Extending the Modernization of Commerce to Composable Content

Marci Maddox
Research Vice President,
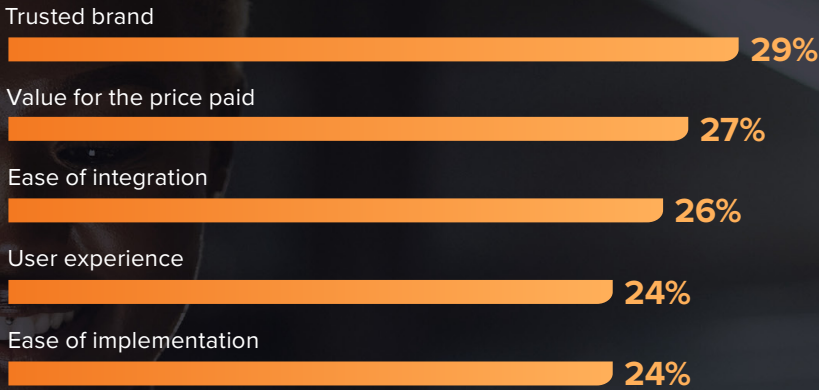Digital Experience Strategies, IDC

INTRODUCTION

The digital finish line keeps moving, and organizations clinging to outdated technology risk getting left behind. Beyond the business consequences, the digital divide has human faces: Technological shackles hinder employee creativity, and customer loyalty wanes with frustrating experiences.

SAP is supporting the evolving organization's desire to modernize its commerce stack with SAP Commerce Cloud's composable architecture; organizations can be more selective in the applications they integrate into the SAP stack. SAP has chosen to partner with Contentful, a composable content management system (CMS), as an SAP Endorsed App premium certified partner for front-end content management. IDC's research found that choosing a well-integrated cloud solution from a trusted brand is key for organizations looking to modernize their commerce—content stack.

Key Cloud Provider Attribute Preferences

When evaluating a SaaS app provider, please select the most important attributes to you.
(% of respondents)

Trusted brand
29%

Value for the price paid
27%

Ease of integration
26%

User experience
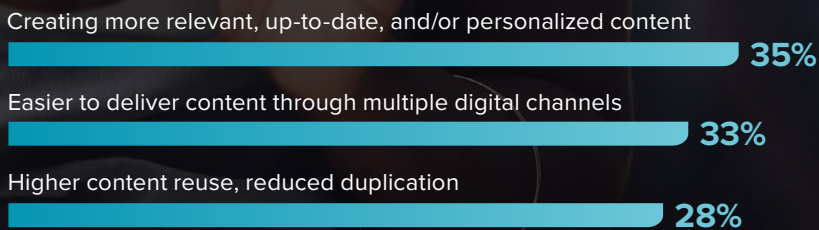**24%**

Ease of implementation
24%

n = 2,875; Source: *IDC's SaaSPath Survey,* June 2023

Investment in improving the customer experience (CX) continues to be at the top of digital business leaders' minds. According to IDC's research, 29% of organizations align customer value with delivering great CX and 46% measure customer value based on profitability through conversion. To improve enterprisewide CX and meet the company's strategic priorities, 42% of organizations are focusing on the development of scalable CX solutions and 38% are securing stakeholder buy-in across front- and back-office functions. Composability can help deliver highly relevant personalized content for CX and reduce contributors' content duplication.

Top Reasons for Adopting a Componentized CMS

What were the top 3 drivers for adoption of a componentized content management system?
(% of respondents)

Creating more relevant, up-to-date, and/or personalized content
35%

Easier to deliver content through multiple digital channels
33%

Higher content reuse, reduced duplication
28%

n = 210; Source: *IDC's State of Content Services Survey,* June 2023

SOLUTION SNAPSHOT

ORGANIZATIONAL CHALLENGES

Outdated content management systems are at a disadvantage when working in tandem with a componentized commerce system; agility is needed to reuse existing content as atomic elements when delivering agile personalized experiences.

SOLUTION

The integration of SAP Commerce Cloud and Contentful, backed by rigorous testing and certification, provides organizations with confidence in a reliable solution that supports the creation of digital experiences, scales content across commerce journeys, and addresses the challenges of legacy monolithic content management systems.

BENEFITS

Organizations can drive incremental revenue and build customer loyalty by providing consistent content across the entire marketing and commerce transaction experience.

Business Outcomes

Organizations can elevate any business model, including business-to-business, business-to-consumer, and direct-to-consumer initiatives, with SAP Commerce Cloud's composable commerce combined with Contentful's composable content management capabilities. With Contentful's visual editing experience, brands can manage the volume of day-to-day content, go to market faster with new products and services, and deliver a pleasing commerce audience experience. With SAP Commerce Cloud, all digital teams are empowered to contribute content to commerce experiences across multiple channels. IDC's research found that organizations considering an update to their CMS look for improvements in ecommerce, security, and total cost of ownership.

In addition, IDC's June 2023 *State of Content Services Survey* found that 38.1% of organizations benefited from a modernized composable CMS through increased revenue and cost savings and 37.6% achieved higher-quality customer experiences. IDC estimates that 58% of content is unnecessarily replicated (i.e., multiple people make copies for various purposes), highlighting the importance

of addressing content management challenges, utilizing data for informed decisions, and focusing on personalization and trust to build successful customer experiences. Advantages of well-integrated composable commerce and content systems include enabling teams to access one source of truth for content, breaking down content silos, and enhancing cross-functional collaboration; facilitating content experiments and supply chain optimization for improved product availability and personalized campaigns; and connecting back-end enterprise resource planning data with the commerce platform for comprehensive business insights, marketing plans, product planning, and individualized shopping experiences.

38.1% of organizations benefited from a modernized composable CMS through increased revenue and cost savings

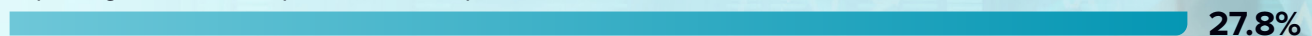**37.6% of organizations achieved higher-quality customer experiences**

Source: *IDC's State of Content Services Survey,* June 2023

Key Technical Priorities for CMS Enhancements
Which of the following are the top 3 technical priorities for enhancing your CMS?
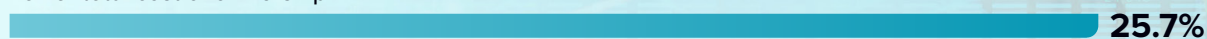(% of respondents)

Improving ecommerce capabilities/user experience
27.8%

Improving security administration and reporting
26.3%

Lower total cost of ownership
25.7%

n = 543; Source: *IDC's CMS Technology and Use Cases Survey,* June 2021

Together, SAP and Contentful allow organizations to plug their preferred solutions into the mix, streamline operations, gain more control, and empower both tech and business teams to create a more delightful experience and shopping journey for increased profitability. When customers have short attention spans and a low tolerance for bad experiences, personalized content is necessary to ensure customer loyalty. From the first customer engagement to the final click to purchase, SAP Commerce Cloud and Contentful seamlessly present content experiences across all channels using common images, language, pricing, and brand elements.

With AI/generative AI further personalizing product discovery and shopping experiences, it is no surprise that organizations look to their cloud platform providers for:

41%   **Faster access to innovative technologies**

40%   **Accelerated use of AI and automation in business**

37%   **Rapid application modernization**

Source: *IDC's Future Enterprise Resiliency and Spending Survey, Wave 5,* June 2023

One final benefit that SAP and Contentful claim is:

a 20% increase in conversion without the need for a costly replatform process.

Organizations can drive incremental revenue and build customer loyalty by providing consistent content across the entire marketing and transaction experience.

ISV Partner Profile

Contentful is a composable content platform for modern commerce and marketing. The company provides global organizations with the freedom to build digital relationships, address poor customer experiences, and eliminate common difficulties in content management.

The Contentful Composable Content Platform lets content authors build reusable content blocks for any digital experience. Teams can work together using built-in orchestration, a rich app ecosystem, and flexible extensions. For enterprise reliability, Contentful accelerates the creation of digital experiences and scales the content across commerce journeys and channels. Across its more than 4,000 customers, including many Fortune 500 companies, the company handles 7 billion application programming interface calls per month and supports over 24,000 websites.

Contentful's integration with SAP Commerce Cloud is not just claimed; it has undergone rigorous testing and received official certification from SAP itself. This provides customers with unmatched confidence and reliability. SAP prioritizes its customer needs and chooses partners based on market evaluations and competitive advantages. Selecting Contentful as an SAP Endorsed App highlights its excellence in the composable CMS landscape and the strong relationship at the sales, product, and executive levels. Both companies are fully invested in their customers' success, with both CEOs' executive commitment guaranteeing trust and support.

Challenges

Legacy, monolithic content management solutions retain a strong foothold in the web applications market. Combining the modern architecture of composable content and composable commerce elevates a technical skill level new to some organizations.

Contentful competes with other emerging headless vendors, such as Contentstack, and well-established but evolving vendors, including Adobe, that leverage large partner ecosystems for front-end design and component skills.

Although both SAP and Contentful have existing joint customers, the companies are just now beginning to talk about the combined solution as an SAP Endorsed App. In addition, the number of sales via the SAP Store is not yet significant due to Contentful's recent addition to the SAP Store as an endorsed integration in late 2023. Contentful is a new third-wave CMS solution that is not as broadly established geographically as SAP but has a strong presence in North America and is starting to expand in the Asia/Pacific region. This partnership will expose Contentful to SAP's wider geographic customer base.

Contentful's leadership in the headless composable CMS space is an asset to SAP where its content management capabilities are limited. Contentful will need to address common challenges that organizations face when moving to a new CMS,

including the reassignment of their resources to other digital initiatives; the bulk migration of content, pages, and sites; support for a potentially different cloud architecture or development platform; and the redesign of content authoring workflows.

SAP and ISV Partner Relationship

Contentful is available on the SAP Store and is a premium certified solution under the exclusive invitation-only SAP Endorsed App program, meaning that the integration undergoes testing and verification for quality. In one case study, Matthieu Houle, CIO, ALDO Group, stated, *"With SAP Commerce Cloud's approach to composability, we've been able to create our own commerce platform with solutions we need, such as Contentful, to deliver the best commerce experience to customers. SAP Commerce Cloud is the essential power to implement business agility and flexibility and, ultimately, to generate increased profitability for us."*

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> **Matthieu Houle**
> CIO, ALDO Group

SAP and Contentful target enterprise and upper-midmarket organizations to maximize their investment in SAP and accelerate their move to the cloud through SAP Commerce Cloud while avoiding a replatform scenario. The partnership allows organizations to discard their monolithic content systems, using Contentful to manage the core content and SAP Commerce Cloud to handle commerce transactions and inventory. The benefit for SAP customers is a boost in performance and conversions as brands create unique, engaging, and tailored experiences that drive higher engagement. With Contentful's user-friendly tools, even nontechnical team members can become content creators, where content reuse across channels such as websites and apps fosters efficiency and maximizes productivity. This content creation democratization empowers everyone to contribute, ultimately driving a more agile and impactful digital presence.

Companies crave competitive edge and innovation, demanding platforms that offer flexibility. Together, SAP and Contentful answer this call, empowering businesses to unleash their potential instead of being technology restricted. With SAP and Contentful, organizations accelerate content creation and communication. Speed and flexibility, which are stark contrasts to legacy systems, allow businesses to accelerate digital content development, optimize reuse, and strengthen customer relationships through their commerce journey. The SAP and Contentful partnership is a catalyst for significant change in how businesses engage with their customers through composable content and commerce applications.

About the IDC Analyst

Marci Maddox
Research Vice President,
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Marci Maddox is Research Vice President for IDC's Digital Experience Management Software program, responsible for research related to content and media assets that drive relevant, personalized, and engaging digital experiences research. Marci's core research coverage includes creative tools, web content management systems, customer communications, digital asset management, and video platform solutions. Leveraging 18 years in content and experience applications, Marci analyzes the impact that new technology entrants, such as AI and mobile, have on the way organizations create and deliver persuasive content to improve customer lifetime value and user interaction. She conducts research on a worldwide scale, including market sizing and forecasting, ROI models, case studies, multiclient studies, and thought leadership projects.

[More about Marci Maddox](#)

Message from the Partner

Contentful is an intelligent composable content platform that unlocks all of an organization's digital content to deliver impactful customer experiences.

SAP Commerce Cloud and Contentful enable businesses to power commerce experiences for web, mobile, and other preferred or emerging channels to deliver lightning-fast commerce experiences that increase conversion, eliminate silos, and empower marketing and merchandising teams to make changes in minutes. Together, they maximize a customer's investment in SAP Commerce Cloud by building a rich, integrated set of experiences without a costly replatform and generating customer loyalty through consistent, personalized content journeys that drive revenue and growth.

Learn more

See the connector

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