

From ASICS to Unilever: The key to eCommerce success



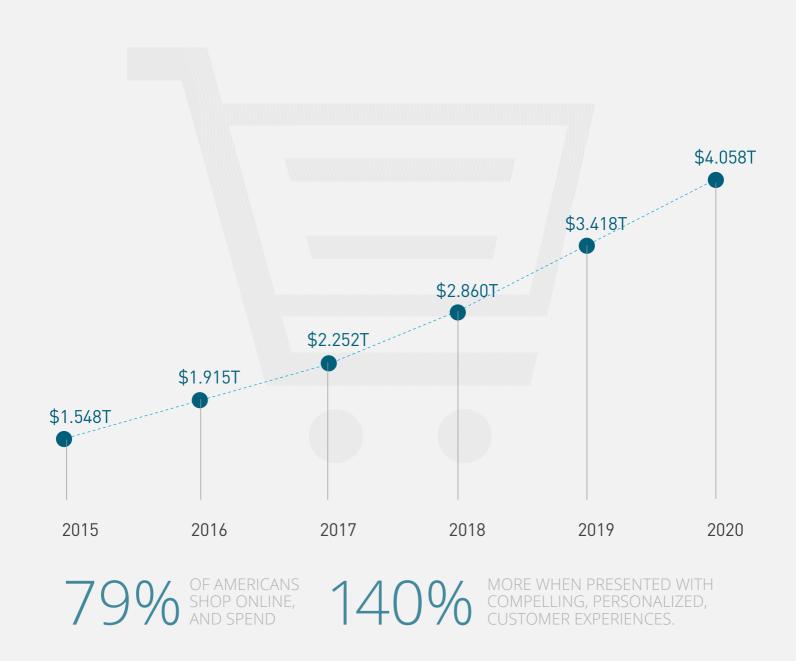
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Executive summary

The global eCommerce market – one of the fastest growing digital channels – is expected to reach \$4 trillion by 2020 and make up 17% of the retail market by 2022. eCommerce, which refers to transacting and facilitating business on the Internet, has led to an an increase in online shopping and digital interactions with brands.

In the US, for example, <u>79% of Americans</u> shop online; shoppers that receive a compelling eCommerce customer experience not only spend <u>140% more</u> than their counterparts, but their digital interactions with their social networks about



those brands can also influence <u>56 cents</u> of every dollar they spend in stores.

The above figures show that eCommerce has now become an extension of every company's brand. The current IT integration landscape, however, is not built for an eCommerce world.

Traditional approaches to eCommerce follow a point-to-point integration approach that does not address the challenges to creating the connected eCommerce experiences customers want. This approach is no longer fit for today's changing eCommerce landscape. The number one key to eCommerce success relies on a new integration approach that allows IT teams to quickly develop and integrate data from different systems and, in turn, build a connected eCommerce strategy. To achieve this, organizations are turning an API-led approach to integration in which data, applications, systems, and devices are exposed as reusable APIs.

The benefits of API-led connectivity can be demonstrated through the experiences of three major companies:

Company	eCommerce challenge	API-led connectivity outcome
Unilever Consumer goods	Roll out new eCommerce initiatives more quickly in order to engage directly with customers through both digital and in-store channels, and deliver a better experience.	IT team now deploys new initiatives much faster.
ASICS Retail	Build a personalized customer experience across ASICS, Tiger, Haglöfs, Runkeeper, and other ASICS brands—delivering product recommendations, real-time inventory data, and more.	ASICS exposed key systems and data using APIs. As a result, they launched a new eCommerce platform and completed their expected 2.5 month project in only 4 weeks.

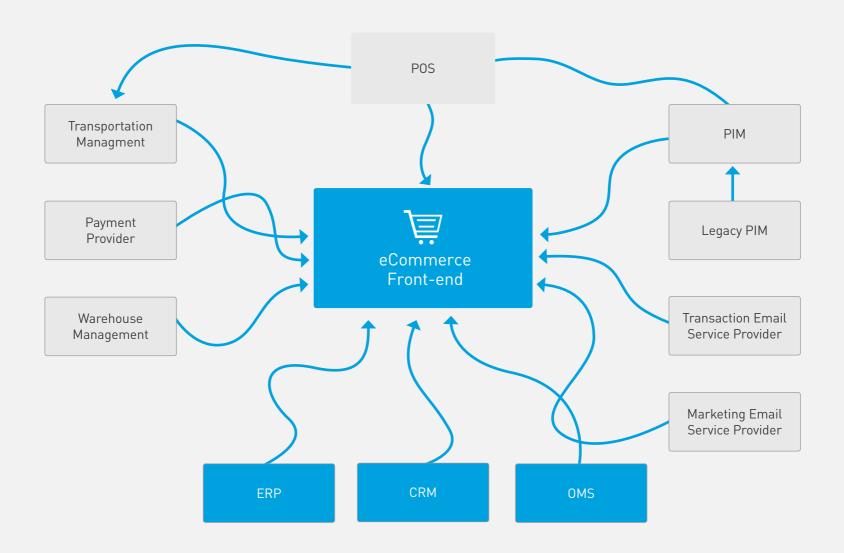
Company	eCommerce challenge	API-led connectivity outcome
Top 3 toymaker Consumer packaged goods	Launch an eCommerce platform to increase revenue by improving the customer experience across digital channels and entering new markets.	The toymaker increased revenues from digital channels by 10x in just 5 years.

The above companies – which span multiple industries – have successfully furthered their eCommerce strategies using API-led connectivity. In this whitepaper, we will focus on the importance of integration in the changing eCommerce landscape, highlighting the drawbacks of traditional approaches to integration, and demonstrating how API-led connectivity can help organizations improve operations and build a stronger eCommerce strategy.

The changing eCommerce landscape and the role of integration

The eCommerce landscape is changing rapidly. In 2017 alone, eCommerce in the US grew an estimated <u>8-12%</u> and, by 2020, it is expected that the eCommerce market will reach <u>\$4 trillion</u>. It is no wonder that eCommerce is now the <u>fastest growing</u> global channel.

eCommerce represents a tipping point for IT because it is more than just setting up a website; it requires organizations to think about complex interactions of critical back office, inventory, and in-store processes, as well as processes that span various systems—from Order Management Systems to Point of Sale Systems.



In other words, IT must now use various technologies and integrate their underlying data to improve internal

eCommerce processes and bridge the gap between the digital and the physical. For many IT teams, however, there are three main challenges that they face when it comes to eCommerce:

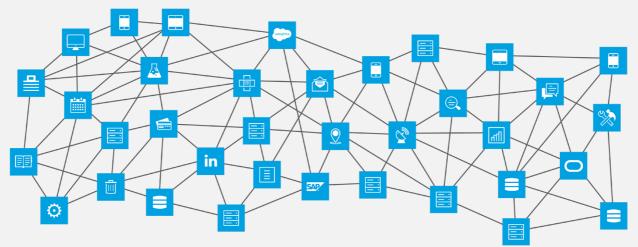
- 1. Inability to deliver eCommerce projects at the speed demanded by the business. Building and adopting an eCommerce platform (e.g. Salesforce Commerce Cloud), as well as connecting that platform to other applications and systems (e.g. legacy systems), requires a lengthy development process that hinders internal IT processes, obstructs the customer experience, and doesn't meet business needs.
- 2. The IT landscape is not built for a connected customer experience. Product and customer data live everywhere. To better leverage this data and create a connected customer experience, IT teams have to integrate various legacy and modern systems—from Order Management Systems (OMS) and on-premises legacy systems to Customer Relationship Management (CRM) software and Point of Sale (POS) systems.
- 3. There is a lack of a reliable eCommerce strategy to grow revenue. Even after an organization launches an eCommerce platform and integrates it with existing systems, they must ensure that they have a robust eCommerce strategy in place. For example, IT must ensure that the eCommerce platform is reliable and performant. After all, a less than stellar uptime that lacks integration to an organization's eCommerce platform especially during peak purchase periods can lead to loss of revenue.

Overcoming the above challenges is necessary to remain competitive in the eCommerce space. To address these challenges, IT teams often turn to a traditional eCommerce approach: point-to-point integration.

Traditional approaches to eCommerce hamper success

Point-to-point integration is a traditional approach that hampers eCommerce success. The integration approach relies on one-to-one connections. This means that IT teams simply create one-to-one connections between all applications and systems to connect the underlying data. When point-to-point integration is used in eCommerce organizations with small infrastructures, where only 2-3 systems must be integrated, it works quite well.

But the reality is that organizations have hundreds of systems and applications in place. In this case, point-to-point integration can lead to a brittle architecture, where systems become tightly coupled together—making it difficult to integrate new applications or leverage data from existing applications for new projects. More importantly, point-to-point integration relies on custom code, which is often not reusable. This means that IT teams face a lot of duplicate work—especially when extracting the same data for use in two or more projects.



Many eCommerce organizations recognize the pitfalls of point-to-point integration and are now turning to a new integration approach based on leveraging APIs: API-led connectivity.

An API-led connectivity approach to eCommerce

API-led connectivity is an integration approach that allows companies engaged in eCommerce to unlock data, services, and other assets and surface them onto a platform for broader consumption by the business. The business can then use these assets to create new products and digital experiences for customers.

With this approach, rather than connecting things point-to-point, every asset becomes a modern, managed API. This means assets, such as APIs, are discoverable through self-service without losing control. The APIs used in this approach fall under three categories:

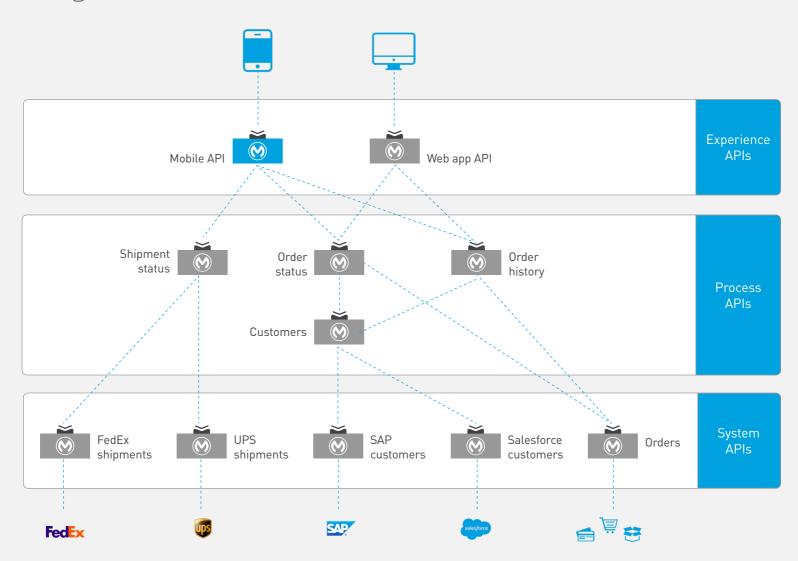
System APIs expose data across core systems of record, including OMS, CRMs, or Enterprise Resource Planning (ERP) systems, and more through APIs. This enables the shared consumption of data throughout the enterprise and avoids duplicate work or code.

Process APIs consume and orchestrate data exposed by System APIs, and represent common business processes that interact with and shape data. They exist independently of the source systems from which the data originates.

Experience APIs are a way to transform data and services so that they are consumed by their intended audience. These APIs, which are designed with developers in mind, abstract the underlying data and services from the complexity of downstream systems.

Unlike point-to-point integration, API-led connectivity avoids the duplicative, time-consuming work associated with custom code by leveraging reusable APIs. For example, imagine a business creates a web app that provides customers with their order history, order status, and shipment status.

If they later decide to build a mobile app that uses the same data, then they can simple leverage existing APIs for the required data (e.g. Order History API). And, in the case of the example below, the IT team only has to create one new API—a Mobile API within the Experience API layer that brings all that data into a new channel.



Using API-led connectivity, IT teams working on eCommerce initiatives reduce the lengthy development process with reusable APIs; as a result, they have more time to innovate on their eCommerce strategy. As shown in the example above, one internal API (e.g. Customer API) can have multiple use cases (web app and mobile app project) and help streamline business processes.

With API-led connectivity, every API that is built continues to create value for future business requirements. This is demonstrated through the stories of three companies: Unilever, ASICS, and a top 3 toymaker.

Case study: Unilever

Consumer goods

Unilever, one of the largest consumer goods companies in the world, sought to engage directly with customers through digital and in-store channels to build an omnichannel brand through eCommerce. They set an ambitious target: reach one billion consumers by 2020.

Unilever's IT team faced numerous challenges, due to their infrastructure size, which encompasses 1,000 applications, 10,000 Interfaces, and 500 IT projects per year. Unilever had multiple global teams and was looking to find more efficient solutions to deploy new products and services.

Unilever set about creating a best-of-breed platform for eCommerce that unifies their portfolio of multiple brands on a common operating model. MuleSoft was adopted to enable the connectivity between the eCommerce platform's multiple tools (NetSuite, Salesforce Commerce Cloud, and others) and to access key on-premise systems such as SAP. In addition, their "adaptive integration" team took an API-led approach to remove bottlenecks and support line-of-business innovation.

Using API-led connectivity and Anypoint Platform, Unilever's teams created a network of reusable services, enabling self-service across various brands. MuleSoft successfully supported the six-month launch of a newly acquired pure play eCommerce entity. For customers, this means a unified

experience across Unilever's products; and for Unilever this translates to having a single view of the customer. Today, deployment for new initiatives is 3-4 times faster—dropping from months to days.

Case study: ASICS

Retail

ASICS, a global athletic footwear and apparel company, is on a mission to build a global eCommerce strategy by improving the customer experience across all ASICS brands and digital channels, and, in turn, generating higher revenue.

What does this next generation, eCommerce experience look like? Well, no matter if a shopper is looking for a product on ASICS, Tiger, Haglöfs, Runkeeper, or any other ASICS brand, the customer can receive product recommendations, real-time inventory data, and customized offers.

To build this eCommerce strategy, ASICS needed to unify and modernize nearly a dozen systems across geographies and digital channels. This required migrating to a modern eCommerce platform, built on Salesforce Commerce Cloud. ASICS' IT team needed to tie in backend system data from a number of ASICS brands – from Tiger to Runkeeper – into Salesforce.

ASICS used MuleSoft's Anypoint Platform to expose data from Order Management Systems (OMS), payment providers, email service providers, and legacy systems through APIs—promoting governed access to customer information, order status, real-time inventory, and pricing.

"What developers like the most about using MuleSoft is that it allows us to spend all of our time in the application specific logic and not have to worry about making those connections to the various data sources," says Phil Connaughton, Director of Engineering at ASICS Global Digital. Using Anypoint Platform, ASICS was able to complete their expected 2.5 month project in just 4 weeks, or 2.5 times faster. ASICS will continue to reuse assets across their other brands globally. This means that Tiger, Haglöf, and Runkeepers' transition to Salesforce Commerce Cloud will be delivered more quickly using the reusable components created with API-led connectivity.

Case Study: Top 3 toymaker Consumer packaged goods

One of the top 3 toymakers in the world was under pressure to deliver a direct-to-consumer eCommerce experience. The company chose to expand their offering from toys and board games to include TV programming, motion pictures, digital gaming, and more.

To better connect with customers, they introduced a new eCommerce platform to improve the customer experience on digital channels and penetrate new markets outside of North America. In the process of rolling out this new eCommerce strategy, they faced one main challenge.

Their IT team needed to expose data that spanned across traditional retail systems (e.g. POS systems) and modern applications, and integrate it into new channels such as mobile and gaming. The toymaker chose MuleSoft as the connectivity software that underpins their new eCommerce platform.

By adopting API-led connectivity, the IT team at this company was able to expose their IT assets as self-service APIs that product teams can use to automate business processes, build new products and services, and recompose as consumer or market demands change. "MuleSoft has eliminated the need for unnecessary code development and management. MuleSoft is intuitive. Our team has easily gained 300% in productivity," said a member of the IT team.

With MuleSoft, the toymaker was able to decrease time to market for new initiatives from 6-8 months to just 4 weeks—all by adopting reusability of assets and APIs. The toymaker achieved their eCommerce revenue goals, increasing revenues from digital channels by 10x in just 5 years.

Conclusion

eCommerce – along with the increase in online shopping and digital interactions it brings – is here to stay. eCommerce is more than just setting up a website; it involves various challenges, including building complex connectivity to backend applications and systems, delivering a connected experience, and ensuring rapid and reliable scale.

The changing eCommerce landscape no longer supports traditional approaches to eCommerce such as point-to-point integration. As a result, many companies are turning to API-led connectivity, which provides a proven methodology for companies engaged in eCommerce to address the above challenges, using reusable APIs.

MuleSoft's Anypoint Platform™ is purpose-built to enable API-led connectivity. It accelerates eCommerce integration processes, encourages reusability, exposes relevant assets across the business, and ensures ongoing reliability and performance of technologies and infrastructure.

As highlighted, we have worked with organizations across various industries to help them successfully launch a robust eCommerce strategy—from Unilever to ASICS.

The eCommerce landscape is changing, and organizations must have the necessary tools to keep up. Visit www.mule-soft.com/integration-solutions/api/ecommerce to learn more about how MuleSoft can be your partner for API-led connectivity.

About MuleSoft

MuleSoft makes it easy to connect the world's applications, data and devices. With our market-leading Anypoint Platform™, companies are building application networks to fundamentally change the pace of innovation. MuleSoft's API-led approach to connectivity gives companies new ways to reach their customers, employees and partners. Organizations in more than 60 countries, from emerging companies to Global 500 corporations, use MuleSoft to transform their businesses.

To find out how, visit <u>www.mulesoft.com</u>.