



## Market Insight Report Reprint

# Adobe positions commerce as the focal point for the digital business

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During its end-of-year update, Adobe highlighted key strategies and investments, and a forward-looking roadmap for its Adobe Commerce offering into 2022 and beyond. Notable mentions include positioning its commerce capabilities at the heart of the Adobe Experience Cloud, as well as more modern architectural investments to make it a fully cloud-native, composable application.

451 Research

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## Introduction

As a growing number of customer-experience-driven businesses look to digital transformation to extend their operational agility and improve performance for business users, executing the transformation of all customer-facing systems to a digital business model is increasingly paramount. 451 Research's most recent Voice of the Enterprise: Customer Experience & Commerce, Digital Maturity survey shows that modernizing legacy front-office applications (CRM, commerce, etc.) is a top-two, stack-ranked business priority for IT-led digital transformation.

Adobe has clearly outlined its strategy of seeking to be an enabler of more incremental growth along the digital maturity curve for businesses – all with commerce at the center. As such, it has begun enmeshing its commerce capabilities with the broader Adobe Experience Cloud application ecosystem.

## THE TAKE

By positioning commerce at the heart of the Adobe Experience Cloud, the company is able to bring together its depth in content and digital assets, marketing automation, and web experience to focus on the complete digital experience. Additionally, its investments in a more modern and composable commerce architecture – microservices, API-first, cloud native, headless – are strategically important to provide the operational agility needed to meet emerging digital-experience business needs, as well as competitive pressures. This also provides a critical element of choice and flexibility to business users, allowing them to incrementally iterate on their core commerce-driven needs along the entire customer journey lifecycle.

## Details

Adobe has announced an updated strategy, positioning its commerce capabilities as Adobe Commerce on Adobe Experience Cloud. It is bringing its Commerce portfolio of capabilities to the forefront of this vision, using it as the focal point from which a business can begin – or continue on – its transformation to becoming a 'digital business.'

Adobe intends the Commerce application to be the main focal point from which a brand can run its business, supporting multiple business models. The company is investing in modernizing Commerce, and transitioning it to a headless, microservices, cloud-native and API-first application.

While business users can use Adobe Commerce for the full gamut of commerce requirements – merchandising, catalog, digital experiences – this integration with Adobe Experience Cloud opens the door for users to incrementally extend their usage to other composable Adobe applications and services, like journey orchestration or asset management.

Continuing to iterate on these capabilities will be important into the future. Our Digital Maturity survey results show that cloud-native enterprise applications are in the top stack-ranked disruptive technologies that organizations plan to invest in over the next 24 months.

Executing on this vision requires strategic investments in new architectural components, and Adobe is highlighting its shift to a cloud-native, composable commerce application. As such, all new capabilities are deployed independent of one another as cloud-native and SaaS. This includes live search, product recommendations and channel management – as well as any and all future capabilities.

This architectural shift also means these capabilities are available in a headless, API-first delivery model. Although it provides a headless architecture, Adobe does offer business users a few options for a 'head,' or storefront. It noted its PWA (progressive web app) capabilities, but that it also allows users to expose its services to deploy their own custom front end, or use it within other platforms/systems, with its API-first approach.

Adobe Commerce on Adobe Experience Cloud aims to afford commerce users greater ease of integration with the broader application ecosystem, such as Adobe Marketo Engage. Into 2022, this also means the company can deliver single authentication, identity management and a unified business-user experience across its application portfolio, including Adobe Commerce, Adobe Analytics and Adobe Experience Manager.

All of this is data-driven and intelligent, leveraging the underlying AI/ML and automation capabilities within the Adobe Experience Platform. Beyond its commerce application, Adobe is looking to refactor legacy apps to take full advantage of its cloud-native Adobe Experience Platform where relevant.

Additional notable commerce developments in 2021 included a fully integrated suite of payment capabilities built on top of PayPal, aimed at optimizing conversion and reducing friction points at the point of transaction. Via a single integration with Adobe Commerce, business users are able to access a range of payment integrations, including support of international/cross-border payments. Adobe also announced a partnership with one-click checkout startup Bolt, in an effort to help its Adobe Commerce users address friction points, cart abandonment, shopper fraud and security needs.

Notable highlights from the company's roadmap include investments in immersive, shoppable, content-led commerce experiences for both B2C and B2B businesses. This includes visual recommendations and live search packaged as composable commerce services, supported by fully headless API coverage for Adobe Commerce and front-end-as-a-service deployment models.

Additionally, Adobe continues to invest in open and extensible APIs for the Adobe Experience Cloud partner ecosystem. Our most recent Voice of the Enterprise: Customer Experience & Commerce, Vendor Selection survey shows an important correlation between vendor attribute ratings to repurchase, and how strategic a current vendor is to the organization.

For digital commerce, 'usefulness of partner ecosystem' emerged as having the greatest relative influence over how strategic a vendor is perceived to be, and the likelihood of a business repurchasing from a given commerce vendor. The extensibility of the commerce partner ecosystem will likely be an important factor in vendor selection, and thus for growth and retention into the future.

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