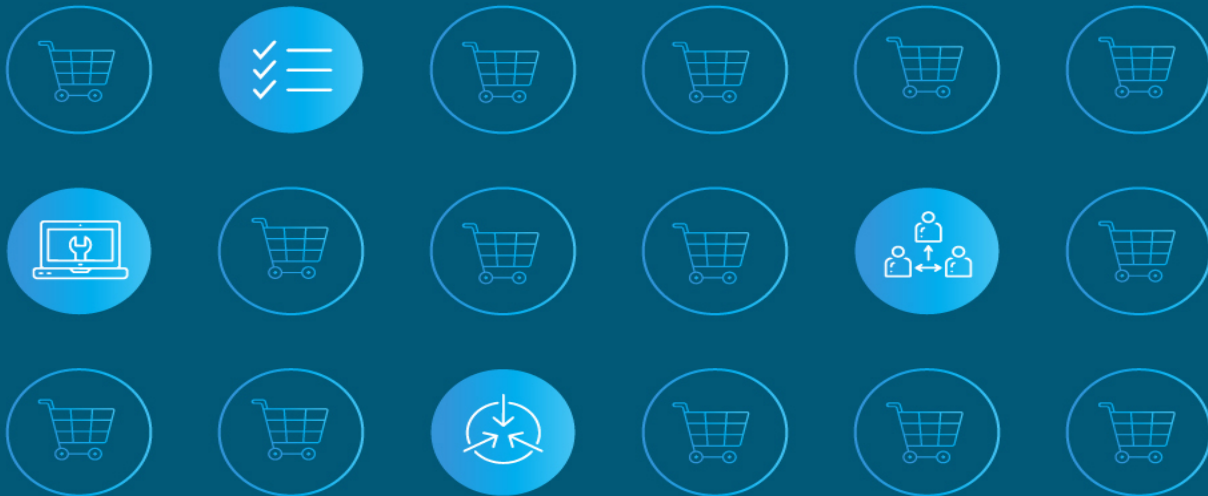




10 reasons why you need a new eCommerce platform



LEARN WHEN
IT'S TIME TO
MAKE A CHANGE.

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Your eCommerce platform has a major impact on your business

Choosing the right eCommerce platform can boost sales, create memorable customer experiences and offer cost and efficiency improvements. However, choosing the wrong platform can have ongoing consequences through decreasing revenue and acting as a customer pain point.

It is therefore no surprise that companies are scrambling to outperform their peers in the eCommerce space. The numbers back this drive for eCommerce excellence: [In 2019 15% of all US retail sales will occur online and by 2023, 58% of retail spending will be influenced by eCommerce platforms](#). In other words, eCommerce matters.

You may find yourself in a situation where your current eCommerce platform is not working for you, but the idea of switching platforms seems daunting. There are typically risks and monetary costs to switching, and it could be disruptive to your business operations. Therefore, changing platforms is not a decision to be taken lightly.

In this eGuide, we cover **ten reasons** that should prompt CXO staff to consider re-platforming. If you find that some or most of your reasons fall within this list, you are probably a good candidate for making a change.

Here are the ten reasons we discuss:

1. Your platform lacks core out-of-the-box features
2. Lack of a third-party marketplace
3. Difficulty with integration and customization
4. High cost of maintenance
5. Security risks
6. Ease-of-use concerns
7. Compliance Issues
8. Upgrading the platform is problematic
9. Not a SaaS based solution
10. The Platform Uses Proprietary Technology

If you have experienced any of these, it may be a good reason to keep reading further. You may find yourself in need of switching platforms.



1.

Your platform lacks core
out-of-the-box features

Your platform lacks core out-of-the-box features

Ecommerce platforms exist because developing a full-featured online store from scratch is a time-consuming and expensive exercise. Instead, most companies opt for a pre-packaged solution that provides most of the required functionality out of the box.

However, it is rare for eCommerce platforms to offer every conceivable bell and whistle right out of the box. Nonetheless, a platform that is thoughtfully selected should provide most of the required functionality without resorting to lots of plug-ins, extensive customizations or manual processes.



Missing features can be a growing problem

Of course, when a platform is built from the ground up, the initial implementation is likely to fully meet all of your requirements. Yet eCommerce requirements have rapidly evolved over the years, and a perfectly crafted solution that was 100% fit for purpose in the past will eventually lose its edge. Aging platforms can miss functionality that is essential today, including:

- ✓ **Multi-channel integration.** Shoppers increasingly expect their shopping experience to be consistent across channels, whether in-store, phone or online. This requires eCommerce platforms that effectively integrate with enterprise systems.
- ✓ **AI-powered personalization.** Recommendations and online shopping go hand in hand. Random recommendations won't do. Instead, modern platforms provide AI-powered recommendations that intelligently guide shoppers to spend more.
- ✓ **Order tracking and management.** Again, the bar has shifted. Customers now expect detailed order tracking and management options—functionality that is not universally provided by some eCommerce platforms.



Some of this functionality can be added to aging platforms through costly custom development. Therefore, you could be stuck with a platform that simply does not provide a contemporary eCommerce experience without incurring a significant expense. In the meantime, your users will take notice that this functionality doesn't exist and may decide to shop elsewhere.

The costs of extensive customization

Although missing features can be addressed through custom development, there is a practical limit as these customizations come at a high expense:

- ✓ **Initial Development is costly.** The time and expense required for custom development are often outweighed by less expensive plug-ins available in the more contemporary platforms.
- ✓ **Maintenance is costly.** A platform that is extensively customized can be difficult to maintain, requiring more personnel, thereby driving your overall costs upward. Also, every update requires extensive testing and the result is often further customization or the postponement of updates.
- ✓ **Impact on user experience.** Customizing a platform can ruin the user experience from a previously seamless, carefully designed user journey to one that feels like it's been duct-taped together with less refined customizations.

So, as much as customization can close functionality gaps, it is worth reconsidering your current platform if it does not meet at least 80% of your business needs.



2.

Lack of a third-party
marketplace

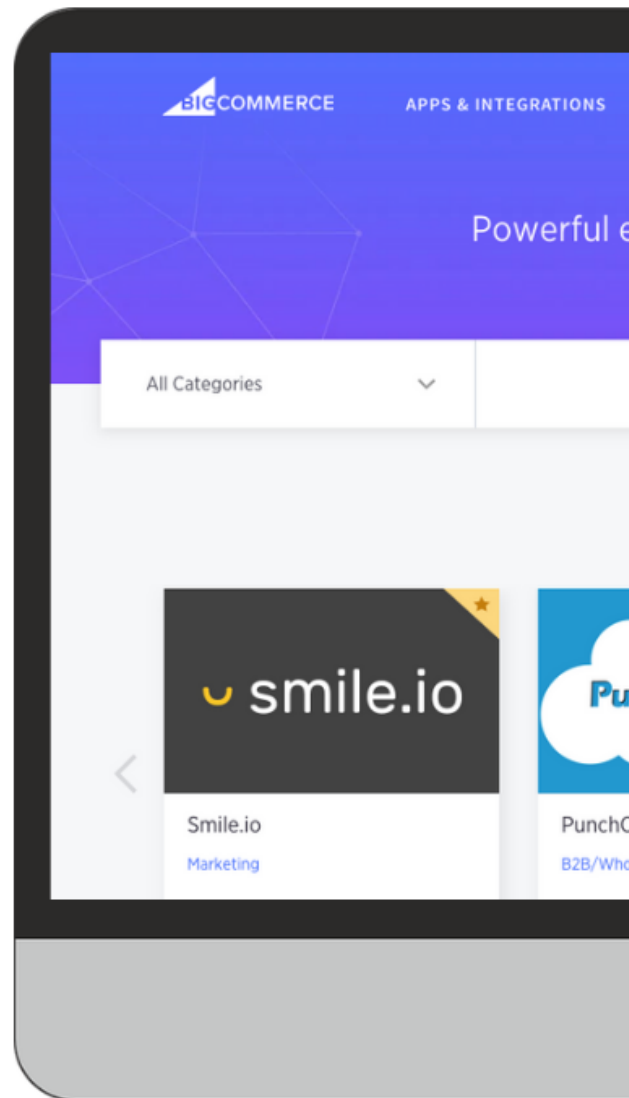
Lack of a 3rd party marketplace

As much as the goal is to obtain optimal out-of-the-box functionality, retailers commonly require features that are not available in the standard release of an eCommerce platform.

To bridge the gap, the best eCommerce platforms provide third-party marketplaces where independent vendors extend the platform's functionality with inexpensive plug-ins.

The benefits of a third-party marketplace include:

- ✓ **Extensions are affordable.** Third-party plugins benefit from the same economies of scale as the platform itself. Developers split the cost of development across a range of paying retailers. As a result, powerful features become much more affordable.
- ✓ **Plug-ins are quick to implement.** As the term suggests, a plug-in rapidly extends the functionality of a platform. By using plug-ins offered through a third party marketplace, you quickly acquire the necessary functionality, whereas custom development takes time, allowing your competitors to stay ahead of you.
- ✓ **Third-party apps are vetted.** A marketplace of third-party apps is a powerful venue for buying trusted, reputable extensions to a platform. The platform vendor vets the apps, while users provide feedback on the effectiveness of the extensions.



Lack of a marketplace can be problematic

The lack of a third-party marketplace should be a concern for the following reasons:

- ✓ **Customization becomes prohibitive.** You will need to hire programmers for a customization effort where costs can spiral, particularly in the case of more extensive functionality.
- ✓ **Feature gaps may persist.** Costs aside, it may be impractical to customize a platform, which means you are stuck with large feature gaps. The implications for lack of customer satisfaction and revenue growth can be substantial.

When a platform functions well yet lacks a marketplace, you may choose to wait it out with the existing feature set instead of switching away from your current solution. In doing so, you could be putting yourself at risk of being left behind in a rapidly evolving eCommerce environment.



3.

Difficulty with integration and
customization

Difficulty with integration and customization

Technology systems never operate in a vacuum. Online stores need to connect to other systems to ensure that your customer, product and sales data is processed properly and flows into your other business systems. The more flexibility around integration options, the greater your chances of success when deploying your eCommerce solution. Integration can be achieved through connectors built by third parties, or through custom development.

If you are required to do custom development to build connectors to other systems, your platform must have a well documented API (application programming interface) to achieve this. Furthermore, if you want to customize your platform with other new features, a good API is critical.

Integration Considerations

The most restrictive eCommerce platforms force retailers to operate in a silo, with no ability to communicate with internal or external systems.



- ✓ **Connecting eCommerce with internal systems.** Large retailers in particular operate complex technology environments including point of sale, inventory management, financial and CRM systems. When an eCommerce platform integrates with these systems, the retailer benefits by keeping all the data within these systems in-synch with their online store.
- ✓ **Integrating with external systems.** An eCommerce platform that seamlessly connects with third parties such as shipping, fulfillment, loyalty programs and marketing automation systems offer an enhanced shopping experience.

Custom integration is typically achieved with considerable effort, which can be costly. However, when integration efforts become exceedingly difficult due to the lack of third party connectors or lack of an API, re-platforming may be the only way to go.



Adding New Features Through Customization

It may be true that most retailers' requirements are universal. Yet each retailer's offering typically has some level of uniqueness, and the retailer's approach to its customers may also be unique. Plus, customization is rarely a one-time effort. Instead, online stores are continuously modified as retailers adapt to market demands.

If you find that customizing your eCommerce platform involves a costly or time-consuming effort, switching platforms should be considered. Thankfully, many of the modern eCommerce platforms are relatively easy to customize through an extensive API.



4.

High cost of maintenance

High cost of maintenance

Sticking with a legacy eCommerce platform might seem cost-effective at first glance. However, if you look closely it may quickly become apparent that maintaining your old platform can be expensive.

Legacy software, in theory, can be maintained indefinitely. But the maintenance costs increase steadily as the years go by:

- ✓ **Customizing legacy platforms is costly.** As customers demand new features and as competitors improve their online offerings, retailers typically find that the cost of customizing an older platform becomes excessive.
- ✓ **Older platforms are cobbled together.** The older an eCommerce platform is, the more likely it has been extensively modified and customized. The end result can trip up the customer experience while placing a brake on efficiency. In turn, customers may spend less, and the retailer faces higher transactional costs.
- ✓ **Integration becomes a headache.** The older a platform is, the more difficult and costly it becomes to integrate with more modern systems, including ERP, point of sale, CRM, inventory management and financial systems. The result is that retailers find it difficult to find competent people to integrate these systems. These integrators exist, but at a potentially higher cost than your typical eCommerce developer.
- ✓ **Scaling is difficult.** Retailers utilizing the latest eCommerce solutions running on SaaS (software as a service) platforms can easily and rapidly scale their online store to adjust to changing requirements and higher traffic volumes. Many legacy systems do not scale as easily, if at all, and will only do so at a much higher cost than a modern SaaS platform.

Clearly, the costs of supporting a legacy eCommerce platform are high. Retailers usually realize this too late before deciding to switch to a more modern eCommerce solution. Consider working with an expert to perform an in-depth technology assessment to determine if your legacy platform should be replaced or not.



5.

Security risks

Security Risks

Security risks mount. A single cyber-attack can be costly to your business. Legacy platforms are typically more vulnerable to cyber attacks because they are not running on a modern, secure technology stack.

- ✓ **End of life:** Your technology stack may have reached “end of life” from the vendor. This means it is no longer supported and no longer receiving security updates. In this case, you will need to spend a significant amount of money to upgrade your platform, and pay someone to refactor the code to mitigate these security risks.
- ✓ **Poorly managed code:** If your eCommerce platform was developed a long time ago, it may be subject to security risks such as SQL Injections due to the lack of properly developed code or through the use of out of date programming languages. While this might not seem like much, this allows hackers to easily infiltrate your eCommerce site.

Modern platforms remain up to date with regular security patches and are better equipped to handle technology enhancements that address security risks. They utilize modern programming languages and don't use old, insecure coding methods.



Most Common Website Security Vulnerabilities

1.

SQL Injections

2.

Cross Site Scripting (XSS)

3.

Broken Authentication and Session Management

4.

Insecure Direct Object References

5.

Security Misconfiguration



6.

Ease-of-use concerns

Ease of Use Concerns

The usability of your eCommerce solution can have a huge impact on your business. Ease of use concerns may exist for your customers as well as your staff.

If your eCommerce solution is not user friendly at its core, your customers will notice. For example, if your online store requires redundant steps at check out or regularly loses a shopping cart when the user navigates away, this will not cut it in an increasingly competitive eCommerce world.

Benchmark your platform against the best of breed. Anything more than an extremely minor difference in the quality of the end user experience is an indication that re-platforming is necessary.

Your platform should be user friendly to your staff

Your non-technical staff should be able to manage everyday activities with little to no help from technical experts. Your platform should allow your staff to perform a range of tasks without expert assistance, including:

- ✓ **Update product info.** You should not require a technical person to perform simple tasks such as adding products or images, or updating product information such as pricing and descriptions. If you cannot perform this function on your own without technical assistance, it's probably time to switch platforms.
- ✓ **Make minor structural changes.** A retailer's offering can change over time. Ideally, your shopping platform should adapt to business changes. Adding product lines and changing navigation elements should be easily achievable by non-technical staff. If that is not the case, then your platform is outdated and should probably be replaced.

A modern eCommerce platform allows retailers to be more agile in their operations while saving substantially by not hiring expensive technical experts to handle basic functions. If you find yourself constantly seeking expensive technical staff to manage your online store operations, it's time to make a change.



7.

Compliance issues

Compliance Issues

The eCommerce compliance landscape has changed significantly. Compliance crosses into several areas, ranging from the security of personal data (PCI compliance for payments), usability as required by the Americans with Disabilities Act (ADA) and sales tax requirements (aka "Nexus").

Compliance is not optional. The repercussions of non-compliance are severe and online stores must adapt as new laws and regulations are passed. If you are using a modern, SaaS-based eCommerce platform, many of these issues are already addressed by the platform itself. If not, then you must pay an expert to make your platform compliant.

Lack of PCI compliance is a deal breaker

- ✓ **Online Fraud:** Online fraud is an immense headache for both consumers and retailers, which is why the laws around the processing of payment data have toughened up so dramatically. For example, storing customer credit card data in your database simply means you are not compliant, are subject to fines and you can be shut down by the banks.
- ✓ **Not Optional:** Legacy eCommerce platforms may not be adaptable to full PCI compliance. If you are facing this problem, a change in platforms is inevitable because compliance is not optional.



ADA Compliance is necessary, but achievable

The American for Disabilities Act (ADA) includes the requirement to make a website accessible to user's with certain disabilities, particularly those who are blind or vision impaired. Broadly speaking, eCommerce platforms provide enough flexibility to address most ADA compliance requirements. Where compliance centers around usability or functionality, a platform can usually be made compliant by taking some straightforward steps:

- ✓ **Modify the site theme.** You can modify the website theme with the help of a good designer and web developer to address ADA requirements.
- ✓ **Purchase a new site theme.** When an eCommerce platform has an active third-party marketplace, developers can offer inexpensive theme packs to address most compliance requirements. In some cases, you might be able to utilize your own staff to install and modify the theme. In other cases, it might make sense to hire an agency to do this for you.

If your eCommerce platform is inflexible in its ability to modify the user interface, or if the user interface customization is expensive or even impossible, you may be forced to make a platform change just to pass ADA compliance hurdles.

Nexus taxation requirements affect most retailers

Nexus is a legal term that refers to "sufficient physical presence." It is a requirement for companies doing business in a state to collect and pay sales tax on purchases made in that state. In the past, it was simple to define Nexus based on a physical store location. However, eCommerce allows retailers to cross state lines without having a physical store in a particular state.

In the case of *South Dakota v. Wayfair*, the Court eliminated the physical presence rule within the Commerce Clause as the standard for creating Nexus in a jurisdiction. This means that if you are selling in a state where you do not have the physical presence of a retail store, you still may be liable for collecting and paying sales tax for purchases made in that state.

Many eCommerce platforms won't support sales tax collection out of the box. Instead, you must add a third-party solution, such as Avalara's AvaTax. If your platform has an open API, this can be integrated fairly easily by a developer. If it does not, then you are at an extreme liability, both financially and legally.



8.

Upgrading the platform is
problematic

Upgrading the platform is problematic

The platform does not have an upgrade path to the next major version

Some eCommerce platforms will break your online store when you attempt to upgrade the platform. There are many reasons for this, and any one of these reasons could force you to change platforms.



Software vendors typically have release cycles that include minor releases (eg: 1.1, 1.2 etc.) and major releases (eg: 2.0, 3.0 etc.). You may not be able to successfully upgrade to the next major release for the following reasons:

- ✓ **Minor Releases:** You have not kept up with all the minor releases before upgrading to a major release.
- ✓ **No Upgrade Path:** You may be running on such an old version of the software (eg: 1.0) that there is no viable upgrade path to the most recent version (eg: 3.0).
- ✓ **End of Life:** The version you are currently running may have already reached “end of life” and is therefore unsupported by the platform vendor.
- ✓ **On-Premise to SaaS:** You are running an on-premise version of the software and want to upgrade to a SaaS based version of the software. However, the software does not allow you to upgrade from on-premise to SaaS, causing you to start all over again.



The upgrade breaks the site and/or third-party plugins and themes

Your upgrade may complete “successfully” without generating any error messages. However, you may find that your site is not running properly after the upgrade. Here’s an example scenario:

Let’s say you are running an eCommerce site that makes use of third-party plugins and themes, and those plug-ins no longer function properly. In some cases, you might be able to upgrade the plug-ins themselves and then you will be fine. In other cases, there might not be newer versions of the plug-ins, requiring you to build or buy suitable replacements. You should be able to find a way around this issue without switching platforms, but if not then you will have to look at alternative solutions.

The vendor stops releasing updates

Your platform may no longer be supported at all. Period. End of story. The vendor is no longer in business, or they have chosen to go a different direction and is not releasing any updates. Unless you can get the source code for the platform and deal with the high costs of supporting the platform yourself, it may be time to move on.



9.

Not a SaaS based solution

Not a SaaS based solution

Software-as-a-Service (SaaS) is a method of software delivery and licensing where the software is accessed online through a subscription, rather than purchased and installed on your own physical servers.

The growing "as-a-Service" industry has proven that companies have become more sophisticated in choosing "a la carte" digital services to fit their needs. This allows businesses to scale at their own pace without a large initial investment, while still having the benefit of getting the latest and greatest that technology has to offer. It also takes away the burden of having your own physical servers and the staff required to maintain those servers. Upgrades can happen practically with a push of a button, rather than paying expensive people to support that effort.

The top eCommerce platforms offer a SaaS based solution. However, there are still a few vendors who don't offer a true SaaS based platform or as previously mentioned don't have a path to upgrade from the "on premise" version of the software to the SaaS version.

Sticking with your "on premise" solution comes at a price:

- ✓ **Resource Costs:** Resources become too costly (people, location space, hardware, certifications, bandwidth) to maintain servers in-house or at a datacenter
- ✓ **Scalability:** In-house or hosted servers may not be scalable, forcing you to be locked into whatever hardware you are using. Moving off that hardware to newer hardware could also prove to be a large effort.
- ✓ **Security Issues:** Most hosted/in house servers cannot pass PCI compliance due to lack of hardening on the server level and datacenters where they are hosted.

If you find that you are still operating in an "on premise" environment, consider the costs of staying in that environment vs. moving to a SaaS based solution. More often than not, the cost savings justify making the move.



10.

The platform uses
proprietary technology

The platform uses proprietary technology

Proprietary technology simple means that the technology is the property of the business offering the platform. At first glance, it might appear that all platforms would fall under this category. However, that is not necessarily the case.

While it's true that many platforms are owned by a company or a business (versus being "open source"), there are several factors that could make their platform so proprietary to the point where you are trapped.

- ✓ **Proprietary Language:** Some platforms lock you into their own programming language and do not use a common framework. This makes it difficult to customize the platform, as it limits the talent pool available to develop on top of the platform.
- ✓ **Payment Gateway:** A proprietary platform may also require you to use their own payment gateway so they can charge a percentage of every transaction. Do you really want to give away that much of your business every time you make a sale?
- ✓ **Point of Sale:** Some platform vendors want you to use their proprietary point of sale system to integrate your in-store sales with your online sales. This results in a "monolithic" solution where the platform vendor has a stranglehold on your business. You may want the flexibility of a more modular solution.
- ✓ **No Ecosystem:** A proprietary solution may lack the support of an ecosystem such as a user community, a partner channel or as previously mentioned a third party marketplace. In this case, you are 100% reliant on the platform vendor for support. In such cases, the vendor may only address your issues with a future release, which may not align with your business plan.
- ✓ **"One Off":** The platform may be a "one off" that was custom built for your business. In this case, you are the proprietor of that platform. While that may seem like a business advantage, you are in the costly business of maintaining technology where you could be putting your focus—and your money elsewhere.

If you are currently working with a proprietary solution, take a look at what else is available out there. Are you okay being restricted by your platform or do you want to have the flexibility to grow your business without those restrictions? If you want flexibility, it's time to make a move to a more modern platform.



Final thoughts...

Final Thoughts...

eCommerce is evolving at a rapid pace. If you want to continue attracting customers, increasing sales and improving the customer experience, your eCommerce platform must stay ahead of the latest online shopping trends. After all, your eCommerce system may very well be the lifeblood of your business.

Whether you stick with your current system or migrate to a new eCommerce platform depends on a number of factors. Weigh them carefully and also think about where you want to be a few years from now. Should you need some help performing an analysis, give us a call at (661) 295-4670 or send us an email: info@fortuitas.com.

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