

# Best-of-Breed **vs** Unified Platforms

Finding the Right Commerce Strategy

## Executive Summary

*The retail landscape has undergone significant transformation, driven by rapid advances in technology and evolving consumer expectations.*

*Traditional eCommerce solutions, often rigid and monolithic, are being replaced by more agile and adaptable systems. Among these, composable and headless architectures stand out for their flexibility and efficiency.*



## Introduction

We are in an era where retail competitiveness hinges on technological agility and integration, so, choosing the right eCommerce architecture is all the more critical.

This whitepaper explores why BetterCommerce composable, headless, and modular architecture offers a superior alternative to integrating multiple best-of-breed technologies. With a unified platform, retailers can reduce time to market, lower total costs, and improve overall operational efficiency.

### What is Headless Commerce?

Headless commerce separates the front end from the back end, enabling brands to enhance the customer experience without being limited by the backend logic. These architectures empower retailers to innovate and adapt to market changes more swiftly and cost-effectively than ever before.

### What is Composable Commerce?

Composable commerce refers to a modular eCommerce architecture where components such as PIM, CMS, and OMS are decoupled and can be independently deployed, allowing retailers to tailor and scale their solutions as needed.

# Major Challenges with Multiple Best-of-Breed Technologies

## Integration Complexity

Integrating multiple technologies like CommerceTools, Ampliance, and Akeneo typically leads to a fragmented technology stack that can be cumbersome to manage.

Each component might excel in its specific function but integrating them into a cohesive system often introduces complexity that can hinder rather than help operational efficiency.

*Studies show that 73% of retailers cite integration of disparate systems as the biggest challenge to their digital transformation efforts (Source: RetailTech Report)*

- Shopify's overreliance on plugins, makes it a complex platform. There are undoubtedly a lot of solutions to opt from, but at what cost?
- Magento's extensions, while numerous and varied, can sometimes be subpar due to issues like poor coding standards, limited functionality, or compatibility problems with different versions of the Magento platform.
- CommerceTools lacks functionalities like PIM and Search and hence when integrating these with the platform, it gets complex as the default connectors don't serve business purpose. A lot of time goes in extensive middleware development, complex integrations, and inflated costs and timelines.

## Increased Time to Market

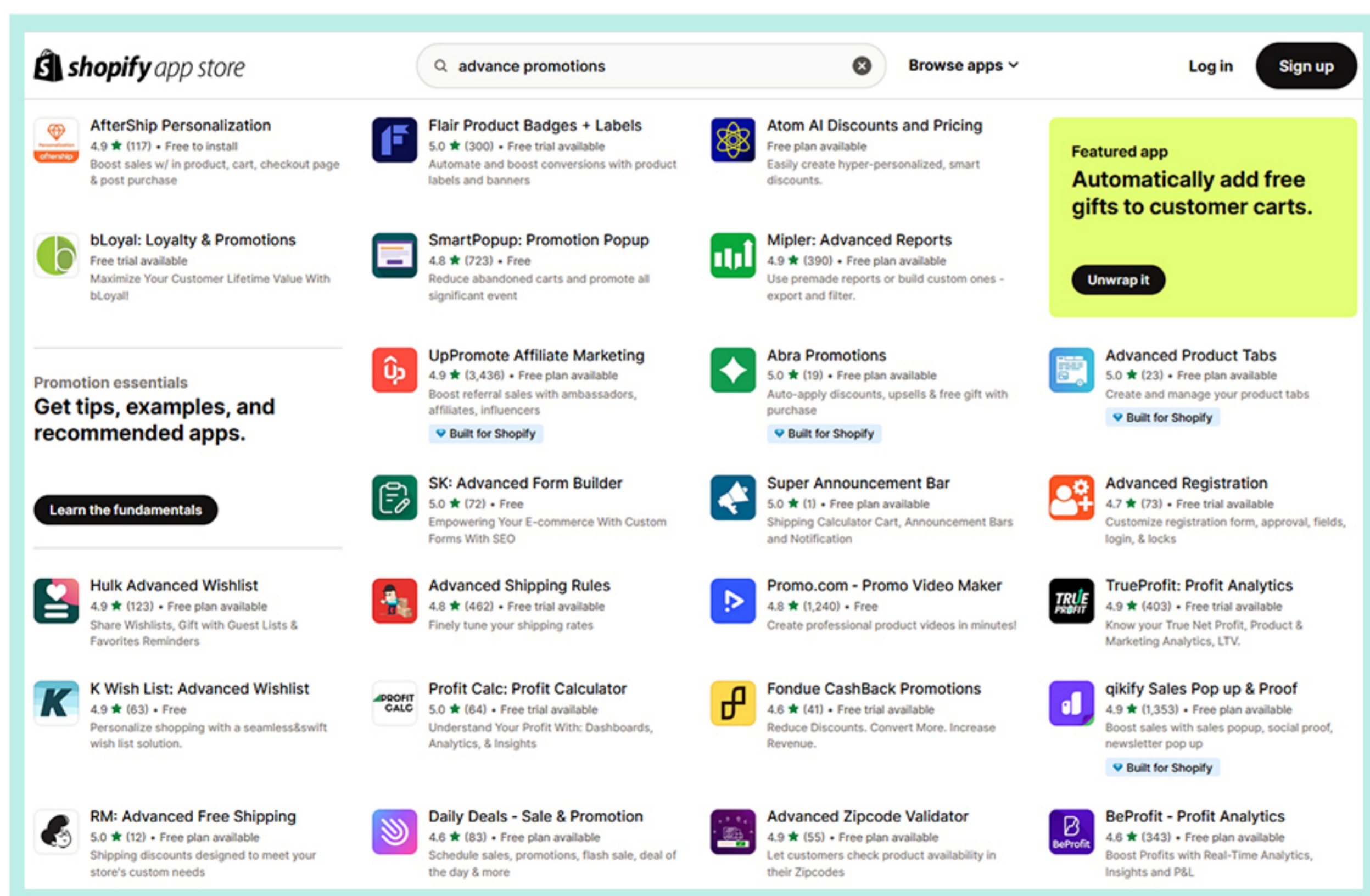
The time required to integrate various best-of-breed solutions can significantly delay deployment times. Retailers aiming to capitalize on new market opportunities can find themselves at a disadvantage if they cannot deploy solutions quickly.

*Research indicates that projects involving multiple integrations are 1.5 times more likely to exceed deadlines than projects utilizing a unified platform (Source: Gartner).*

Figure 1 below is an example how Shopify App Store has a vast selection of apps for "advanced promotions," requiring retailers to spend significant time researching and choosing the best one.

- Onboarding these apps is also time-consuming.
- Similarly, using multiple solutions from different vendors consumes additional resources, time, costs, and cause performance slowdown.

Figure 1



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Unlike Shopify which does not own the plugins and the performance aspect, BetterCommerce is building these solutions at core keeping scalability & performance in mind.  
Niraj Patel,  
SVP Technology,  
DaMENSCH

## Cost Implications

The initial cost of acquiring best-of-breed solutions might seem justifiable, but the total cost of ownership often balloons with integration, maintenance, and upgrade expenses. The need for specialized personnel or external consultants further adds to the financial burden.

- ✓ Adopting a best-of-breed strategy can be costly, especially since many retailers end up using less than 20% of the capabilities of the combined point solutions from various vendors. This underutilization highlights the inefficiency in cost versus benefit of these technologies.
- ✓ Also, the variability in pricing models across different vendors adds another layer of complexity, making it challenging to predict and manage costs effectively.

*The average cost overrun for technology projects involving multiple integrations can reach 120% of the original budget (Source: TechRepublic Analysis).*

## The Unified Solutions Approach: Integrating for Efficiency and Effectiveness

### How are unified solutions different from Legacy?

Legacy systems are characterized by tightly coupled architectures and limited flexibility. These systems are challenging and costly to maintain or upgrade.

While they often lack support and pose security risks, many organizations continue to rely on them due to their integral role in operations and the significant challenges involved in transitioning to modern alternatives.

A lot of people argue that legacy systems are as good as composable unified solutions. But composable unified solutions (examples: BetterCommerce, Centra for Fashion and Fabric) differ significantly from legacy systems.

Unlike legacy platforms, which feature tightly coupled logics, these modern solutions are designed with an API-first architecture, making them more modular and adaptable.

This flexibility allows for seamless integration of new functionalities as needed.

## Architectural Overview

Unified solutions feature a modular, API-first architecture that enhances scalability and interoperability.

Built on cloud technology, they support easy integration and updates, providing a consistent and secure user experience across platforms. This flexible design allows businesses to adapt to changing needs efficiently.

## Why Unified Solutions are good your growing business?

### Reduced Time to Market

One of the standout features of unified platforms is their ability to significantly reduce the time to market for new initiatives.

By utilizing a unified platform where all components are already integrated, the dependency on third-party integrations decreases massively, allowing retailers to launch their brand faster into multiple regions, markets, and add more muscle.

*Businesses using integrated platforms can reduce their time to market by up to 50% compared to those using separate best-of-breed solutions (Source: Forrester).*

## Reduced Integration Complexities

Unified platforms integrate various ecommerce functionalities into a single system, ensuring data consistency with a unified source of truth and reducing tech stack complexity by eliminating the need for multiple system integrations and minimizing maintenance requirements.

## Pre-built & Peak Tuned

Unified platforms offer a range of pre-built features (that function like independent apps) and workflows but are built for scale and performance, tailored to business needs, reducing the need for additional integrations.

This includes ecommerce essentials like checkout customisations, payment gateways, SEO tools, and visual merchandising, search, promotions, vouchers, memberships and more, as well as automation for tasks such as inventory updates, pricing changes, and customer communications.

## Scalability

Unified platforms are designed with built-in scalability, allowing retailers to expand functionalities with minimal disruption and no extensive backend overhauls.

Its modular approach supports business growth and evolving customer engagement strategies seamlessly. With a microservices architecture, individual components can be independently scaled and updated, reducing downtime and improving development speed.

## Built-in Performance Optimization

Unified solutions are optimized for performance from the ground up with built-in features like **Content Delivery Networks (CDN)** for fast global content delivery and **advanced caching mechanisms** to reduce database load and speed up user response times.

These capabilities form the core of a unified platform, eliminating the need for numerous plugins or point solutions from various providers, which can otherwise become challenging to manage.

## Cost Efficiency for Companies with Growing Revenues

For companies with revenues around \$25M to \$200M, Best-of-Breed tech can cost about \$1M to \$5M i.e. **3% - 6% of the total revenue** (8% too in some cases) for licenses, implementation, and managed services, excluding payment gateway and other OPEX costs.

Whereas, for big businesses like Ikea, where the revenue itself is around **\$50 billion**, even the tech spends for around \$10 million (**0.02% of the revenue, which is negligible**) wouldn't make much difference.

Therefore, a unified platform turns out to cost efficient for businesses below a certain revenue threshold for sure. The key point is that these businesses must manage their tech spending carefully, making unified solutions more essential for them; else they might burn out their profits.

Unified solutions are not only for mid-market retailers but also for enterprises who are looking for flexible yet out-of-the-box features. Remember, retailers are not technology companies to have their major focus on the tech and its maintenance. Tech is just an enabler for them.

Technology upgrades have their own problems requiring continuous upgrades at fixed intervals. Hence you will see a lot of retailers struggling to re-platform as the stack becomes complex and clunky with time as well as less productive. Most of the times, retailers spend more than 50% of their technology costs in just keeping the old stack alive.

Hence, a unified solution makes sense where the entire liability is of the service provider for majority of the stack. Everything else sits on top of it as an enabler for the business which can be replaced easily.

## Reduced Integration Complexity

Unified platforms reduce integration complexity by incorporating multiple functionalities (e.g., OMS, PIM, CMS, AI-recommendations) within a single solution, minimizing the need for external integrations. This leads to fewer integration points, reducing potential failures and associated maintenance costs, and ensures standardized data flow without additional synchronization tools, enhancing data consistency across the platform.

*On an average retailers spend around \$1000-\$2000 monthly for the ecommerce plugins alone.*

## Lower Implementation Costs

Setting up a unified platform is generally less complex and more cost-effective than coordinating multiple Best-of-Breed solutions, as it involves a single vendor's protocols and a consistent user interface, simplifying project timelines and reducing the learning curve and implementation errors.

## Optimized Operational Efficiency

Unified solutions optimize operational efficiency by centralizing all commerce activities, reducing costs and improving workflows through interlinked operations and integrated analytics for deeper insights and informed decision-making.

## Reduced Onboarding Costs

A unified platform has far lesser onboarding costs as the platform doesn't require new integrations from multiple vendors which have multiple billing cycles and require resources for the same.

## Futureproofing

As businesses grow, unified platforms can scale seamlessly to accommodate increased demands without significant additional investments, thanks to their scalable infrastructure and foundational technology designed for extensive configurability and integration.

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*With platforms like Magento or Shopify there's very little flexibility in terms of the kind of innovation that we want to bring to customers, but BetterCommerce bridges that gap with the tech stack that it offers and really improves the flexibility.*

*Ian Harrison,  
CDO,  
The Fragrance Shop*

# Side-by-Side Comparison

For a clearer view, here is the side-by-side comparison of Best-of-Breed Solutions Vs Unified Solutions:

Differentiator	Best-of-Breed Solution	Unified Solution
Integration	Typically requires integration effort with other systems, potentially leading to compatibility issues	Offers seamless integration as all components are designed to work together
Customization	Offers high customization options as each component can be selected independently	May offer less customization but provides consistency across all components
Scalability	May offer scalability but may require additional integration efforts as the system grows	Scalability is usually built-in and easier to manage as all components are designed to scale together
Cost	Costs are higher as many point solutions and plugins are required along with resources to work on them	Cost-effective due to reduced integration costs and streamlined management
Maintenance	Maintenance may be more complex as multiple vendors and components are involved	Maintenance is typically easier as all components are managed by a single vendor or platform
Vendor Management	Requires managing relationships with multiple vendors	Simplified vendor management as there is only one vendor to deal with
Training	Training needs may be higher due to the complexity of managing multiple systems	Centralized support provided by a single vendor for all components
Risk Management	Higher risk of compatibility issues and potential gaps in functionality	Lower risk as all components is designed to work together seamlessly
Time to Deployment	Deployment may take longer due to integration efforts and potential compatibility issues	Generally quicker deployment as all components is pre-integrated and tested
Flexibility	Offers flexibility in choosing the best solution for each specific need	Provides less flexibility as all components are standardized within the unified system
Complexity	More complex to manage due to the variety of systems and potential integration challenges	Generally, less complex to manage as all components are designed to work together smoothly
Interoperability	May face interoperability challenges when integrating with other systems	Generally better interoperability as components is designed to work cohesively
Vendor Lock-in	Lower risk of vendor lock-in as components can be replaced more easily	Higher risk of vendor lock-in as switching to another unified solution may involve significant migration efforts
Upgrades	Upgrades may be more complex and require coordination between multiple vendors	Upgrades are typically smoother as they are managed centrally by the unified solution provider
Security	Security measures may vary across different components, requiring additional effort to ensure comprehensive security	Security measures are usually consistent across all components, leading to better overall security
Performance	Performance optimization may require more effort due to the need to integrate different systems	Performance optimization is generally more streamlined as all components are optimized to work together

## Side-by-Side Comparison

Differentiator	Best-of-Breed Solution	Unified Solution
<b>Compliance</b>	Compliance with regulations may require coordination between multiple vendors	Compliance is usually easier to maintain as the unified solution provider ensures compliance across all components
<b>Data Management</b>	Data management may be more fragmented, requiring additional effort to ensure data consistency and integrity	Data management is typically more centralized, simplifying data governance and ensuring consistency
<b>Integration With Legacy Systems</b>	Integration with legacy systems may be more challenging due to compatibility issues	Integration with legacy systems may be easier as the unified solution is designed to accommodate legacy environments
<b>Adoption</b>	Adoption may be slower as users need to familiarize themselves with multiple systems	Adoption may be faster as users only need to learn one integrated system

## Conclusion

The choice between Best-of-Breed Solutions and Unified Solutions is pivotal for retailers seeking to thrive in today's competitive eCommerce landscape. While Best-of-Breed Solutions offer customization and flexibility, they often come with integration complexities, increased time to market, and higher total costs.

On the other hand, Unified Solutions, exemplified by BetterCommerce's composable, headless, and modular architecture, present a compelling alternative. Unified Solutions streamline integration, reduce time to market, lower total costs, and enhance overall operational efficiency.

By adopting a unified platform, retailers can future-proof their business, scale seamlessly, and stay ahead of evolving market demands. Ultimately, in the pursuit of technological agility and integration, Unified Solutions emerge as the superior choice for retailers aiming to thrive in the dynamic eCommerce landscape.

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*The BetterCommerce platform is the technology that enables our business to put the customer experience at the heart of everything we do - mobile, web and in-store.*

**Julian Holt,  
Group COO,  
The Fragrance Shop**

# Are you ready to be unified?

*Contact BetterCommerce today to explore how our integrated solutions can reduce complexity, drive efficiency, and enhance customer engagement in your retail enterprise.*

*Don't let technology limitations hold you back.*

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