

August 22 2017

How APIs are Driving the New Commerce Landscape

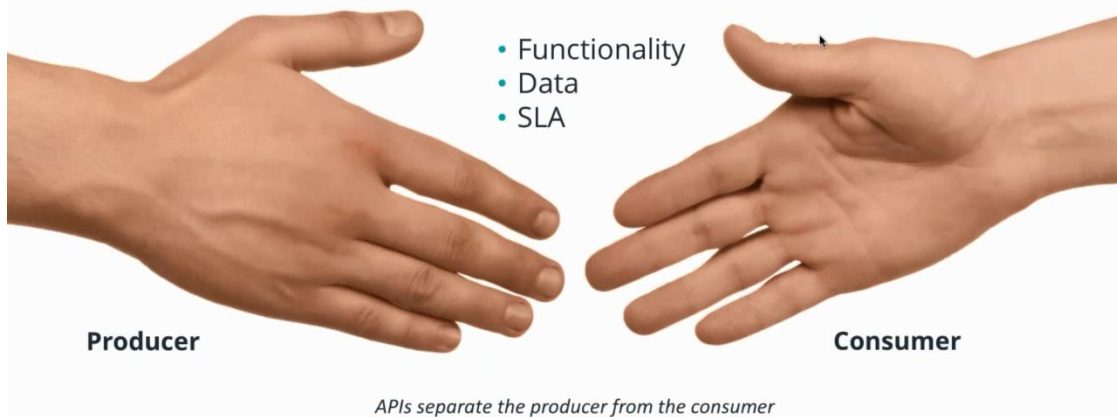
Learn how to incorporate APIs to drive commerce revenue and improve customer experience.

About Me

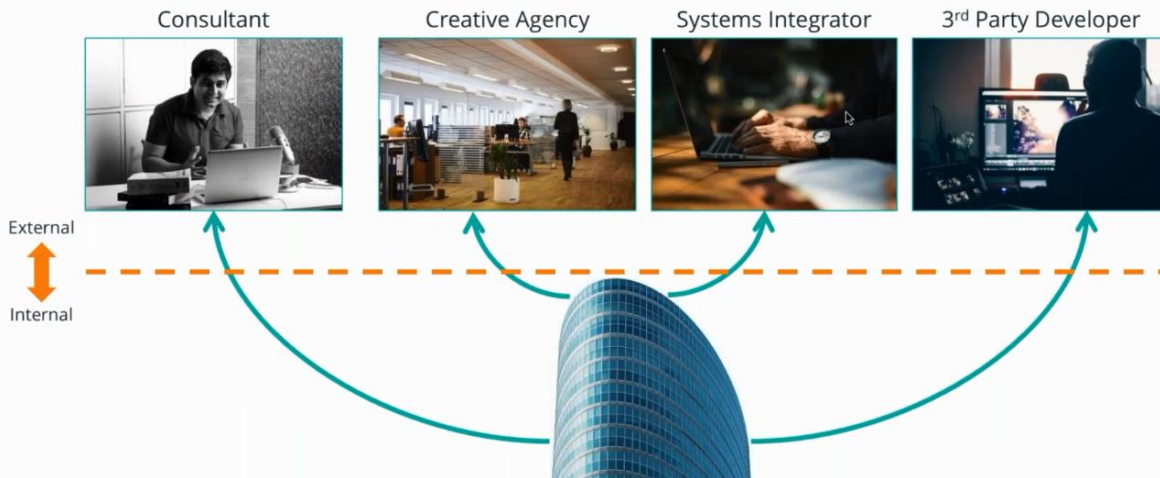


What is the API Economy?

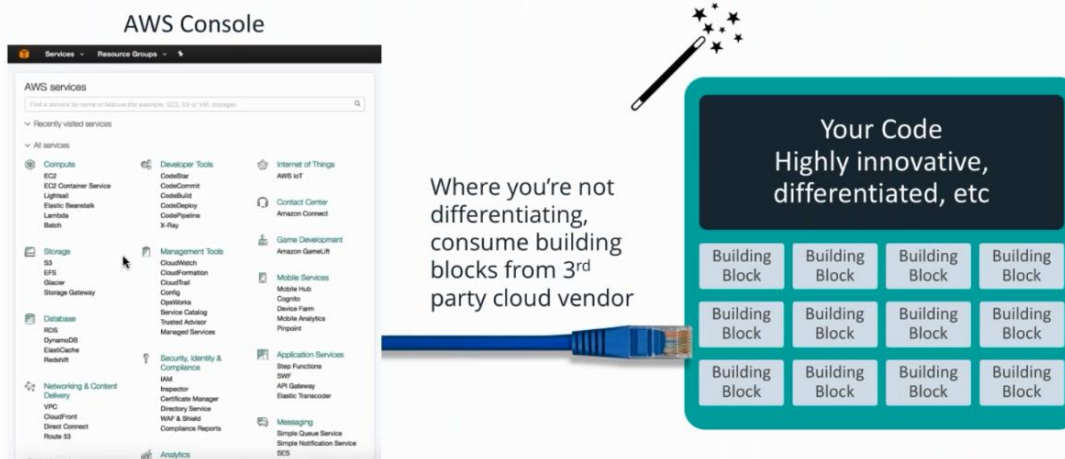
What is an API? A Contract



Business Benefit of APIs: Separation of Concerns



Software is Increasingly Being Consumed In Pieces



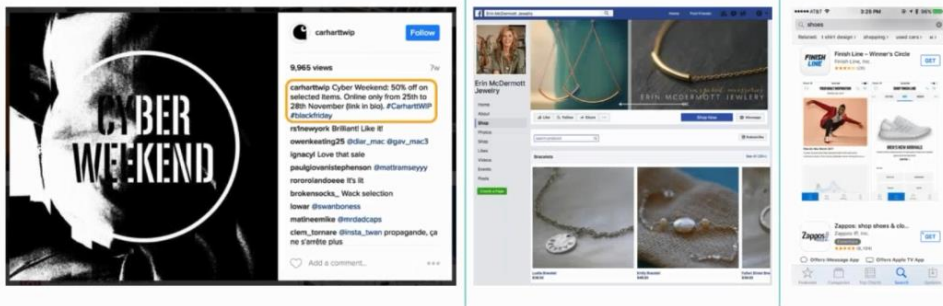
Expectation That Payment Should Match Value

The screenshot shows the Amazon Web Services pricing page for Amazon Route 53. The page is divided into two main sections: "Standard Queries" and "Latency Based Routing Queries". The "Standard Queries" section lists two pricing tiers: "\$0.400 per million queries – first 1 Billion queries / month" and "\$0.200 per million queries – over 1 Billion queries / month". The "Latency Based Routing Queries" section lists two pricing tiers: "\$0.600 per million queries – first 1 Billion queries / month" and "\$0.300 per million queries – over 1 Billion queries / month". A callout box on the right states: "This is how people expect to buy software".

Query Type	First 1 Billion queries / month	Over 1 Billion queries / month
Standard Queries	\$0.400 per million queries	\$0.200 per million queries
Latency Based Routing Queries	\$0.600 per million queries	\$0.300 per million queries

Why Are APIs Taking Over Commerce?

Experiences Are Increasingly *Mediated*



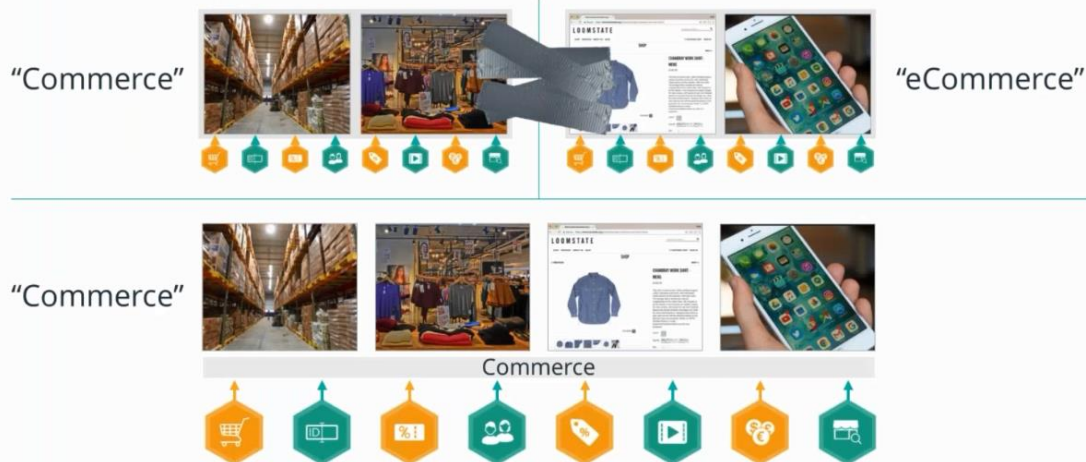
There are now intermediaries that sit between you and your customers, you now have to interact not-directly anymore

More Devices



There are lots of new devices capable of facilitating commerce either via a browser or some other digital touchpoints

Real Omnichannel Finally Becoming a Reality



Brands/Retailers Increasingly Building Software

75%

By 2020, 75 percent of application purchases supporting digital business will be "build," not "buy."

Forecast Analysis: Enterprise Application Software, Worldwide, 2Q15 Update.

Gartner

Legacy Monolithic Commerce Platforms are Dying

Gartner

IT Market Clock for Digital Commerce 2016*

"Digital commerce is rapidly evolving and the future landscape will include API orientation at its core. Businesses embracing this approach will be well positioned to embrace the API economy, conversational interfaces, and other capabilities that could confer business advantage."

Figure 1. IT Market Clock for Digital Commerce, 2016



* Gartner IT Market Clock for Digital Commerce 2016, Mike Lowndes, 29 September 2016

Today's Dominant Monolithic Commerce Platforms Emerged in the Mid 1990's



Analysts Agree – APIs are *Transformational*

Gartner

"API-based commerce will be critical for the future of "commerce that comes to you," whereby commerce functions occur in the customer's context wherever and using whatever channels are most convenient to them. Commerce journeys will become more fragmented and an API-based approach is a fundamental enabler for cross-channel experiences."

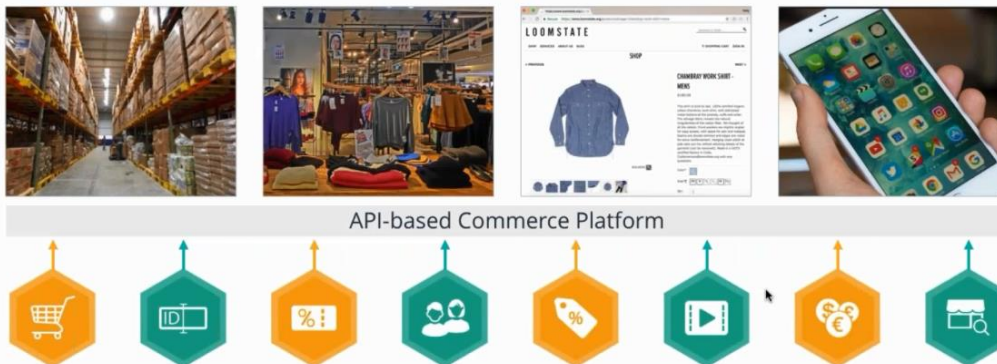
Mike Lowndes

July 31st 2017

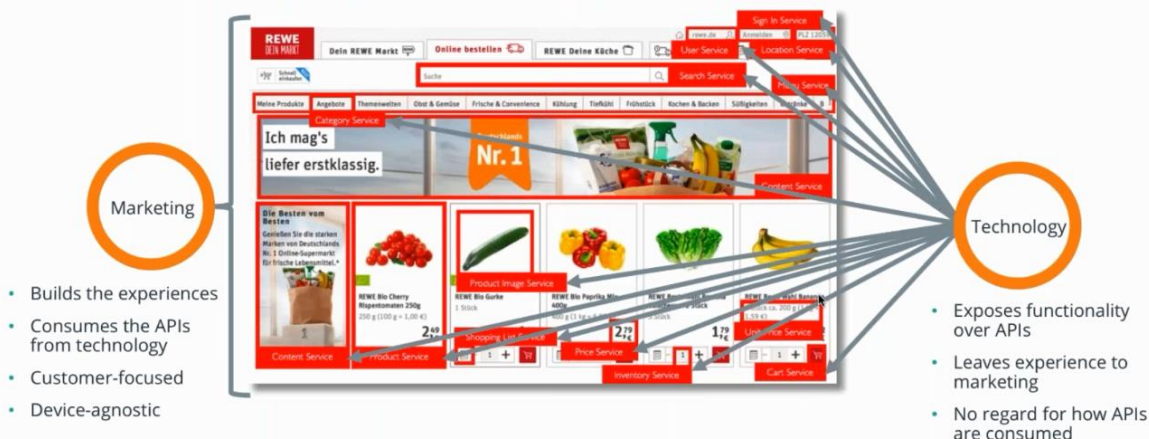
Hype Cycle for Digital Commerce, 2017

The Dream

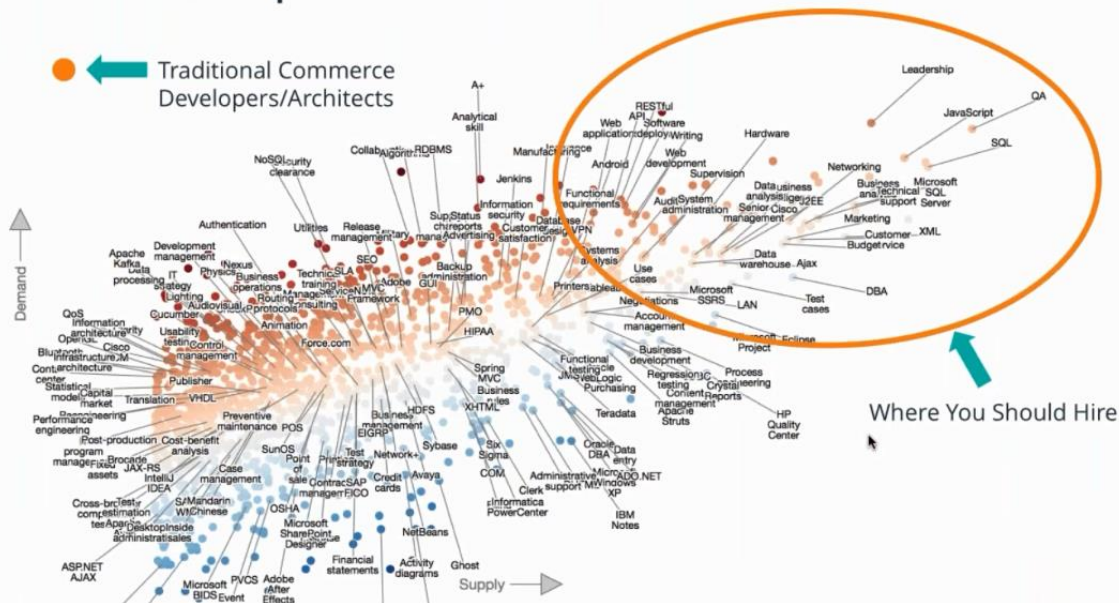
Single APIs Should Power All Channels



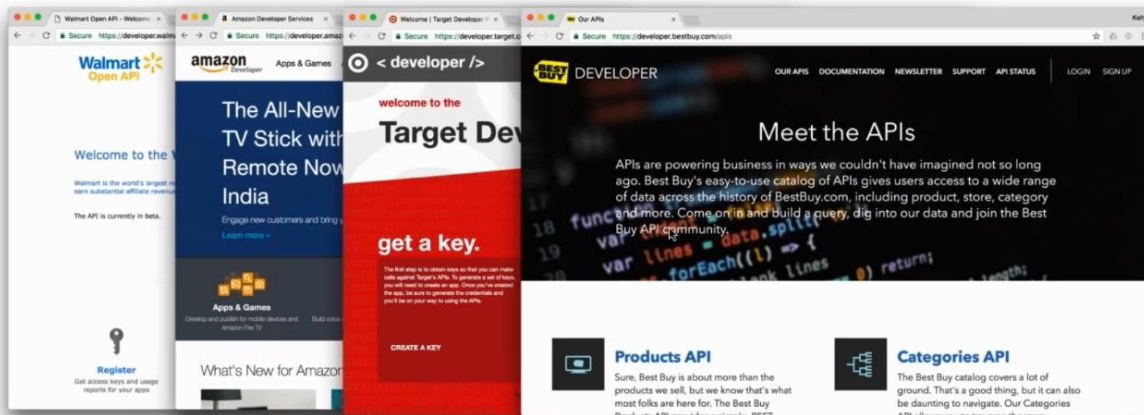
Marketing Should Own Experiences, IT Should Expose Functionality as APIs



Allow Developers to Innovate



Expose Those APIs Publicly

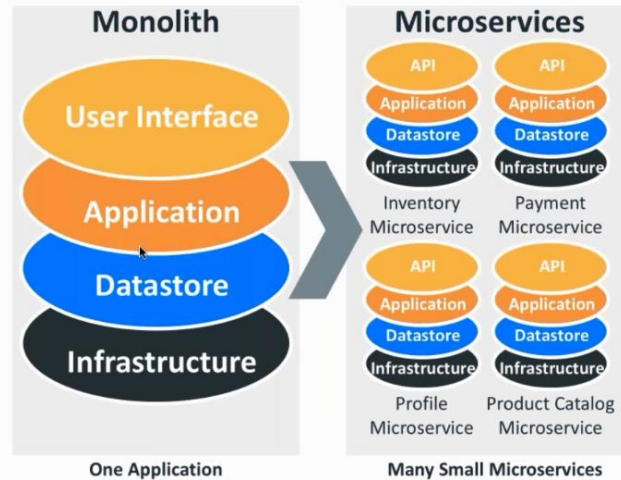


You can start adding access for 3rd party developers to your APIs and offer them referral fees

Best Practices for Implementing Commerce APIs

Back APIs By Microservices

- Characteristics of microservices
 - Has its own vertical team
 - Does only one thing
 - Exposes functionality over external APIs
 - Has few dependencies on other teams
 - Has its own tech stack
- All starts with the team – everything else occurs naturally

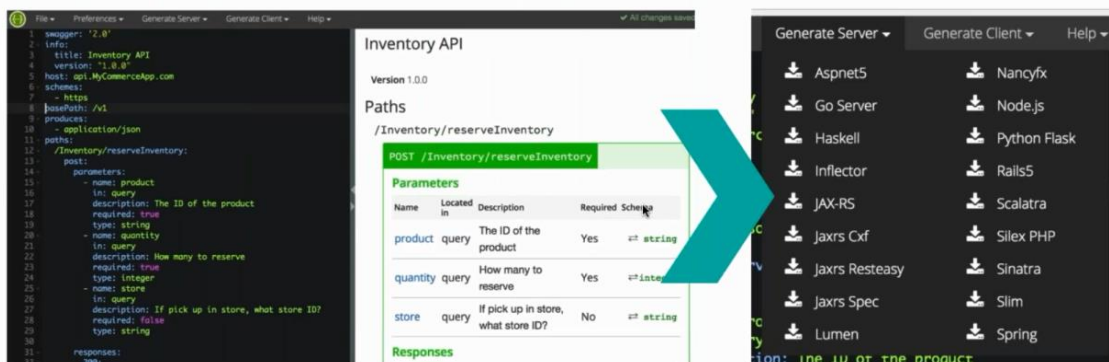


Pick an API Documentation Specification

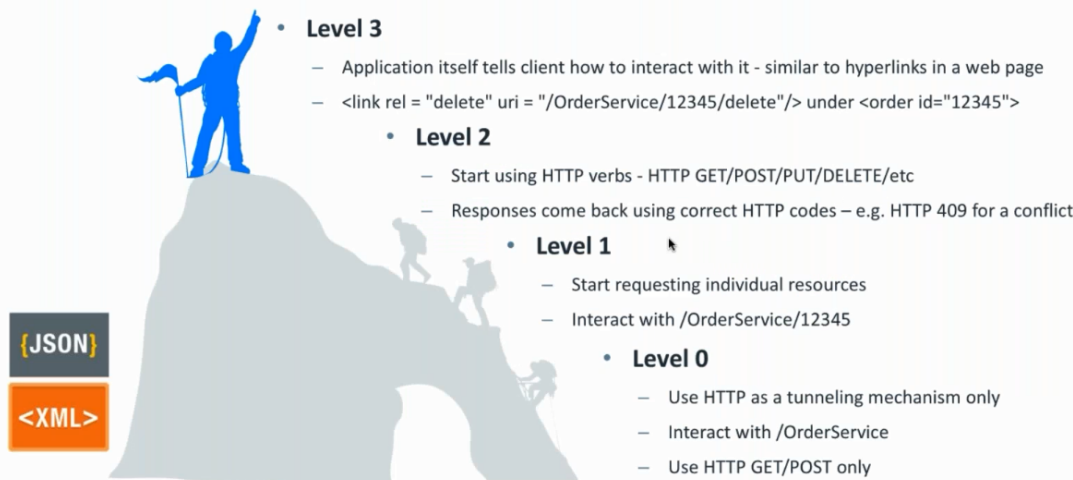


- ✓ Nice documentation
- ✓ Standardization
- ✓ Generate client and server code to match the APIs
- ✓ Editors
- ✓ Validation
- ✓ Testing

Model the API First, Then Implement



Make APIs Easy to Call



Develop a Versioning/Evolvability Strategy (and stick to it!)

Version

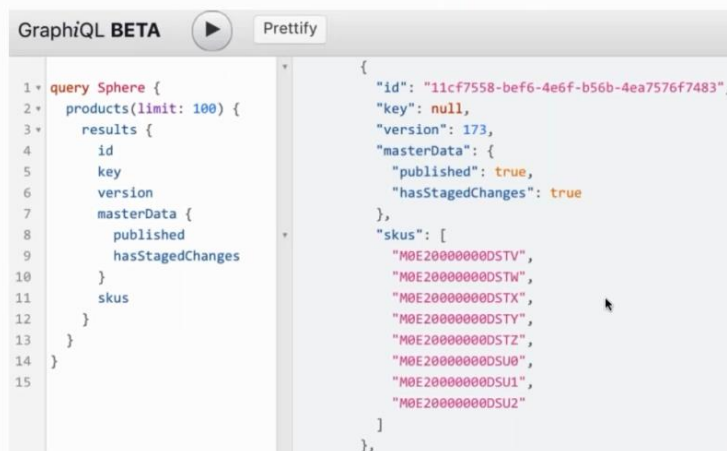


Evolve

```
{
  "id": "c12345",
  "firstName": "Kelly",
  "lastName": "Goetsch",
  "email": "kelly.goetsch@commercetools.com"
}

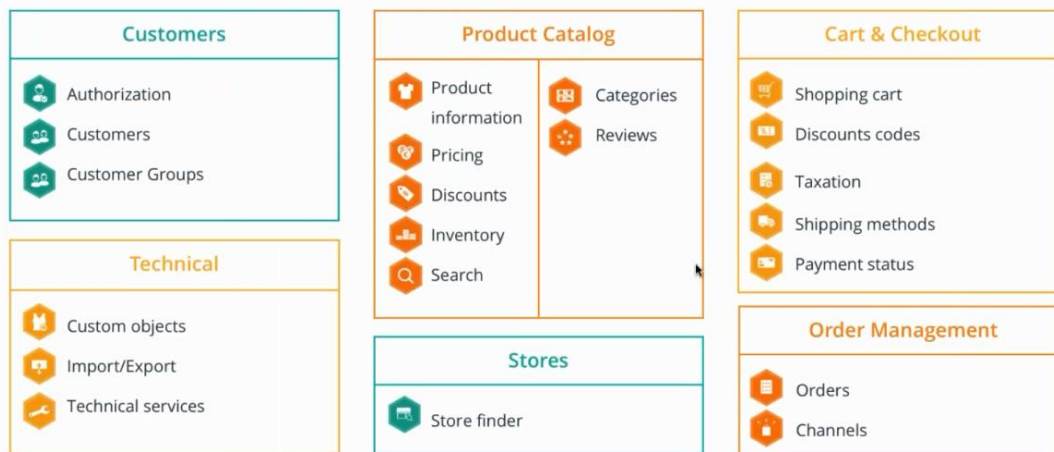
{
  "id": "c12345",
  "firstName": "Kelly",
  "lastName": "Goetsch",
  "email": "kelly.goetsch@commercetools.com",
  "shoeSize": 12
}
```

Use GraphQL to Query API Endpoints



Introducing commercetools

commercetools Offers 300 Individually Consumable Commerce APIs



APIs are the Universal Currency of Commerce



<http://dev.commercetools.com/>



300+ Individually Consumable APIs



Support Tomorrow's Consumer Electronics

About commercetools



Founded 2006 / 130+ employees



Offices in the US: Durham NC, USA; Berlin and Munich, Germany



99.8% uptime guarantee and response time of less than 100ms



150+ platform enhancements in 2016



Multi-tenant platform hosted in the Google Cloud



Library of 300+ Commerce APIs



Serving B2C/B2B clients
100+ enterprise clients Globally



Global digital ecosystem partnerships with the world's leading technology vendors, digital agencies CMS vendors and solution providers

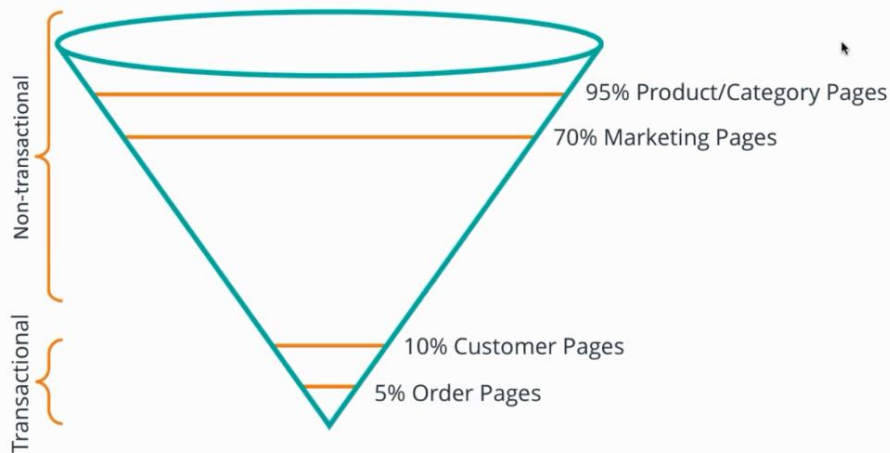


Financially strong – backed by multi-billion dollar, 90+yr old European enterprise

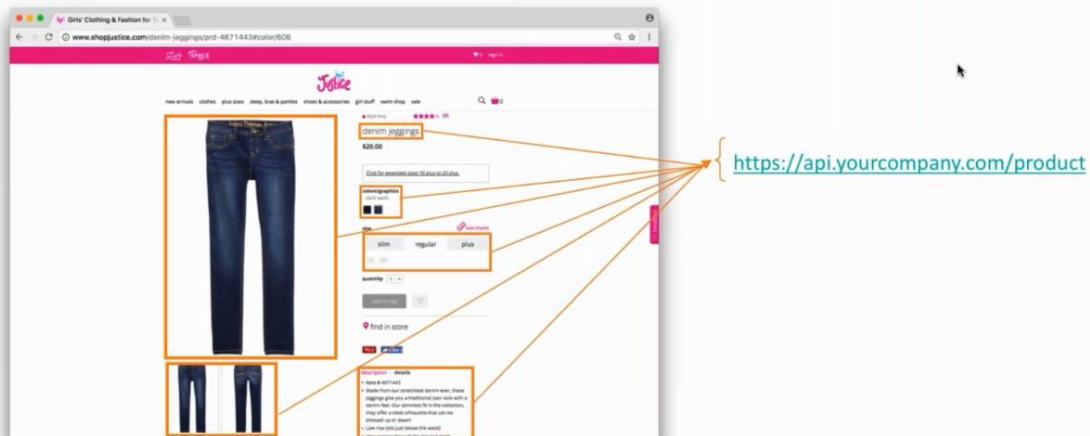


Getting Started

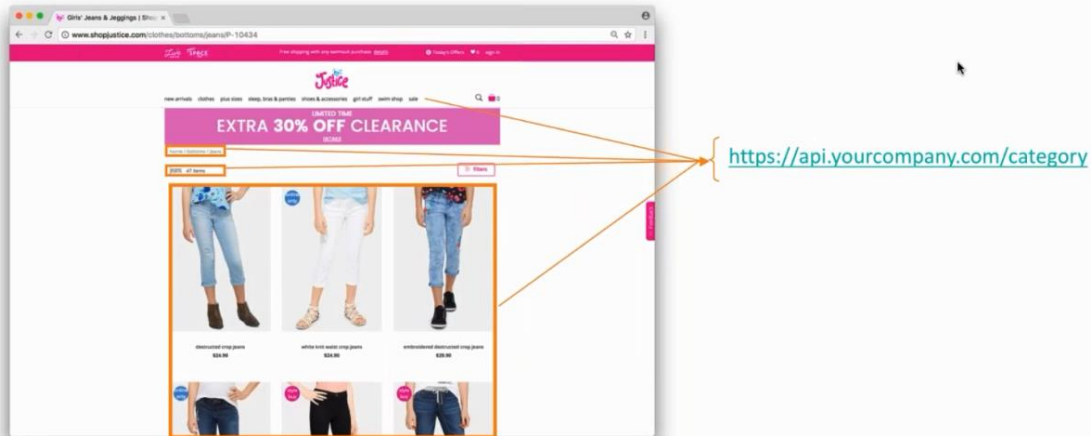
Strategy: Start With Non-transactional Workloads



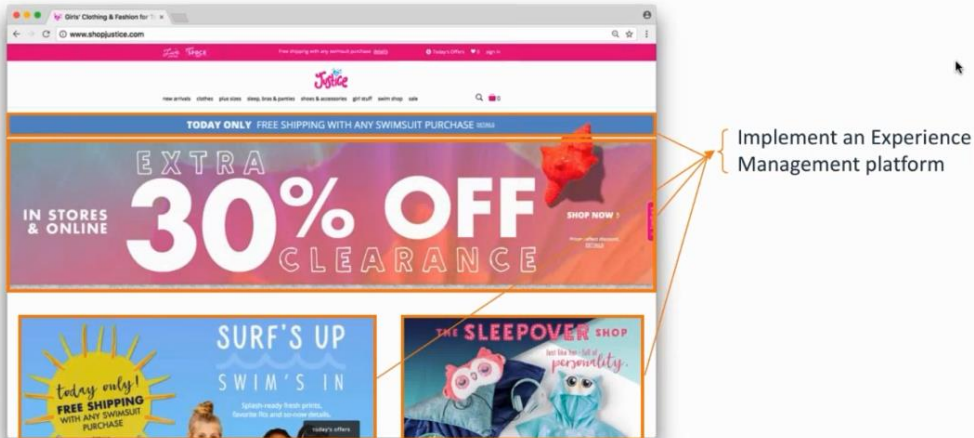
Build a Product Endpoint



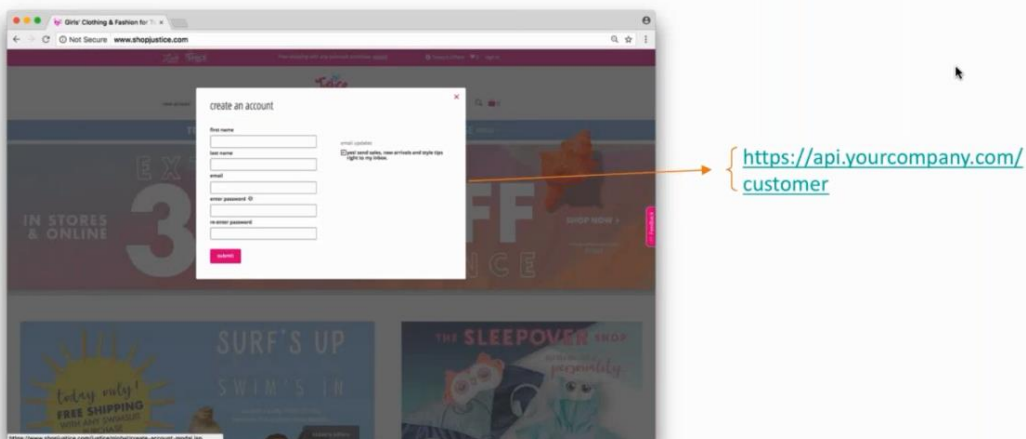
Build a Category Endpoint



Implement an Experience Management Platform



Next, Cut Over Customers



Finally, Cut Over Orders

<https://api.yourcompany.com/order>

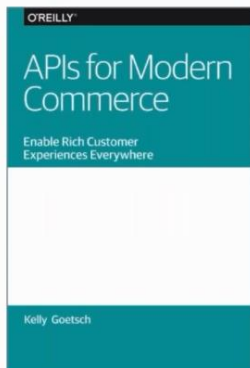
Final Thoughts

We Must Re-imagine Software Development

- ✗ IT ownership of experiences
- ✗ Marketing ticketing IT to move pixels
- ✗ Separate vertical tech stacks for each device
- ✗ Long release cycles
- ✗ APIs that are hard to call
- ✗ Closed/internal only APIs



Pre-register to For a Copy of Our New Booklet



- What APIs are and why they are so valuable for digital commerce
- How and why to model commerce APIs before the implementation
- Building APIs using Microservices and how the two pair so well together
- How to deploy commerce APIs
- Consuming and extending APIs to achieve maximum flexibility and differentiation

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