BIGCOMMERCE

The API Economy and Its Impact on Ecommerce

Contents

3 Introduction

4 APIs and the API Economy

5 How Ecommerce APIs Can Impact Your Business

9 Leverage APIs to Improve the Client Experience

10 12 Ways Your Agency Can Use Ecommerce APIs

13 BigCommerce Partners Using APIs

16 Final Thoughts

Introduction

Agencies who have lived through the evolution of the digital age are well aware that businesses have experienced a generational shift in technology. The rise of software as a service (SaaS), cloud, mobile, big data, the Internet of Things (IoT), social media, and other technologies have disrupted industries and changed customers' expectations. In our always-on, buy anything anywhere world, customers demand that their shopping experiences are to be personalized, dynamic, and convenient.

As a result, many businesses are trying to quickly reinvent themselves. Success in a speedy economy depends on continually adapting and innovating. Agencies have to move quickly to keep up; there's no time for disjointed technologies and old systems that don't serve the customer-obsessed mentality needed to thrive in the digital age. Keeping up with the fast-paced requests of clients is monumental to business retention and bottom-line growth.

Speed is one of the most important factors for determining an agency's success. It's crucial for updating technologies and processes, bringing new product offerings to your clients, expanding into new markets, and establishing strategic partnerships faster than the competition. However, as new technologies, digital features, and customer expectations converge, speed is proving to be a challenge.

So, how can agencies capitalize on this need for speed?

The answer for many —especially those competing for ecommerce dominance in their industries— lies in the API economy. Let's explore the API economy, how APIs can impact ecommerce, and how you can leverage ecommerce APIs to grow your bottom line. We'll wrap up with some examples of how BigCommerce agencies have used APIs to solve merchant problems and facilitate their growth.

APIs and the API Economy

APIs, or application programming interfaces, enable one application (such as your ecommerce platform) to expose services (such as catalog content, order management, pricing information, and customer data) to other applications.

Simply speaking, an API helps systems "talk" to each other. A well-defined API is the glue that connects data together and allows authorized applications or machines to easily access it.

APIs bring a new level of data sharing and connectivity to multiple applications, regardless of their data structures and technology platforms. APIs have proven to be extremely important to enterprises, contributing to their agility, efficiency, innovation, and growth—ultimately affecting their bottom line. These benefits have created the API economy, which can be defined as the way APIs positively impact a company's profitability.

APIs make it easier for businesses to:

- Integrate and connect people, places, systems, data, and algorithms
- Share data and information
- Enable transactions
- Leverage third-party algorithms
- Authenticate people and things
- Develop new products, services, and business models
- Create new user experiences

According to Kristin R. Moyer, a vice president and analyst at Gartner, "the API economy is an enabler for turning a business or organization into a platform. Platforms multiply value creation because they enable business ecosystems inside and outside of the enterprise to consummate matches among users and facilitate the creation and/or exchange of goods, services, and social currency so that all participants are able to capture value."

Most businesses find that the API economy is an excellent way to create new capabilities, features, services, and experiences to delight customers and drive revenue.

As such, APIs continue to be a huge factor in many organizations' business models. As technologies like mobile, the Internet of Things, and augmented reality accelerate their growth, the API economy will continue to expand rapidly.

How Ecommerce APIs Can Impact Your Business

Proper data orchestration is the key to smooth enterprise ecommerce implementations and ongoing operations, and APIs help facilitate this process.

They connect your ecommerce platform with numerous back-end systems, including:

- Enterprise resource planning (ERP)
- Product information management (PIM)
- Customer relationship management (CRM)
- Order management system (OMS)
- Warehouse management system (WMS)
- Point-of-sale (POS)
- Content management system (CMS)

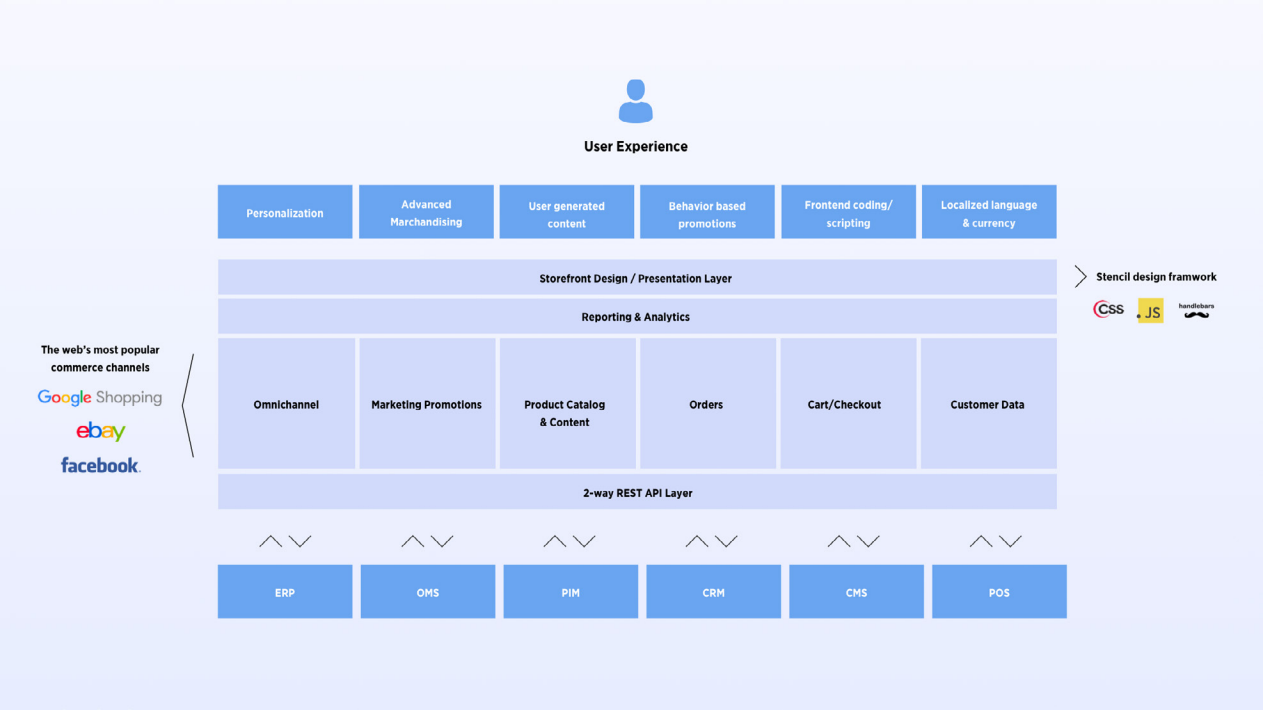
Correctly integrating any or all of these systems is critical for your business to be as efficient, agile, and adaptive as possible.

The smooth, accurate flow of information related to things like inventory, customer, pricing, and order data can be the difference between increasing revenues or increasing costs and developing a loyal customer or losing him to a competitor.

Ecommerce Models

There are two main strategies for approaching ecommerce, and each has an impact on data orchestration and APIs.

1. COMMERCE-FIRST MODEL



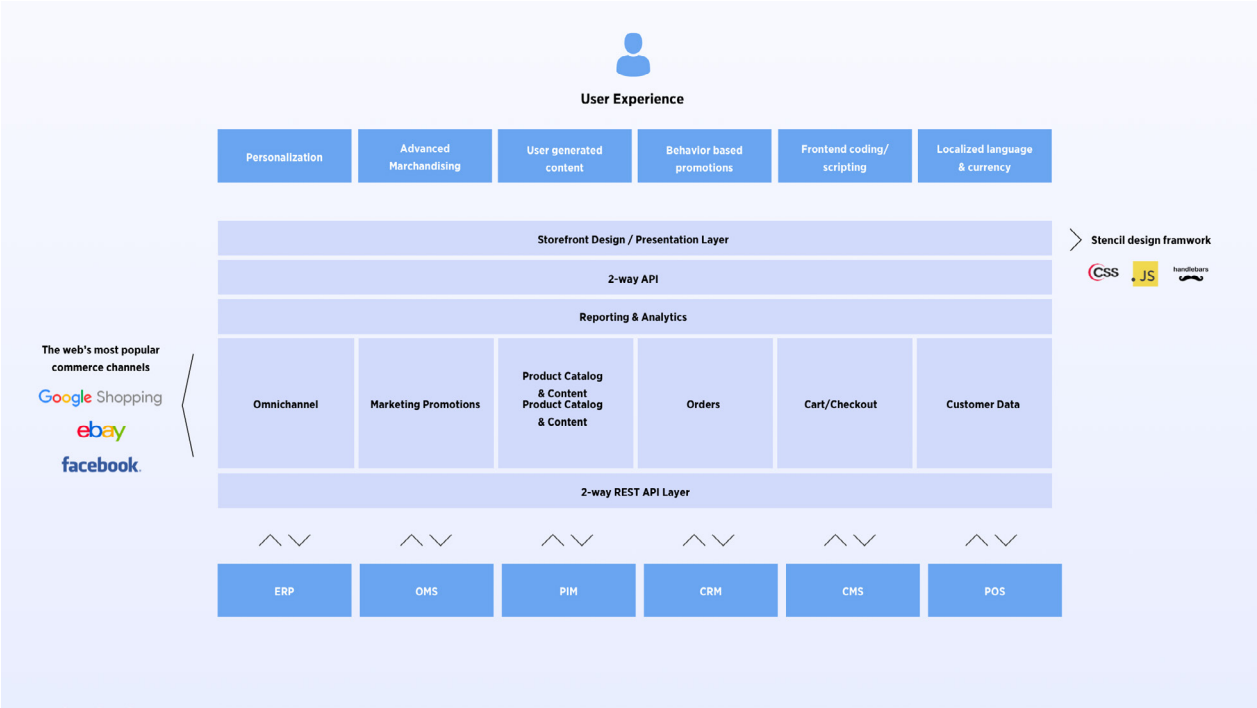
The commerce-first model uses an ecommerce platform on the front-end for the user experience and checkout, and leverages APIs on the back-end for data orchestration with an ERP, PIM, OMS, or other system. Businesses who choose this strategy typically use highly extensible SaaS technologies as spokes for the larger business hub.

Important:

On a SaaS platform, the number of API calls available is critical for making sure the platforms and data orchestration function properly, so businesses need to be able to have high or unlimited API call volumes.

All SaaS platforms manage this differently. Be sure to ask your provider or include the request for information in your RFP to the various solutions.

2. EXPERIENCE-FIRST MODEL



The experience-first or headless commerce model takes extensibility one step further, decoupling the presentation layer from the ecommerce platform using popular content management systems like WordPress.

API connectivity is important to ensure proper data orchestration across the decoupled systems. The focus for this model is to attract customers with excellent content experiences first, and then to drive them to a more traditional ecommerce experience.

Headless ecommerce platforms allow you to take advantage of the API economy to use best-of-breed applications at the presentation layer to solve your business' specific challenges. Accessing APIs to complete a digital ecosystem enables companies to go to market at a lower cost and focus on their core capabilities.

Using APIs on Different Platforms

It's important to note that not all APIs were created equal. In fact, when it comes to speed, efficiency, and cost, there are huge differences depending on whether you're using an on-premise or cloud solution like Magento or a SaaS solution like BigCommerce. There are even significant API differences between SaaS solutions like BigCommerce and Shopify Plus.

It's also worth noting the difference between open APIs and private APIs.

- Open APIs just mean that they're publicly available and therefore open for web and mobile developers to access.
- Private APIs can only be used by internal developers (or contractors) working within the organization that developed them.

MAGENTO

For example, like most on-premise platforms like Magento, connecting to an API is the responsibility of the business or its developer. And, since API rates depend on the quality of a company's servers/hosting account, faster API rates can end up costing significantly more.

BigCommerce's open API provides all of the benefits of a SaaS platform—such as being hosted for businesses, having a lower total cost of ownership, and going to market faster—with the flexibility to create custom integrations and functionality faster and without the additional cost and frustration.

SHOPIFY PLUS

Shopify Plus limits businesses to 10 API calls per second, whereas BigCommerce can handle 400+ calls per second and processes updates up to 100 times faster. Performing an ERP inventory sync of 25,000 products and variants on Shopify Plus would take two hours compared to only 60 seconds on BigCommerce.

Most enterprises have huge product catalogs, so having a fast and robust catalog API is paramount. While Shopify Plus caps businesses at 100 SKUs per product and only three options per product, BigCommerce can handle up to 600 SKUs per product with 250 options.

Leverage APIs to Improve the Client Experience

Open APIs allow for complete customization on a SaaS platform like never before. The possibilities of what you can build with BigCommerce's open APIs are endless, allowing your agency to solve for the widest variety of use-cases in the market.

As an agency, API-led commerce enables you to provide omnichannel shopping that meets all your client expectations — quickly. You need to enable your clients to deliver a consistent customer experience across all commerce channels, and consumers want to be able to shop anywhere, anytime.

At its core, omnichannel commerce is really about data orchestration. From ecommerce platforms and ERPs to POS and mobile applications, your clients need to be able to unify data from all of their systems into a location where it can be analyzed and used. The open API environment at BigCommerce gives your client the tools needed to make the right connections.

On other platforms, merchants often find achieving true omnichannel commerce viability so challenging because it's very difficult to get all systems to talk to one another. However, once you get it right, it's much easier to get a clear and simple view of a businesses' customers. The insights gained from this clearer view help to create better shopping experiences.

When it comes to omnichannel, the goal of integrations is to essentially hide all of the complexity of the underlying data and present a simplified view of a customer, a product, and a channel.

API-led connectivity is a way to connect data to applications through a series of modern and reusable APIs that play a specific role in an omnichannel strategy. They unlock data from systems, turn data into processes, or provide an experience. Rather than connecting things point-to-point, with this strategy every asset becomes a modern API that can be discovered through self-service without losing control.

To better understand how this works, it's best to view the API-led approach to connectivity by organizing APIs into three types:

- **Systems APIs:** Your core systems, such as your ERP or CRM, typically aren't easily accessible because their connectivity interfaces are proprietary and complex. System APIs provide a way to bypass this complexity.
- **Process APIs:** These APIs break down data silos, interacting with and shaping data either within a single system or across systems. They don't depend on the source systems where the data originates or the channels where the data is to be delivered.
- **Experience APIs:** Data is now shared across channels, each of which can access the same data but in a variety of forms. Experience APIs enable data to be reconfigured so that it is more easily used by its audience—all from a common data source instead of having to setup separate point-to-point integrations for each channel.

This API-led strategy unifies data so you can execute omnichannel commerce more effectively, thereby providing your clients' customers with consistent shopping experiences across channels. It also enables your clients to leverage APIs to consistently address and manage the changing needs of their business.

12 Ways Your Agency Can Use Ecommerce APIs

Most ecommerce platforms provide APIs to make it easy for their applications to connect with other systems. The following twelve ecommerce API examples can boost your clients' site performance and functionality while improving their customer's experience.

1. PRODUCT INFORMATION API

A product information API enables users to connect their product catalog pages with a database to share detailed information about the products they sell, including product ID, description, title, specifications, images, pricing information, etc.

2. CATALOG API

A catalog API helps users create, edit, and manage their product catalog. This API enables users to update thousands of products within minutes and supports integration with other key systems such as point-of-sale, inventory management, and reporting.

3. LOGIN API

The login API helps users manage customer identities. It allows users to give customers the ability to log in to their ecommerce site on systems they already use, such as Amazon, Facebook, and G Suite.

4. CART API

The cart API allows users to view their customers' shopping carts. Cart APIs enable users to integrate features that personalize the customer experience at checkout, including discounts, coupons, shipping, abandonment tools, and B2B-specific components like invoicing and quote generation.

5. CHECKOUT API

The checkout API allows users to fully customize the checkout experience, adding in additional payment methods, additional required fields and altering the UX to better appeal to their customer set and increase conversion.

6. PAYMENT API

A payment API is critical for an ecommerce site to accept electronic payments. This API ensures that a site has a fully functional payment processing system that is easy for customers to use.

7. SALES TAX API

Sales tax laws vary by country, state and, sometimes, district, so websites need to be able to accurately calculate tax at checkout. With a sales tax API, users don't have to worry about sales tax complexities and they can be sure that customers are charged the right sales tax amount every time.

8. SOCIAL PROOF API

Social proof in the form of Facebook likes, Twitter comments, and product reviews signal to shoppers that an ecommerce site is trustworthy. Websites can use a social proof API to stream social media feeds directly to the site and product pages. Social networks like Facebook, Twitter, and Instagram have developer APIs that can be customized and added to a site.

9. MARKETING AUTOMATION API

A marketing automation API allows the user to automatically add customers to an email list and then segment them based on the products they bought, the purchase amount, location, or any other segmentation criteria.

10. SHIPPING API

A shipping API enables users to automate processes from the sale through the package being delivered to a customer. For example, after a sale has been made on an ecommerce site, a shipping API can be activated to trigger the process of a product being picked up from the warehouse and being sent to a customer. This API can then provide a tracking tool to track a package as it travels to its final destination.

11. RECOMMENDATION ENGINE/PERSONALIZATION API

Recommendation engines or personalization APIs analyze a shopper's browsing behavior and recommends relevant products to them. These APIs make finding the right product fast and easy, and even enable shoppers to explore new brands and products.

12. ANTI-FRAUD API

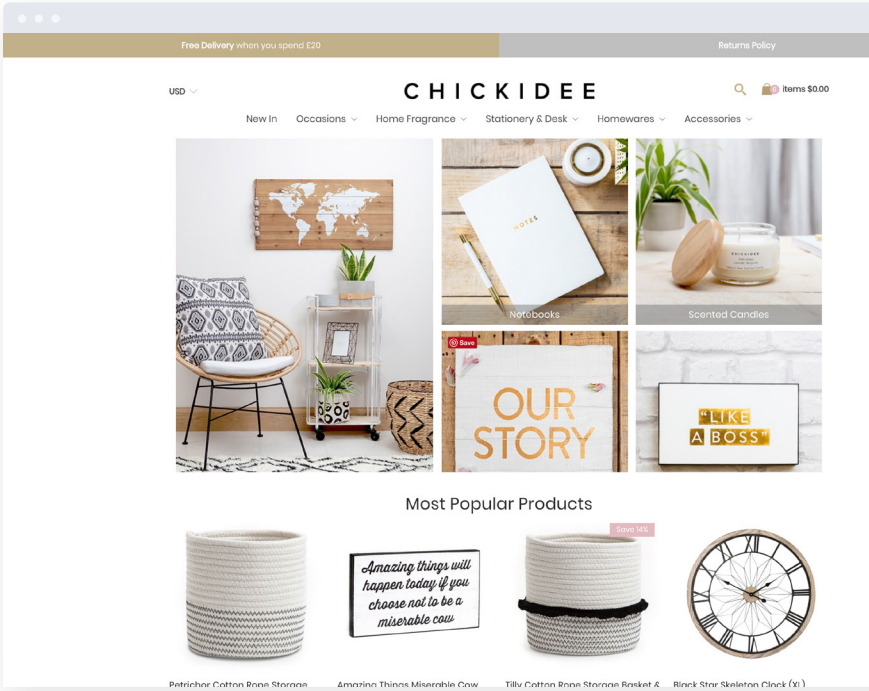
An anti-fraud API allows users to detect fraudsters before they do any financial damage to a business. This API screens various elements of a transaction, such as proxy, geolocation, email, credit card, etc., and flags orders that are potentially fraudulent.

Enhancing the functionality of an ecommerce site is now easier than ever with APIs. From catalog APIs to cart APIs to shipping APIs and many more, your clients can improve their ecommerce operations and performance, make their business more efficient, and provide customers with the

BigCommerce Partners Using APIs

CHICKIDEE

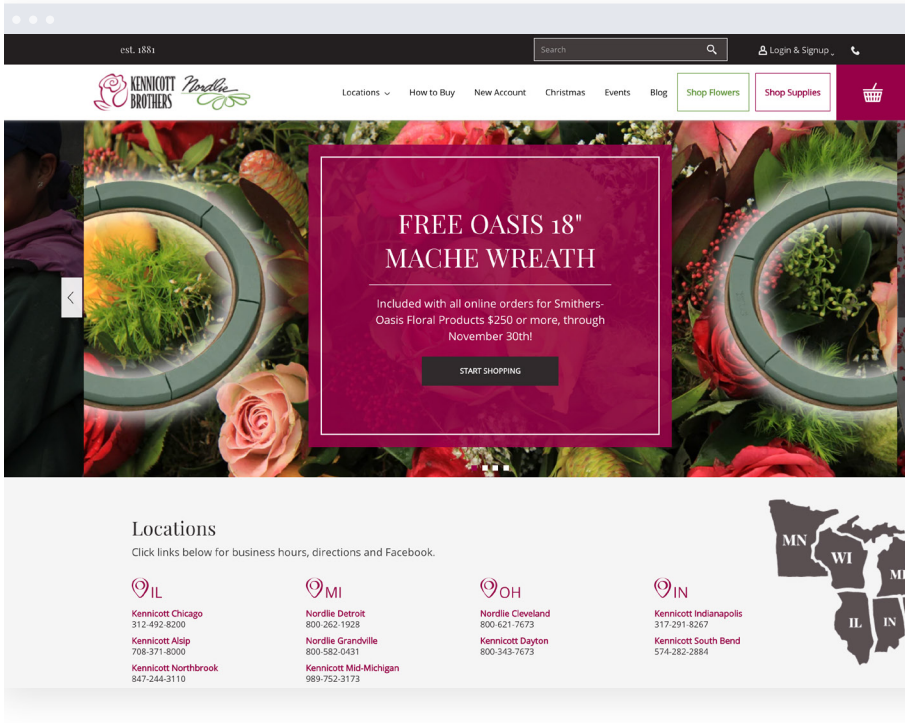
After migrating from a different ecommerce platform and integrating several APIs into their website, Chickidee saw monumental results in both organic traffic and revenue.



UK-based lifestyle homeware company **Chickidee** approached agency **5874** having experienced frustrations with their previous ecommerce platform provider. Using a bridge web application with Vend (POS system) and Linnworks (fulfillment software), the agency solved Chickidee's challenges and were able to create two new sites: one for B2B, and one for B2C. As for the results, they speak for themselves: "Not only has the integration improved how Chickidee manage their orders and inventory, but the overall site performance is up and search engine rankings have rocketed. There has been a revenue increase of 21% compared to the previous year, which is incredible considering there have been no changes to the marketing strategy, and this is solely a result of the move to BigCommerce and the new Vend and Linnworks integration," remarks Rupert Cross, Digital Director at 5874. "The goal for any retailer is to provide their customers with what they want and thus see more revenue; this pioneering advancement has seen exactly that happen for Chickidee."

KENNICOTT BROTHERS COMPANY

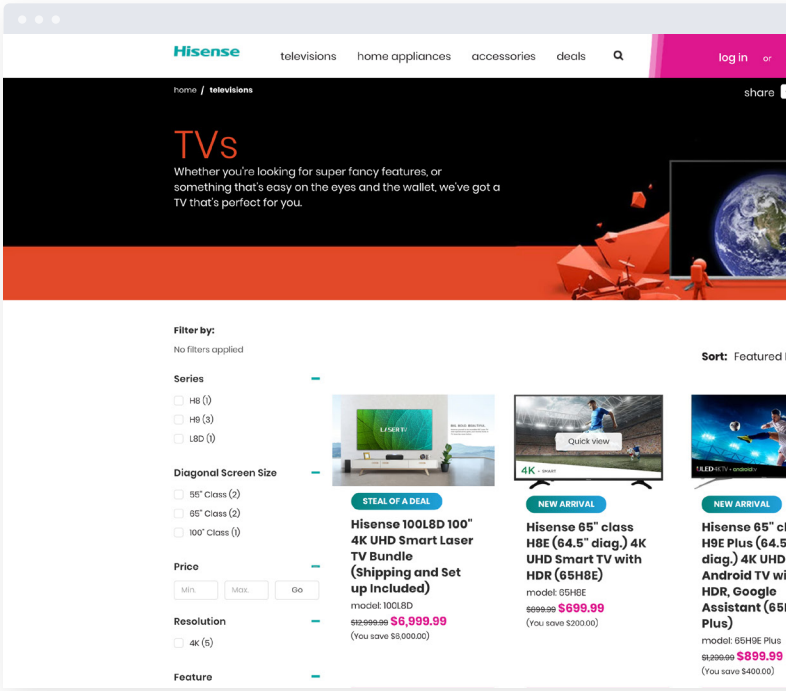
Multiple API integrations allowed Americaneagle.com to swiftly expand the Kennicott Brothers Company from catalogue and call-in to ecommerce.



Partner **Americaneagle.com** paired up with **Kennicott Brothers Company**, a major floral and floral supplies distributor, to create a B2B site that could grow with them as they added ecommerce to their brick and mortar options. Traditionally a catalog and brick-and-mortar business, shipping options and flexibility were key. “We developed an integration whereby customers can have their products either drop-shipped by the vendor directly or using their existing Kennicott delivery route, connected to their preferred brick and mortar location,” says Kylie Boyce, Partner Marketing Coordinator at Americaneagle.com. It was also important that existing customers still received pre-existing discount pricing during the transition. Additionally, she continues, “through manipulation of customer groups and leveraging BigCommerce APIs with Kennicott’s outside systems, we created a mechanism where new registrants are recognized as existing customers and inherit their discount pricing and catalog visibility.”

HISENSE

iMedia made extensive use of APIs and integrations while building out the new Hisense USA website. The result: a 118% increase in monthly sales.



A household name in electronics, **Hisense USA** wanted to expand its direct-to-consumer reach and needed to increase sales by creating multiple direct-to-digital channels for their TV product line. Agency **iMedia** worked with Hisense to build out an ecommerce website, going from concept to launch in just 4 weeks. Using the BigCommerce APIs along with Seller Actives APIs, iMedia was able to integrate omnichannel order fulfillment into Hisense's existing logistics platforms. "We had to adhere to immovable business rules and order data schema and by using the aforementioned platforms, the work was quick and successful," Jessica Lago, Manager of Marketing and Partnerships at iMedia explained. "We also leveraged BigCommerce integrations Avalara, Signifyd and BrainTree for super simple taxation, vigilant fraud prevention and more cost effective payment clearing, respectively." Shortly after launching, Hisense saw a vast improvement in overall traffic and leads. "Within 4 months of launching, Hisense saw an 118% increase in monthly sales and ZERO fraud issues since launch. By integrating with SellerActive, Hisense expanded into 5 online marketplaces and 100% buy box retention."

Final Thoughts

The two best things an agency can do to gain more business are to think ahead to diagnose client needs and aim to be as adaptable and forward-thinking as possible. In this fast-moving digital ecommerce environment, agencies always need to stay ahead of the competition or risk losing market share.

As you look for the right products and solutions to offer, consider the needs of your clients now and in the future.

In a world where adaptability and flexibility are of utmost importance, taking the time to discuss your clients' ecommerce platform needs is critical - especially as it relates to the communication needed between platforms and software.

This is where API integrations are key.

From connecting features that simplify shopping to creating a true omnichannel commerce offering, the API economy can help your clients streamline business, build customer loyalty, and increase profitability.

Commerce Without Compromise

PARTNERS	BRANDS
americaneagle.com.	The Ohio State University
ZR The ZaneRay Group	Skullcandy
ad arizon.digital	PAUL MITCHELL
groove	NATIVE UNION

Whether you're pitching a client, building a relationship, or managing growth, pain points around data flow and customization can be easily mitigated by a system that is built for flexibility between applications.

API integrations enable your clients to build a fully-customized and high-converting commerce experience, resulting in customer loyalty and growing sales.

Our partners have played a vital role in this API-first strategy, leading the platform and our product roadmap away from traditional SaaS restrictions on customization, and instead, allowing for agency and developer innovation and flexibility at every step.

Since launching our Partner Program, BigCommerce has provided more than 4,000 design, development, and agency partners with support, marketing assistance, training, and co-branding.

Learn more about how BigCommerce APIs can help your clients and the BigCommerce Partner Program.

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