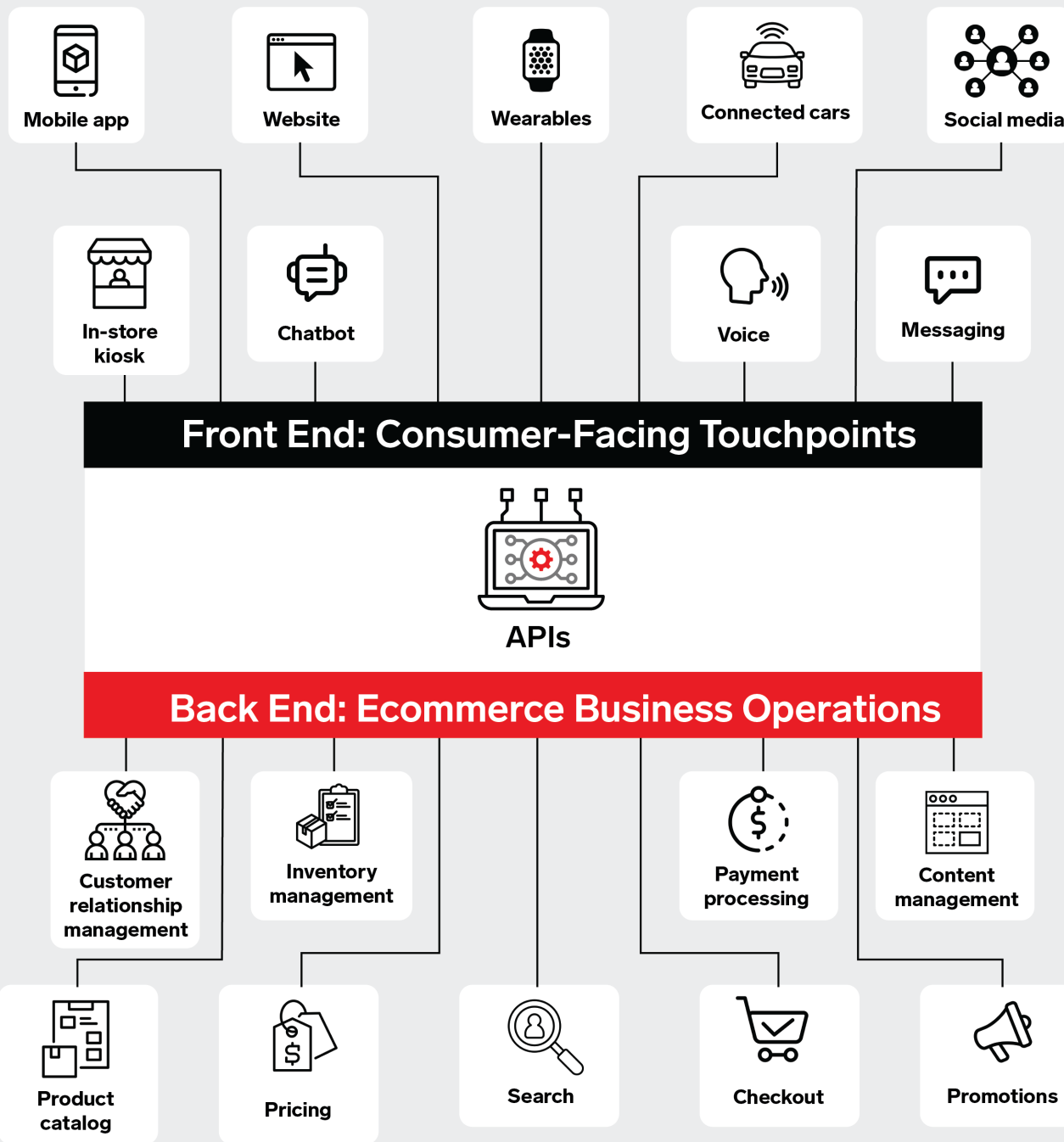


Composable commerce—a modular approach to the technology that underpins ecommerce—has become a buzzword in retail circles over the past few years, following on earlier hype around its precursory “headless” architecture. Composable commerce gives brands greater flexibility to swap out the various components of their tech stacks, enhances their ability to customize retail experiences, and helps them more agilely respond to ever-evolving shifts in

consumer needs and expectations across channels. This modular approach contrasts with the “monolithic” platforms that have traditionally powered all aspects of ecommerce operations.

- **Headless architecture is a starting point for understanding composable commerce.** In headless commerce, the presentation layer, or customer-facing front-end user interface (i.e., website, mobile app, etc.—collectively known as the “head”), is separate from the back-end business data and transactions layer (i.e., customer relationship management, inventory management, checkout, etc.—the “body”). The two sides communicate via an application programming interface (API). Retailers using headless commerce typically work with a separate platform for each side and can make changes to their customer-facing channels without having to coordinate them with the back end.

How Composable Commerce Works



Source: Insider Intelligence | eMarketer, 2023
g350290

INSIDER INTELLIGENCE | eMarketer

- **Composable commerce takes headless to the next level.** Composable is a fully modular approach that allows retailers to pick and choose among individual service vendors (known as “best-in-breed”) to suit their specific needs and objectives. Instead of a single API connecting the front and back ends, composable commerce uses multiple APIs to connect multiple vendors’ various services.
- **The industry standard known as MACH describes some of the key features of a composable tech stack.** MACH stands for **microservices**, the individual building blocks of composable commerce; **API-first**, referring to how these services communicate; **cloud-native**, meaning they operate through a distributed computing environment; and **headless**, which refers to the fundamental separation between the front and back ends. Headless systems don’t have to be composable, but composable commerce has to be headless.

The Evolution of Digital Commerce

Monolithic platforms

Early 2000s

Fully integrated ecommerce solutions

Example:

Shopify templates that offer plug and play online storefronts

Headless commerce

Early 2010s

Separation of the consumer-facing front end (the “head”) from back-end operations (the “body”)

Example:

Using WordPress for online storefront and BigCommerce to power back-end processes

Composable commerce

2020

Decoupling of individual components on both the front and back ends

Example:

Using different vendors for various aspects of the customer experience, such as Algolia for product search/discovery and Bold Commerce for checkout

Source: Insider Intelligence | eMarketer, 2023
g350291

INSIDER INTELLIGENCE | eMarketer

Report by Sky Canaves Jun 30, 2023

US Composable Commerce Explainer

