






# A Short Guide of Driving Efficiency With Modern eCommerce Technology

How to tackle changing market environments with a future-proof tech strategy





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# TL;DR

In recent years, many big platforms and online shops have invested in modern technology – for good reason: modern systems help to make processes more efficient without sacrificing customer experience. Flexibility and scalability are of great importance, as these help to keep the business efficient – and that helps them to stay profitable even in times of crisis.

For brands and retailers, the big players serve as a role model: They look at what online pure players are doing and often adapt their strategy accordingly. But currently, the mood is reserved among vendors. The cost of living crisis presents significant challenges

to retailers as sales decline and consumers' disposable income dries up. Brands and retailers are hesitant to make moves – they need to cut costs and rather want to keep the status quo than to risk anything.

But with every hurdle also comes an opportunity: The current market situation offers the perfect opportunity to increase efficiency within your own company. This guide will discuss how solving the key sources of inefficiency can help retailers weather the effects of changing economic climates in the long run, and provides you with three smart ways to drive efficiency in times of crisis.

1. Reduce the complexity of your systems
2. Improve the flexibility of your processes
3. Use default, composable modules to craft experiences efficiently

Want to know how to successfully put the above-mentioned approaches into action? Read on and find out all the challenges and obstacles shaking the eCommerce industry and how to overcome them successfully!

# Introduction

In an increasingly digital world where online shopping has become more prevalent than ever, businesses must leverage modern eCommerce technology to stay competitive. The ongoing global cost of living crisis has resulted in more scrutiny over economic efficiency, both for businesses and consumers. As households' purchasing power dries up, the retail industry is under threat.

For instance, the **volume of retail trade in the EU has decreased by 3.1%** in the last year as European consumers rein in spending. In the UK, **almost two-thirds of adults are purchasing fewer non-essential goods** as a direct result of the crisis.

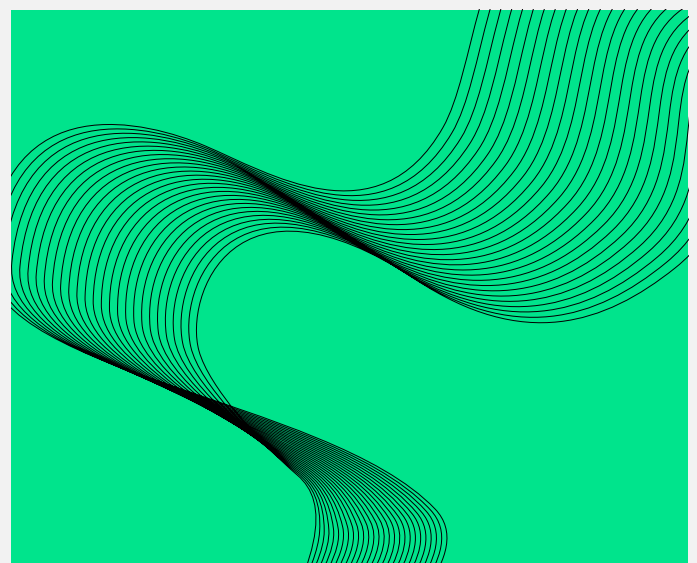
This sales decline is hurting retailers significantly, especially given recent supply cost spikes, high energy prices, and soaring mortgage rates. Many haven't recovered fully from the impact of the COVID-19 pandemic.

Like during the pandemic, those businesses who have invested in eCommerce technology are best poised to weather these current economic issues. Indeed, online retailers such as Amazon have seen healthy revenue

growth figures, in contrast to brick-and-mortar retailers who are often struggling to regain their pre-pandemic customer base.

But, market fluctuations also arrive at the door of online retailers, as they are most susceptible to changing consumer expectations. Therefore, high-growth retailers should become as efficient as possible to be prepared for the ups and downs of the consumer market.

This guide will discuss why retailers should maintain a keen focus on efficiency and introduce you to three smart ways to drive efficiency using eCommerce technology.





# Three Smart Ways to Future- Proof an eCom- merce Business



As discussed above, economic crises offer significant challenges for the bottom line of eCommerce businesses. As funds dry up and capital is more difficult to raise, online retailers should instead increase their operational efficiency to increase profitability.

Let's discuss three ways to optimize an online business to maintain positive growth!



# Reduce Complexity

A significant source of inefficiency for large retailers is the complexity of their corporate structure. Simply put, brands often have too many processes, structures, and customs to effectively simplify and optimize operations.

Many companies have a multi-brand setup and are active in several countries. Processes are made more difficult if each brand has a different system or different set of tools to work with – especially across regions and countries. This model of growth works in a healthy economic environment, as inefficiencies can be masked through high sales.

## The Challenge of Complex Setups

However, in today's volatile market, this setup can become a burden. As Tobias Ring, Managing Director Commercials at SCAYLE, puts it:

**“The more systems are part of their ecosystem, the more difficult it is to optimize individual workflows. The systems are usually not harmonized with each other and interfere with a smooth workflow. This means, for instance, that data still has to be intensively reprocessed manually or orders have to be rebooked. In addition, direct access is not available to all relevant data. Multiplied by different brands and markets, the system is often too complex to really work efficiently.”**

Companies need to be agile and flexible to survive and grow. To do that, they must simplify and streamline their processes and ensure a certain level of interoperability between their systems.



## Efficiency Driver #1: Overcome Complexity by Creating a Centralized System

Business processes can be optimized if retailers aim to build a cross-channel steering of all touchpoints. A centralized system for your **shop management** that uses a global data pool can bring a multitude of advantages that streamline operations, lead to leaner and faster processes, and subsequently enhance the user experience.

With a centralized system, product data only has to be set up and refined one time and is ready for every touchpoint – no matter whether native app or web shop. For multi-brand retailers or stores with multiple locations, a global data approach can dramatically reduce the time and resources needed to add or update products and complete fulfillment.

What are some key benefits of creating a centralized system?

### Benefit #1:

#### Data Quality Can Be Policed and Improved Through Automated Rules

A centralized system with automated rules ensures data quality. All products must have specific attributes filled in, with possible additional requirements. These rules contribute to quality guidelines, including optional, country-specific,

and brand-specific attributes. This is especially important for international businesses, as different countries have varied legal requirements for displayed data.

**Benefit #2:****Channels Can Be Connected**

With a centralized system, all products and processes are available for all channels. For instance, when physical stores are hooked into a product system

as warehouses, remaining stocks of the last season that are still available at single stores can also be accessed through other touchpoints and, e.g., sold online.

**Benefit #3:****Marketplace Commerce Is Made Simple With Centralized Systems**

If all data and the whole assortment are readily available, integrating your products on different marketplaces is a breeze. An eCommerce engine can reserve stock to be sold on third-party marketplaces or ensure that enough products are available for your own D2C business.

e.g., your native app – and the new assortment can be sold internationally without hiccups. Extra bonus? Let your employees order marketplace products on behalf of your customers in physical stores, to perfect the omnichannel experience.

Since the same data quality guidelines apply to the entire system, operating as a marketplace yourself suddenly also becomes much easier. Customers can buy marketplace products not only in your online shop but also on all other channels,





# Improve Flexibility

Adapting to changing customer expectations, integrating new systems, and expanding operations can be a daunting challenge if your business processes lack flexibility. In fact, retailers can often lose sight of the customer experience in the hurdle of different technologies.

The key challenge here is that consumers have strong expectations of what they want from a retailer. Customers nowadays have certain expectations when shopping online, including synchronized shopping carts, click & reserve options, and transparent communication throughout, e.g., regarding the delivery status. These features have become standard, making it challenging to differentiate your brand in a saturated market. As Tobias states: “Brands will not differentiate themselves with hygiene factors.”

Large platforms regularly dictate these customer expectations, necessitating all other retailers to follow swiftly. Businesses must

be in constant pursuit of unique qualities to distinguish themselves, given the rapid pace at which what sets a brand apart can evolve.

Differentiation is often only possible at brand level – with great products, special branding, and target-group-specific functionalities. These include, for example, exclusive drops, special conditions for club members, or personalized recommendations on all channels.

## **Efficiency driver #2: Create Flexibility by Introducing Headless**

Trying to keep your eCommerce operations flexible? That’s exactly where a headless, API-first approach comes into play.

With headless systems, front- and backend are decoupled and different touchpoint experiences can be hooked into the same engine. Front-end touchpoints are connected

to the rest of your engine through APIs, allowing you to quickly develop, test, and even discontinue new customer experiences.

As Tobias states: “API-first systems offer maximum flexibility in quickly extending the

system with new functionalities – regardless of whether these are built in-house or come from a third-party provider.”

What are some key benefits of a flexible **API-first approach?**

### Benefit #1:

#### **New Tools Can Be Integrated Into Your eCommerce System Using APIs**

Features and capabilities can be tested and quickly removed, allowing the whole

system to be optimized to match the brand perfectly.

### Benefit #2:

#### **Front-End Experiences Can Be Flexibly Adapted Without Affecting Back-End Code**

Tobias explains: “This new independence allows brands to increase their conversion

rates by, for example, expanding their personalization and loyalty capabilities.”



### Benefit #3:

## Front-End Experiences Can Be Flexibly Adapted Without Affecting Back-End Code

Front-end experiences are developed entirely independently of the rest of your system. Therefore, only single components and not the system as a

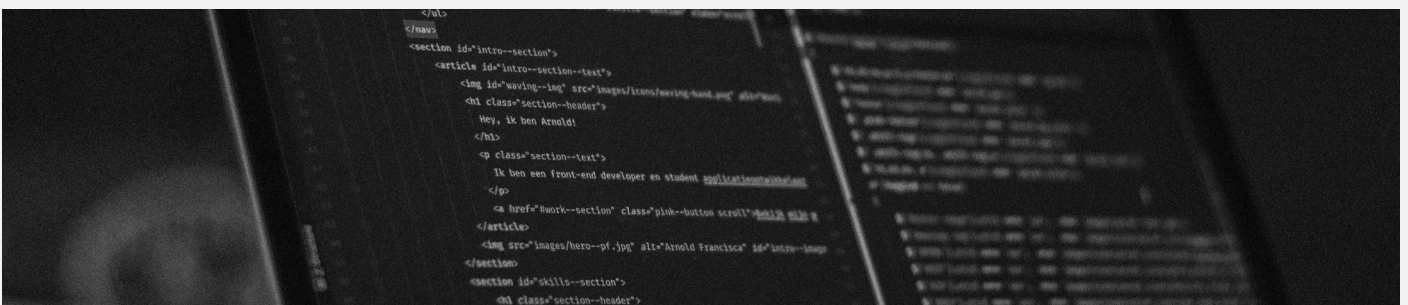
whole are affected by changes. If anything goes wrong, it won't impact your entire shop, and diagnostics become a lot simpler too.

### Benefit #4:

## Existing Off-The-Shelf Integrations Make Adding Services and Features Simple

Third-party international payment or shipping provider modules can quickly be integrated into your system via APIs. No need to modify the back-end code, if your eCommerce engine supports the API, it's essentially as easy as plug-and-play.

Flexible headless systems offer brands the opportunity to stay agile and change their strategy to suit customer demands. Want to learn more about headless commerce? Read our white paper on going headless [here](#).



# ↗ Leverage Existing Standards

Not all efficiency drivers need to stem from drastic change or destructive innovation. Oftentimes, leveraging existing systems and tools can be more effective.

We can return to the old adage of “don’t reinvent the wheel”. If the tools and processes to achieve what you’re looking for already exist, why not use them?

Patrick Marquard, Managing Director at Astound Commerce, explains:



“If you build your own system or want to have complete control of all functionalities, you have to expect a certain complexity. This is not always a bad thing and can have its advantages. However, for many brands, a composable approach that works with out-of-the-box functionalities is worthwhile. For those who don't need a complete package or granular functionality, a system with modules can provide a boost in efficiency.”



## Efficiency driver #3: Use Composable Commerce Systems

Indeed, composable commerce offers a useful middle ground between entirely custom-fit microservice systems and off-the-shelf suite engines. A model of eCommerce software that bundles pre-integrated features like **Product Information Management** (PIM) or an **Order Management System** (OMS) can help retailers get off the ground quickly and easily – and therefore provide a boost in efficiency.

“Brands can use composable systems to quickly reach a certain level of maturity

because many basic functions are already part of the system and are not only aligned with each other, but also for specific use cases. However, these systems are still flexibly customizable via APIs. So for some brands, this can be a good approach”, recommends Patrick.

This model is particularly useful for brands with standardized processes that want to avoid overcomplicating their commerce structure. After all, not every business needs to build front-end experiences and back-end tools from scratch.

### Benefit #1:

#### Better Allocation of Resources

You won't have to build the same functionalities that all other brands are already using, when you can just use existing capabilities that will cover your use

case and get the same results. Instead, these resources can be dedicated to differentiating on a brand level or trialing experimental experiences.

**Benefit #2:****Internal Processes at Top Speed**

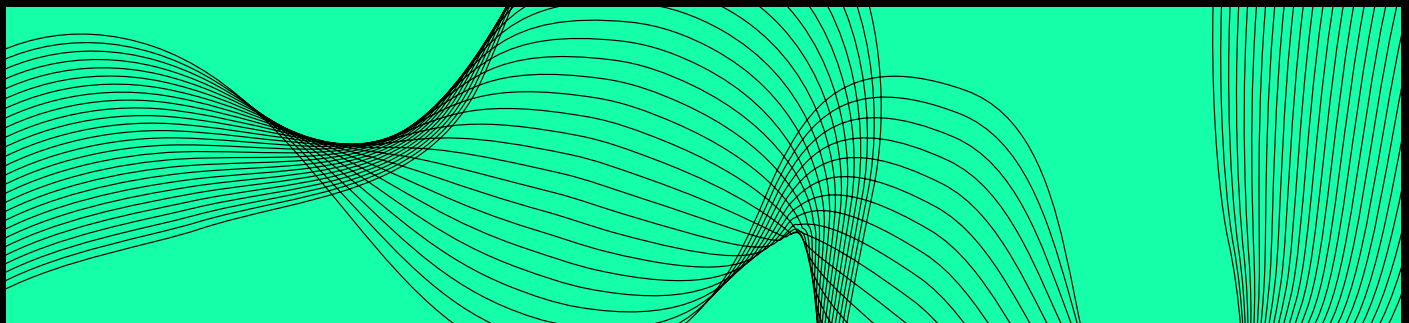
Out-of-the-box functionalities can speed up internal processes and guarantee seamless, on-demand scalable, and yet still customized experiences. To say it in Tobias' words: "If a shop manager first has to write an IT ticket to have developers

adapt every small thing, there's never going to be progress. People who work daily with the system have to get the chance to proactively generate extra value."

**Benefit #3:****Reducing Time to Market**

Using modules to build your eCommerce engine can dramatically increase speed and time to market. This is particularly useful in areas such as internation-

alization, multi-shop management, and marketplace commerce – areas, where rapid scalability is required due to new and ever-changing requirements.



**Benefit #4:****Time to Shine for Your Team**

One of your greatest assets? Your team! So you might as well take advantage of the opportunity and give your employees the ability to inspire and dazzle your customers by connecting all the dots. Integrate touchpoints and let your sales assistants show your customers that your business is willing to go the extra mile for them. For example, an

employee working in the physical store can recommend additional products to the customer based on their online wish list. Listen to customer and staff feedback and integrate those features that your team is dying for and give them the chance to take your customer experience to the next level.





# Decreasing Cost of Ownership

In the era of economic crises, businesses need to optimize expenses. Retailers will need to reduce their 'cost of ownership' of selling products online. Inefficiencies can be caused by needlessly complex processes and inflexible systems.

The mentioned out-of-the-box features can help to cut the costs of introducing new experiences and expanding into new markets. The advantages of these solutions are obvious: This way, retailers can not only

save the integration effort – also, the further development is left to the vendor as cloud-native services offer maintenance and hosting.

Instead, retailers can focus on what differentiates them on the brand level: innovative products, new customer experiences, and customer retention and loyalty. Decreasing total cost of ownership leads to more independence and frees up your resources to focus on the core tasks that improve your bottom line.

## 5 Valuable Tips for More Efficiency in eCommerce

1. Use a centralized system for all your channels
2. Stay flexible to ensure you can adapt and react quickly
3. Build on top of existing defaults and standards
4. Only invest in what differentiates you
5. Create opportunities for your employees to shine

# In a Nutshell: The Key to Efficiency

In the current economic climate, only the most efficient retailers can thrive. This is not a kind environment for businesses that don't put profitability and operational efficiency at the heart of their strategy.

The biggest players in the retail industry have invested heavily into modern technology and have fully embraced the online, digital-first approach. Modern eCommerce technology helps make processes more efficient without sacrificing customer experience.



## Remaining Flexible Is Now More Important Than Ever

The two crucial elements for achieving higher efficiency are flexibility and scalability. Especially during economic downturns, the wills and demands of consumers are ever-changing. The challenges you as a business face are also volatile. Maintaining a flexible commerce structure where your store can quickly change strategy is key.

According to a **recent McKinsey report**, companies need to “put digitally driven commerce at the center of their organizations, so they can orchestrate experiences that meet customers’ ever-rising expectations.” Those who fail to adapt will be left behind.

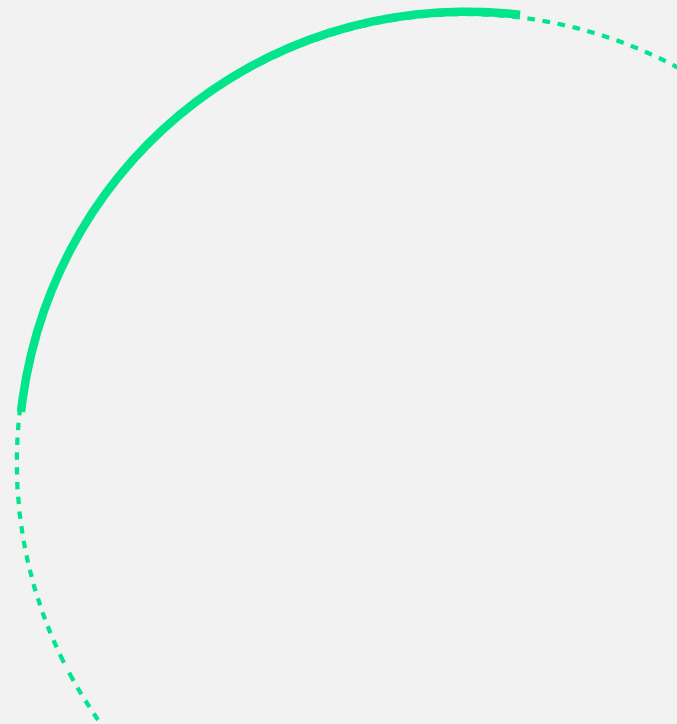
## Complexity is Not Always the Way to Go

That isn't to say that retailers and brands need to develop complex, custom features,



experiences, and tools. Composable commerce modules instead can help stores replicate the success of the big players without the cost of developing new components in-house.

In order to go all out and target higher, businesses must ensure efficiency by reducing complexity, improving their flexibility, and using rich modules where possible. The ultimate goal is to create a brand that exceeds the expectations of future consumers, rather than just maintaining the current standards.



## Need a partner that helps you to perform more efficiently?

SCAYLE is not only an eCommerce platform, but also helps you to become more efficient by supporting you with headless and API-first architecture.

# Contact

SCAYLE is a flexible B2C SaaS enterprise shop system built on a headless and API-first architecture. An extensive feature set, including PIM, Shop Management, Checkout, and OMS, is combined with an intuitive UI. Brands and retailers use SCAYLE to stay on track with fast-changing market developments and to drive differentiation in commerce.

SCAYLE GmbH is a member of the ABOUT YOU Group and unites modern technology with a unique retail DNA. Leading brands like Deichmann, s.Oliver, Fielmann, FC Bayern, Marc O'Polo, and DEPOT choose SCAYLE's Commerce Engine. Managing directors are Christopher Metz, René Dalock, Sergio Sola, and Tobias Ring.



**Patrick Marquard**  
Managing Director  
Astound Commerce

[astoundcommerce.com](https://astoundcommerce.com)



**Tobias Ring**  
Managing Director Commercials  
SCAYLE - Commerce Engine

[scayle.com](https://scayle.com)  
[scayle-contact@scayle.com](mailto:scayle-contact@scayle.com)

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