How to Build a Global Commerce Ecosystem

By Ray Grady, Senior Vice President of Commerce, Acquia

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How to Build a World-class Technical Commerce Ecosystem

For many brands operating in today's world of retail, building a commerce ecosystem that not only fulfills needs domestically, but also internationally, is becoming a necessity. First, you have to build and implement a robust system for operating within your domestic market, and then you'll need to expand the boundaries to grow your business outside of country lines. But building a world-class commerce website is no easy feat. A complicated technical venture, it requires the perfect blend of people, process, and technology. But it is possible to build a "best-for-me" technical solution, if you're thoughtful and tactful in how you go about it.
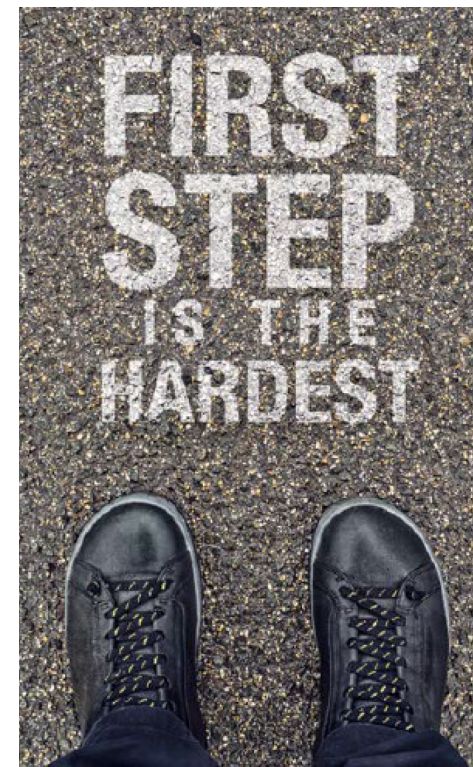
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Step 1: Work Hard to Define Your Commerce Goals

If you're considering rebuilding your commerce back end, there must be a reason—or many. These pain points should be the foundational goals for your business: What must your new system excel at that your current system doesn't do well? What does your current system support that you'd like to continue to maximize, or do even better?

You should consider what the main purpose of your site really is. Brands such as Best Buy, Dicks Sporting Goods, and Staples have much different business and digital strategies than brands such as TOMS, Lululemon, and Puma. Your business model should dictate where you put your money when you think through a future-state architecture.

You'll probably put together a request for proposal (RFP) and then consider different proprietary systems or consider building your own custom system. But what you'll find is that the breadth of functionality and the range of different tools you need to create a powerful engine don't exist in any one solution. So you need to prioritize the most important aspects of your new platform and go in search of a solution that is best at providing those.

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Step 2: Figure Out What Systems You Need to Achieve Your Goals

Forrester outlines the four foundational pillars of today's commerce suite in its Q1 2015 Wave for B2C Commerce Suites report:

- Experience management
- Product information management
- Commerce management
- Order management

Although traditional commerce platforms might perform the basic functions in each of these areas because they are purpose-built to do so, they might not excel at all, or even most, of them. Often these platforms don't include features that are becoming more and more important in today's commerce landscape: site features that add content and context, personalize the experience, or integrate all the front-end and back-end pieces into one seamless user experience.
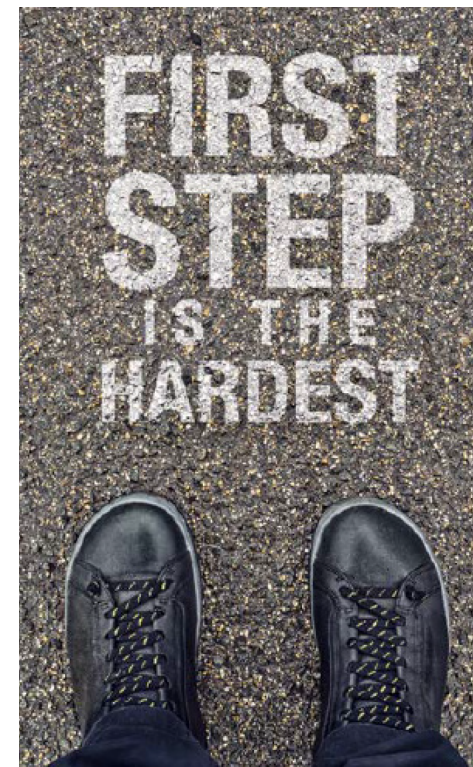
This often means adding custom layers on top of a traditional commerce platform—a product configurator, a Digital Asset Management system, a more robust PIM, and so on—as those become business necessities, and brands continue to trend toward integrating an omnichannel approach. Those custom layers aren't always technically difficult to build and implement. However, their value to one business versus another may differ drastically, so they aren't typically native to traditional commerce platforms. It's up to you to decide what custom features your business needs to get the job done.

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Step 3: Architect for the Future, Implement for Today

This is often where things become tricky. It's relatively easy to pinpoint all the features you seek, and possible to find or build systems that can tackle each of those features individually. But making them all work together, in harmony, as one well-oiled machine? Sounds nearly impossible, right?

Here's the good news: It's not impossible. Start with a solid digital experience platform, state-of-the-art content management system (CMS) and then layer in a commerce engine and other best-in-class third-party capabilities. This allows your business to accommodate new capabilities as needs arise, to control the customer experience, and to improve their level of engagement. Using a platform with open source roots, such as the Acquia Platform, gives you all the flexibility and freedom you'll need, along with a faster time-to-market and the whole Drupal open source community as a support system. Having a flexible foundation is absolutely imperative, because you never know how your business—or the market—will change. Being able to grow and evolve over time, and establishing a system that can do the same, is the ultimate end goal.

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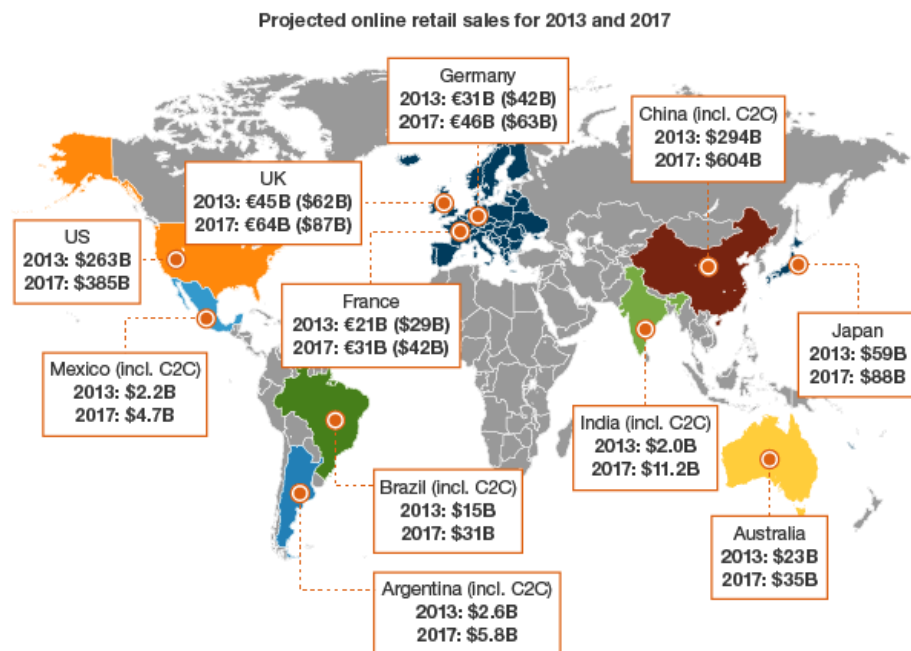**ACQUIA®** THINK AHEAD

A Note on APIs: The Future Is Decoupled

According to the Forrester "Wave" report, Acquia is one of two businesses with the strongest application programming interface (API) and component ecosystems. APIs are essentially tools that allow technical teams to connect one system to other systems easily. Choosing software or vendors that take an API-led approach goes hand-in-hand with building a custom best-for-me technical ecosystem. A whole world of capabilities exposed through APIs already exists, and they're all purpose-built: ratings and reviews systems, social integrations, and much more. So why custom build those when they're already available in the marketplace? A decoupled approach to building this system is the smartest, most affordable, and fastest to implement. The idea is simple: Use the great stuff that already exists to speed up your process and custom build only the things someone else hasn't already built. Your engineers should be free to build smart, focused technology systems that do one or two things really well and that will ultimately enhance the experience on your site.

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How to Build a Flexible Ecommerce Architecture for Your Global Brand

You're the head of ecommerce or the CTO of a major retail brand. You've got a national retail store presence and a massive customer database. Your sales are growing; your team excels at merchandising; your commerce platform works well in the US; and you're ahead of the curve in product innovation within your industry.

You're running a well-oiled machine, and now it's time to expand into a new market. According to the Forrester "Evolution of Global eCommerce Markets" report, global expansion is set to explode in the next two years. So if you're not thinking global, you're already behind. Given Forrester's projections, the question is not should you go global, but how do you globalize?

Projected online retail sales for 2013 and 2017

Germany
2013: €31B ($42B)
2017: €46B ($63B)

China (incl. C2C)
2013: $294B
2017: $604B

UK
2013: €45B ($62B)
2017: €64B ($87B)

US
2013: $263B
2017: $385B

France
2013: €21B ($29B)
2017: €31B ($42B)

Japan
2013: $59B
2017: $88B

Mexico (incl. C2C)
2013: $2.2B
2017: $4.7B

India (incl. C2C)
2013: $2.0B
2017: $11.2B

Brazil (incl. C2C)
2013: $15B
2017: $31B

Australia
2013: $23B
2017: $35B

Argentina (incl. C2C)
2013: $2.6B
2017: $5.8B

Source: Forrester Research Online Retail Forecast, 2012 To 2017 (US); Forrester Research Online Retail Forecast, 2012 To 2017 (Western Europe); Forrester Research Online Retail Forecast, 2013 To 2018 (Latin America); Forrester Research Online Retail Forecast, 2013 To 2018 (Asia Pacific)

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Source: Forrester Research, Inc.

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Forrester's report on how to "Capture the Global eCommerce Opportunity" breaks down the biggest changes across the global ecommerce landscape in the past five years. Here's what's changed:

– Companies across all categories are now expanding aggressively online.

– Brands are adding a more diverse set of countries to their lists.

– Businesses are looking for low-cost, low-risk ways to test international markets.

– Brands are turning to online marketplaces as an option to enter new markets.

– Brands have a preferred global platform, but also assess the best option for each market.

– Organizations are carefully straddling centralized versus localized control.

We already discussed the necessary considerations when building a system that's "best-for-me"—or best for your business. We talked about the importance of integrating custom tools, modules, and APIs to create a system tailored to meet the needs of your company. The approach is similar when deciding to globalize your commerce operations, except that everything is on a much grander scale.

Unfortunately, most commerce platforms aren't built to be globalized. Traditional platforms were built for an antiquated and more simplistic commerce landscape. Simply having an online presence in addition to your physical one was once good enough. But those platforms aren't equipped to handle this digitized era of omnichannel commerce, where experiences across every channel, in every country, on every device must be united. According to Forbes, 86 percent of buyers will pay more for a better customer experience. So why not deliver it?

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Your company not only needs to offer a seamless experience across all channels—it now has to deliver that seamless experience in a locally relevant way across different markets around the world. Product information must be translated and localized, user experience sophisticated and well designed, new payment systems considered, partners identified, marketplaces explored, shipping and payment logistics sorted out—and then you have to put all the pieces together. All this must be done with a global perspective in mind: What kind of system will propel you forward into the global marketplace today, tomorrow, and even 5 to 10 years down the line?
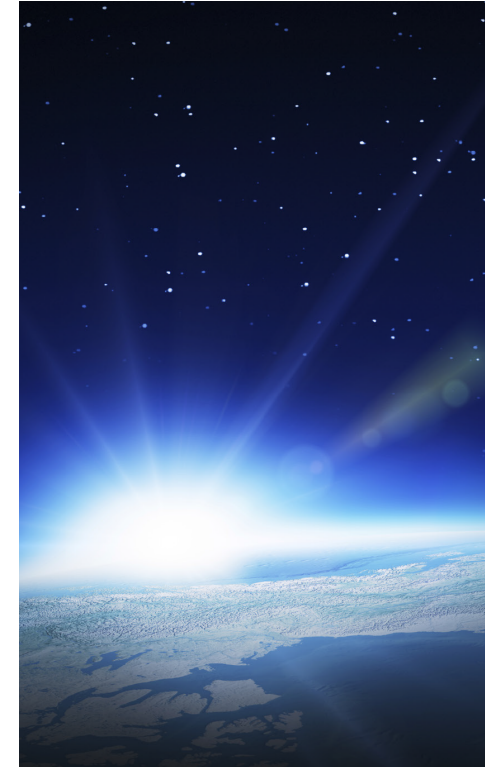
Whether globalization is a new initiative for your company, or you're already operating globally but are looking to unify your systems to create a more seamless experience, now is the time to capitalize on that opportunity. Let's first walk through the necessary steps to take toward globalizing your commerce strategy, and then we'll dive into the systems you'll need to help your business take those steps.

You have to deliver that seamless experience in a locally relevant way across different markets around the world.

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How to Build a Global Strategy for Ecommerce Excellence
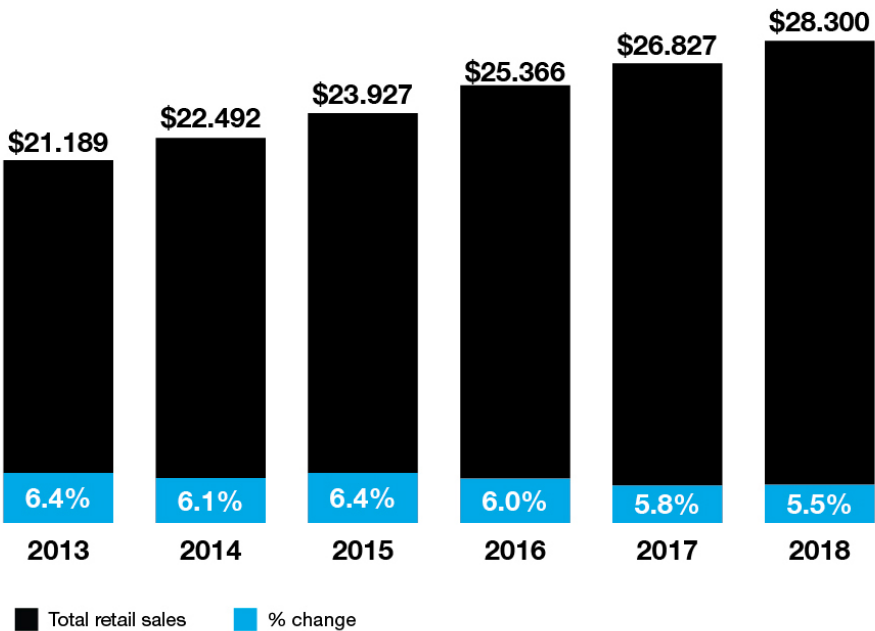
Building a global technical commerce ecosystem requires looking at how each and every aspect of your retail business operates—independently and as a cohesive ecosystem, across each channel in one market, and then across all your markets around the world. With worldwide retail ecommerce sales projected to rise to nearly $2.5 trillion by 2018, now is the time.

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Before you can integrate new systems and start operating in new markets, however, you need to determine your commerce strategy. This should be built from your commerce business goals and refined by larger organizational goals, specifically brand and marketing. As you expand across borders, here are the most important strategic considerations.

Total Retail Sales Worldwide, 2013-2018
trillions and % change

Year	Total retail sales	% change
2013	$21.189	6.4%
2014	$22.492	6.1%
2015	$23.927	6.4%
2016	$25.366	6.0%
2017	$26.827	5.8%
2018	$28.300	5.5%

■ Total retail sales   ■ % change

Source: eMarketer, Dec 2014
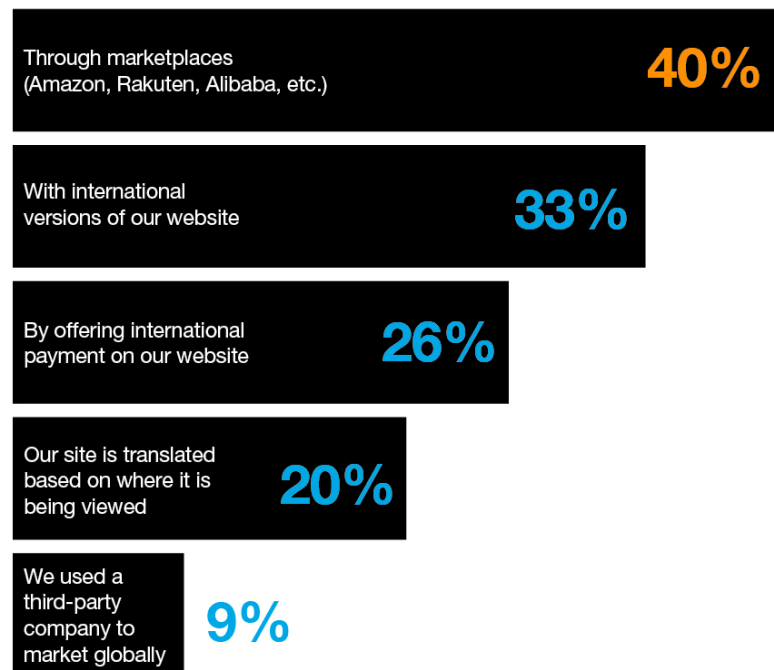
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Selling in Marketplaces

China is a buzzing market. According to Forrester, online retail spending in China reached $307 billion in 2013 and is projected to exceed $1 trillion by 2019. As a result, many retailers are flocking to the Tmall marketplace to establish a more personalized, Amazon-style online shop. It's an easy entry point into the Chinese market, where brands can get to know the Chinese consumer and the retail environment through an established channel. In a market where 90 percent of ecommerce happens through marketplaces, this is a huge opportunity. But Tmall is not the only marketplace exploding, and China is not the only market that holds promise. According to eMarketer (the independent marketing research company), 40.5 percent of US-based retailers sold to international customers through marketplaces like Tmall (China), Flipkart (India), Amazon (global), Ozon (Russia), Snapdeal (India), MercadoLibre (Mexico), and Rakuten (Japan) in 2014.

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So why are marketplaces effective? Well according to Forrester, they offer brands an easy point of entry to global markets, with the benefit of offering a sizable audience up front, streamlining market entry, and providing localized offerings. The inherent risk is low, and the potential for reward is great.

Ways in Which US Retailers Sell to International Customers, March 2014
% of respondents

Through marketplaces (Amazon, Rakuten, Alibaba, etc.)	**40%**
With international versions of our website	**33%**
By offering international payment on our website	**26%**
Our site is translated based on where it is being viewed	**20%**
We used a third-party company to market globally	**9%**

Source: Multichannel Merchant Magazine, "MCM Outlook 2014," July 28, 2014

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Pursuing Partnerships

Foreign markets are exactly that to brands seeking expansion: foreign. If you've never operated in them, then you have no idea what to expect, and although you can and should do the research and legwork to learn about the new market—trends, consumer behaviors, and so on—it's wise to consider leveraging the help of a partner who knows that landscape inside and out. Forrester published a report on "Identifying Partners to Help Streamline Global Expansion," which goes into great detail about the idea of globalization partners. Forrester identifies three main advantages of using a partner agency:
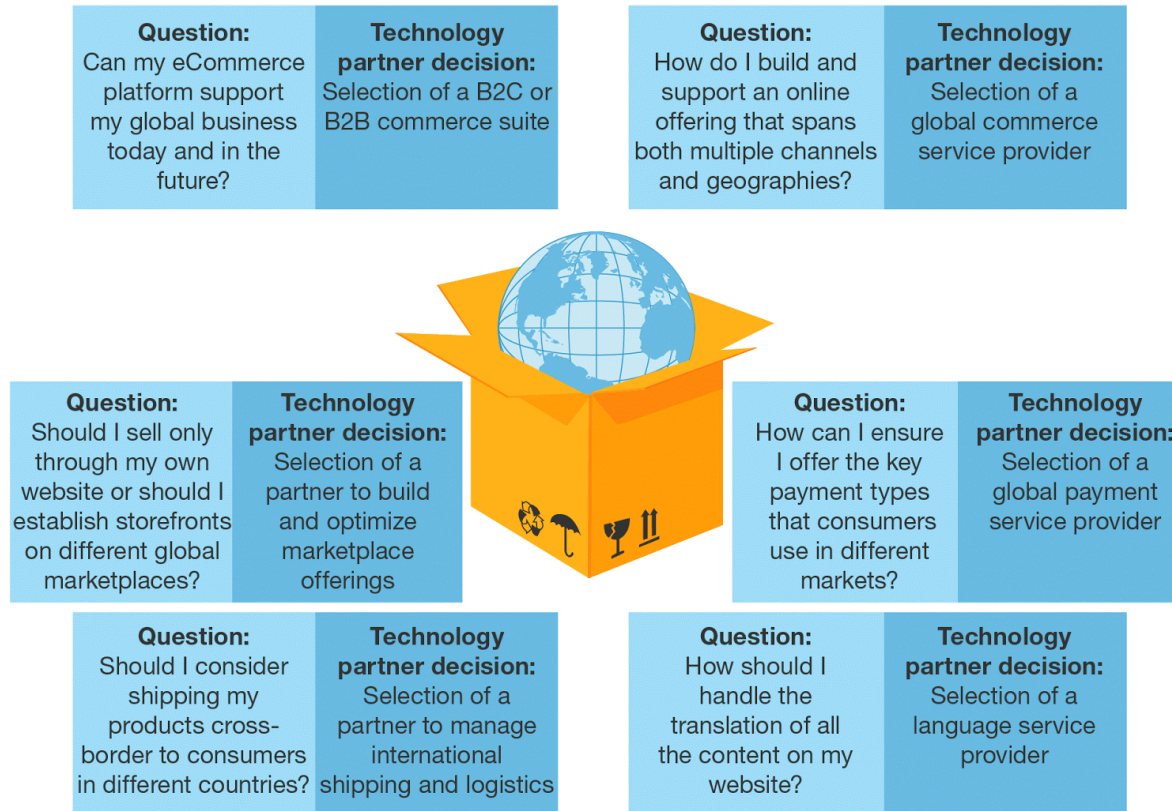
– Build and launch digital commerce operations in new countries quickly and easily

– Reach global consumers through different business models

– Ensure websites address differing consumer preferences

Agencies specializing in a particular market can give your business valuable insights and information that would be far harder to come by on your own—plus the expertise and know-how to accurately and efficiently get your business up and running. The following graphic walks you through questions your business must consider when entering a new market, and how a partner can help you answer them.

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eBusinesses Must Address A Series Of Questions As They Consider Global Expansion
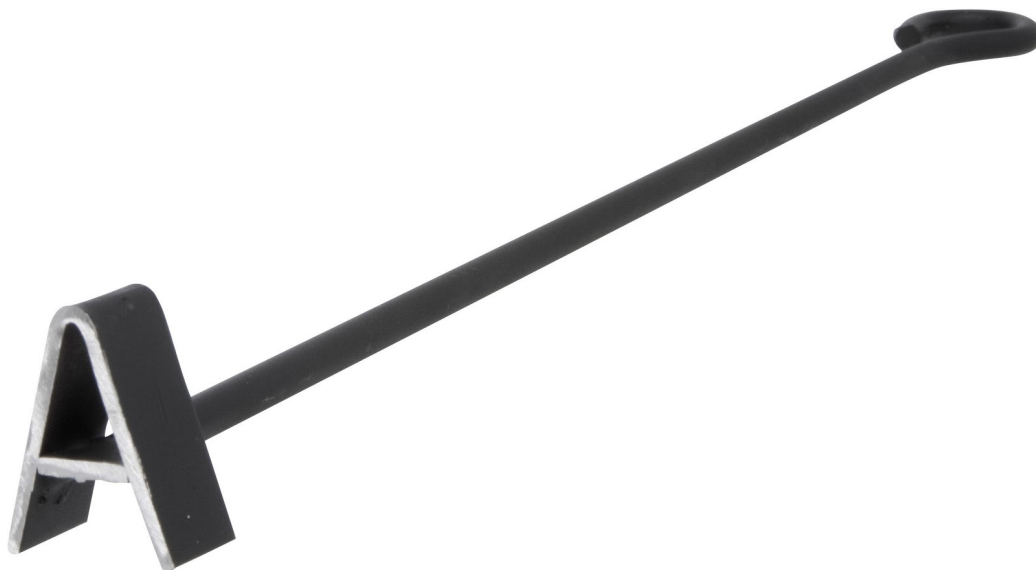
Identifying Partners To Help Streamline Global Expansion

| **Question:** Can my eCommerce platform support my global business today and in the future? | **Technology partner decision:** Selection of a B2C or B2B commerce suite | | **Question:** How do I build and support an online offering that spans both multiple channels and geographies? | **Technology partner decision:** Selection of a global commerce service provider |

| **Question:** Should I sell only through my own website or should I establish storefronts on different global marketplaces? | **Technology partner decision:** Selection of a partner to build and optimize marketplace offerings | | **Question:** How can I ensure I offer the key payment types that consumers use in different markets? | **Technology partner decision:** Selection of a global payment service provider |

| **Question:** Should I consider shipping my products cross-border to consumers in different countries? | **Technology partner decision:** Selection of a partner to manage international shipping and logistics | | **Question:** How should I handle the translation of all the content on my website? | **Technology partner decision:** Selection of a language service provider |

102101   Source: Forrester Research, Inc. Unauthorized reproduction or distribution prohibited.

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Maintaining Brand Consistency

Keeping your branding consistent across all platforms is imperative—if you can't tell your story the same way in every market, then how can you expect a consumer to shop with you? It's relatively easy to maintain your brand vision, voice, and strategy on your main website, but as you start entering new marketplaces, opening new retail stores in new countries, and having your websites localized, the branding waters can become muddied.

To do this effectively, your goal should be to keep the overall brand direction at the corporate level, so that ownership of messaging across all markets is directed by one united team at the top. Then you can create small, local teams for every market to add local flair and personalized messaging that appeals to customers in that market, and also adheres to the overarching brand message. Keeping the message crisp and clear across all channels and markets requires educating new market partners, internal teams, and anyone else with a hand in branding about your brand strategy and messaging. If you can develop a broad strategy and story at the global level, then you can augment and apply it to each individual market as you enter it.

Translating, Localizing, and Transcreating

To strike the right chord with consumers in your newest target market, you need to customize your assets to them specifically. English assets with photos of an American family won't resonate with a millennial shopper in India. This means assets not only need to be translated, but localized or even transcreated. Localization means taking existing assets and applying localized touches, such as figures of speech or images that are more culturally appropriate. For example, the New York City skyline won't resonate with a Japanese shopper like a scene from downtown Tokyo might. Swapping out a simple graphic might seem like a small change, but it makes a big impact.

Transcreating content means completely overhauling existing assets, keeping in mind the initial business strategy, but allowing for talent ingrained in the local community to tweak imagery and copy to preserve the creative and emotional intent of the content. Transcreation can often help assets resonate powerfully in a new market.

How you decide to update your content is up to you—you can ask market-specific partners for their input, too. This is a frequently outsourced part of the globalization process, because it's easy to find experts in any new market who can localize and transcreate for you. Not only is delivering localized content a great way to target customers in a new market, but it also frees up your internal team to focus on other globalization efforts.

Once you've got your strategic decisions sorted out—marketplaces targeted, partners identified, branding message defined, and localization experts secured—it's time to consider what systems you'll need to get the job done. Let's explore system considerations you'll need to identify and integrate to execute your commerce business strategy.

Swapping out a simple graphic might seem like a small change, but it makes a big impact.

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How to Identify and Integrate Global Ecommerce Systems

If you're a retailer considering globalization, or a global retailer looking to streamline your global operations, you probably already understand the difficulties that lie ahead. Globalizing your commerce systems and overall strategy is no small feat, but it can be done. With the right commerce foundation in place and a strategy to execute, you're ready to start identifying and integrating the appropriate market-specific systems. The following sections describe what you'll need to consider.

Globalizing your commerce systems and overall strategy is no small feat, but it can be done.

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Pick the Right System for the Right Market

This might sound counter-intuitive, but if your current commerce system doesn't make sense for entering a particular market, explore adding another. Puma makes a great example of this. It runs the majority of its online commerce operations through an enterprise SaaS solution, but when entering the Australian market, it opted to implement a nimble and flexible open source back end. Why? Because extending its enterprise platform to operate in this new Australian market would have been time consuming and unnecessarily expensive. The open source solution offered a more expeditious approach, and together with its chosen partner First Scribe, it was able to build a back end that mimicked the behavior of its enterprise platform, allowing the Puma team to manage its Australian ecommerce efforts through its existing business processes. We already know there isn't one commerce platform that can deliver on all your business needs, never mind one can do so across country borders, so what Puma is doing makes a lot of sense. This approach may not work for your business, but it is worth noting that in certain instances, a new—additional—commerce platform can be a major differentiating factor.

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Shipping and Payment Processing

Shipping logistics, payment types, and processing systems differ widely across markets. According to SaleCycle, global cart abandonment was at nearly 74 percent in 2013 for a variety of reasons including hidden charges and payment security. Methods of payment are different, currencies are different, and shipping carriers are different. All these lead to a rather convoluted and complicated payment and shipping system in markets around the globe. Russian ecommerce marketplace Ozon.ru, for example, has 16 different payment methods for its site alone—and that's just one marketplace in one country market.

You can approach this issue in a couple ways. The Forrester report "Identifying Partners to Help Streamline Global Expansion," mentions that "International shipping is becoming a core way to reach global shoppers." International shipping offers a way for brands to identify global markets where their products will likely resonate. It also allows brands to reach customers in other country markets where they don't yet have localized websites or local fulfillment options. International shipping works well as a stepping stone to educate and inform your long-term global strategy.

Some brands may choose to work with existing fulfillment partners in the US, such as FedEx and UPS, to expand internationally. Other providers, such as Borderfree, Borderlinx, Pitney Bowes, Bongo, and International Checkout, offer global order fulfillment and return services. They can help retailers handle payments and determine local currency pricing, duties, and taxes across the international landscape. The same approach that applies to commerce systems also applies here—assess each market on a case-by-case basis and determine the optimal payment processing and shipping situation for your business.
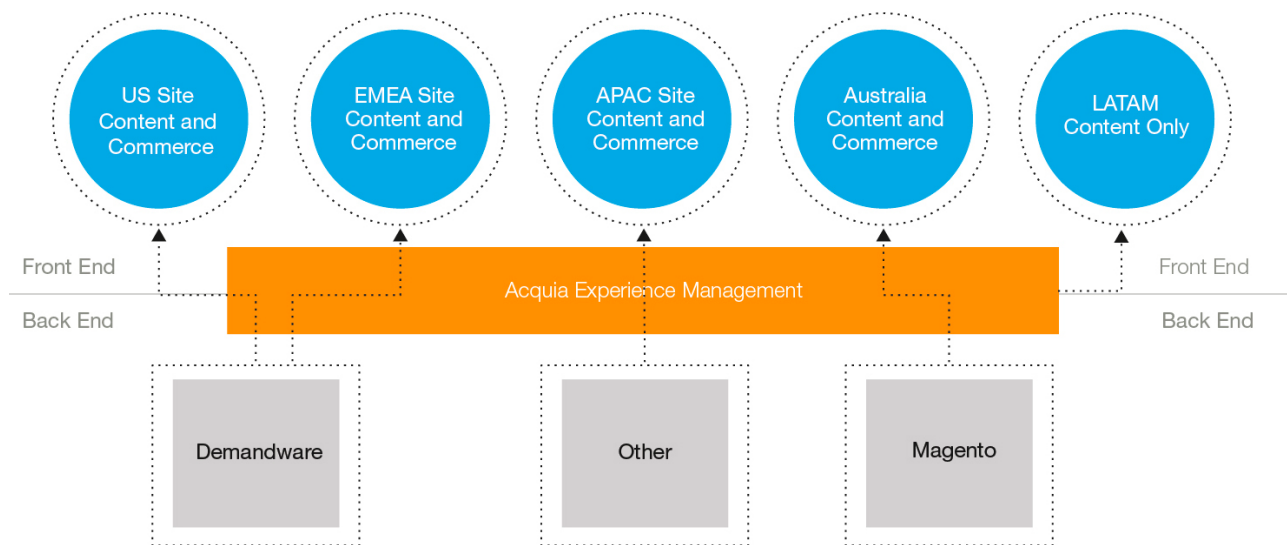
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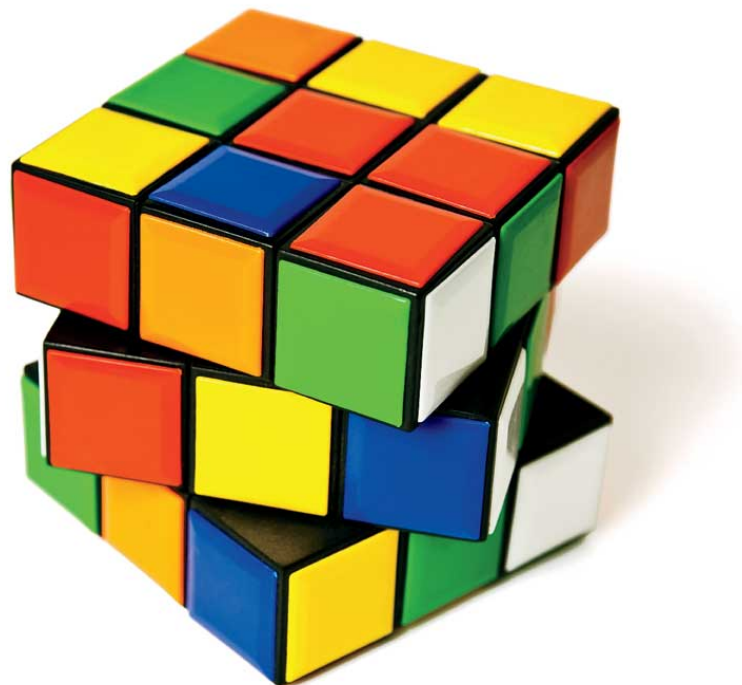
How to Make It All Work Together

The goal for any brand seeking to go global is to be able to deliver a consistent message and shopping experience across every market and to be able to maintain operational efficiencies—all while contributing to the bottom line by getting your customers to convert. Creating a unified customer experience isn't possible without a cohesive, unified team behind the scenes. As discussed in the Acquia article "How to Build a World-class Technical Ecommerce System," this requires building a complex ecosystem, with many stakeholders, moving parts, and different systems that need to work together. This is perhaps the most complex step of the process—creating a seamless operation from country to country, channel to channel, with systems that aren't purpose-built to work with each other.

Creating a unified customer experience isn't possible without a cohesive, unified team behind the scenes.

Centralized experience management

US Site Content and Commerce

EMEA Site Content and Commerce

APAC Site Content and Commerce

Australia Content and Commerce

LATAM Content Only

Front End

Back End

Acquia Experience Management

Front End

Back End

Demandware

Other

Magento

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That's where a custom layer like the [Acquia Platform](#) comes in. The Centralized Experience Management graphic shows how the Acquia Experience Management layer is nestled in between a variety of market-specific sites (what the customer sees) and the back-end commerce platforms (what your team manages). The Experience Management layer brings all the pieces together, allowing for integration between all your preferred systems, but with one central vein. Here, you can manage all your technical, transactional, solution-based systems where they directly impact what the customer sees. As we've already discussed, it's much easier to unify a multidimensional ecosystem with a custom layer that allows for integration and flexibility. Being able to integrate new systems, custom modules, APIs, and more on top of your existing commerce platform provides the freedom to expand and unite, wherever the market might take you.

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