Upfront Costs

Headless commerce facilitates a best-of-breed approach in the software ecosystem of a business. Although it means working with several vendors and potentially higher initial costs, in the long-run companies can select the optimal components to fit their business needs and get the best pricing and flexibility by having different vendors to choose from.

Running Costs

Using a cloud-native solution removes unnecessary costs and effort, such as with infrastructure maintenance. Agile releases mean you're constantly up-to-date with the latest features, resulting in better reliability and security – no more expensive, unwieldy upgrades that come with planning and downtime once or twice every year. Onboarding and training new developers is also effortless thanks to no proprietary languages or tech.

Unseen Costs

Legacy suites are unreliable, poorly scalable and hard to maintain – it's common to lose revenue from crashes and downtime, and waste countless hours planning routine software upgrades. Headless commerce minimizes unexpected costs by doing away with such issues. Plus, with the ability to test and implement changes quickly, you can drive up sales more effectively while saving money and time, which could be spent on what matters.

Total Cost of Ownership (TCO) of Headless Commerce

The Financial Performance of Headless Commerce

Disruption to the way commerce platforms are now built can be seen as more and more businesses are choosing solutions that are open-source, SaaS and language-agnostic. This is in response to legacy suites that are increasingly costly and difficult to implement and maintain due to proprietary licensing models, on-premise installations and specialized coding languages.

Adopting headless technology from a financial and administrative viewpoint

As the software industry moves towards more agile releases and increasingly cost-efficient pricing models, choosing headless technology as part of a modern commerce platform is now the financially smartest choice.

Open-Source vs. Proprietary

Open-source software is free in terms of licensing and can be contributed to and improved by other users. Costs come from integration, add-ons and other services. Proprietary software, however, is closed to the public and typically incurs upfront costs (to cover base fee, integration, yearly licensing, support and more) that can go up to hundreds of thousands of dollars.

SaaS vs. On-Premise

SaaS is subscription-based and instantly accessible via any internet-connected device. The SaaS pricing model keeps expenses related to staffing, power consumption, maintenance and security at a minimum. On the other hand, on-premise software is physically located within the enterprise where it's deployed, requiring significant investment to purchase, install and deploy, with ongoing costs and maintenance, necessitating a dedicated IT department.

Language-Agnostic vs. Specialized

In software, language-agnostic means that development can be done without being constrained to a specific programming language. This results in access to a larger, more readily available talent pool of developers, versus being restricted to spending more time and money training or hiring expensive specialized/certified developers who are able to work with proprietary technology/programming languages.

Considerations for TCO

Questions to ask before migrating to a modern commerce solution:

Initial expenses What is the initial cost outlay to invest in terms of hardware purchases and software licenses?

Specialized IT Will I need trained/certified developers? If so, can I deal with a smaller talent pool and extensive training costs?

Ease of use How easy is the platform to use? What are the training requirements for my staff?

Migration costs What is the cost of staying with an old, legacy eCommerce suite versus migrating to modern commerce?

Running costs What are the general running costs of picking one solution over the other when it comes to licensing and upgrades?

The Answer: commercetools

Historically, digital commerce has been too complex, costly and challenging for most companies to implement to reflect their unique brand personalities and value propositions. But there's a better way; one that liberates businesses to scale limitlessly to experience digital commerce that is faster, more reliable and more cost-efficient.

Lower costs from the get-go

As a modern platform, commercetools doesn't require upfront and upgrade costs. We also offer low entry expenses and capital investment. Our solution is scalable and future-proof in terms of expenditure and resources, and our model is pay-as-you-use.

Save time with agility

Time expenditure is an unforeseen cost that must be considered in TCO. Weeks spent trying to react to market changes – and losing customers to faster competitors – have real implications. In contrast, commercetools' flexibility allows companies to instantly pivot to meet the changing expectations of buyers.

Gain speed & flexibility, reduce costs

commercetools provides over 300 APIs from which businesses can build and deploy modern commerce experiences faster, with far lower developer and maintenance costs, and much greater flexibility and consistency compared to legacy platforms.

Disrupting the eFood Industry

Salling Group made the jump from SAP Hybris to commercetools, by adopting headless, modern commerce. They were able to dramatically reduce their IT operational expenses by 75% thanks to cutting out the expensive licenses, maintenance costs and specialized developers required to run it.

> *"We saw the value in modernizing our platform with commercetools right away in terms of time and cost savings."*
> – Tina Lykke Kristensen, Senior Manager Non-Food eCommerce, Salling Group

Experience Commerce in the Travel Industry

With commercetools, the Eurail team can put content online and communicate across every retail channel quickly – without the help of an IT specialist. This enables Eurail to roll out incentives and offers that meet the demand of consumers in real time.

> *"The maintenance costs have sunk dramatically since the implementation [of commercetools] and it is possible to quickly and easily develop new APIs as connections with our partners."*
> – Jesse Wierenga, Scrum Master/ Agile Coach, Eurail

Tradition Meets Innovation

Wolford aims to completely rebuild the application landscape in the B2C area based on an innovative architectural design. They will abandon the current monolithic systems in favor of commercetools' scalable best-of-breed architecture, composed of various specialized and highly integrated solutions.

> *"We'll help Wolford to eliminate functional white spots and do so at lower operational costs."*
> **– Hauke Rahm, VP Customer Success, commercetools**

Liberate your platform to innovate, scale and deliver with a modern commerce architecture from commercetools.

About commercetools

commercetools is the leader in next-gen B2C and B2B commerce. commercetools invented the modern cloud-native, headless, API-first commerce platform that is used by Fortune 500 companies across industries to deliver the best commerce experiences across touchpoints.

Experience the commercetools platform by signing up for our completely free, fully functional 60-day trial now.

MACH Technology Solutions | Seamless Digital Transformation

Upgrade to Unlimited. Learn more at **www.commercetools.com**

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