

Magic Quadrant for Digital Commerce

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Digital commerce platform complexity continues to increase due to constant changes in product offerings and functionality, technology delivery, and pricing models. We evaluate the viability of 13 vendors to assist application leaders supporting digital commerce in making an objective evaluation.

Strategic Planning Assumptions

By 2023, 15% of medium- to high-GMV digital commerce organizations will have deployed their own marketplaces, thereby creating a digital ecosystem on their path to digital business.

By 2023, 5% of digital consumer purchases will initiate from a voice-enabled commerce interface, including voice activation devices (e.g., Amazon Alexa, OK Google), and half of those will be authenticated entirely with biometrics.

By 2023, 80% of organizations using AI for digital commerce will achieve at least 25% improvement in customer satisfaction, revenue or cost reduction.

By 2023, three vendors will dominate digital commerce by filling a market gap with aPaaS innovations, an extensive ecosystem and rapid feature releases.

By 2023, 75% of organizations selling direct to consumers will offer subscription services, but only 20% will succeed in increasing customer retention.

Market Definition/Description

Gartner's view of the digital commerce market is focused on transformational technologies and approaches delivering on the future needs of sellers and their customers.

Gartner defines a digital commerce platform as the core technology enabling customers to purchase goods and services through an interactive and self-service experience. The platform provides necessary information for customers to make their buy decisions, and uses rules and data to present fully priced orders for payment.

The platform must have out-of-the-box capability or the APIs to support a self-service, interactive commerce experience that includes:

- Storefront

- Product catalog navigation
- Product pages
- Shopping cart
- Check-out
- Customer account

The commerce product must support, out of the box, the ability to search for a product, add products to a cart, and fully price an order inclusive of product-, customer- and order-level discounts or promotions. The commerce product must support interoperability with customer, product, content, and order functionality and data via APIs.

Magic Quadrant

Figure 1. Magic Quadrant for Digital Commerce



Source: Gartner (August 2019)

Vendor Strengths and Cautions

Adobe (Magento)

Adobe is a Leader offering Magento Commerce, which Adobe acquired in June 2018. Magento Commerce offers a single-tenant SaaS on AWS as well as software that can be deployed on-premises or hosted on private or public cloud. The offering also includes Magento Order Management (OM), Magento Shipping and Magento Business Intelligence (BI) as multitenant SaaS offerings that complement Magento Commerce. Magento Commerce is targeted at the SMB market. For enterprise customers, Adobe Commerce Cloud – based on Magento’s commerce technology – is offered as part of the Adobe Experience Cloud suite of capabilities, which includes Adobe Experience Manager (AEM), Adobe Analytics, Adobe Target and a

services-based commerce integration framework (CIF). Organizations can choose to deploy Adobe Commerce Cloud or Magento Commerce in a managed services model.

The vendor supports B2C and B2B customers in a wide range of industries, as well as B2B2C. Before its acquisition by Adobe, Magento Commerce targeted customers with GMV below \$250 million. Most of its customers are in North America and Europe, with a smaller portion in Asia and Latin America.

Note: Adobe's Magento Commerce was evaluated for this research. Adobe also offers a free commerce version targeted at small businesses, Magento Open Source, which was not included in this evaluation.

Strengths

- **Complete commerce solution:** Magento Commerce includes a native WCM module (Page Builder) in the core commerce platform, and provides additional solutions for order management, shipping, and data and analytics.
- **Application and partner ecosystem:** Magento Marketplace is a robust application exchange market that includes over 4,800 extensions to a large number of third-party commerce applications directly from the Magento admin UI, including WCM/DXP, PIM, search (product and site), CPQ, social media, reviews and ratings, marketing hub, and analytics. Magento has a large global ecosystem of technology partners, agencies, developers and SIs.
- **Adobe acquisition:** Magento Commerce was integrated with AEM prior to the acquisition. Now they are more tightly integrated, enterprises have access to a more comprehensive suite through direct integrations with Adobe solutions for marketing and analytics – filling a previous product gap in personalization and AI capabilities. Adobe's global enterprise sales organization and footprint within larger clients has resulted in an increase in enterprise deals for Magento, which has historically served mostly SMBs.

Cautions

- **SaaS offerings:** Magento Commerce is a single-tenant SaaS currently available exclusively on AWS (support for Azure is coming later in 2019) that lacks key functions such as autoscaling. As an alternative, organizations can “self-host” on any IaaS provider via an on-premises deployment – but should be aware that CloudOps tools are not available.
- **B2B functionality:** Although approximately 40% of Magento clients today use the vendor to serve B2B commerce, the platform currently lacks major B2B functions such as out-of-the-box workflow approvals, contract-specific terms and role-based spending limits.
- **Adobe-Magento integration:** While Magento Commerce uses the Adobe Experience Platform connector to access functions in Adobe Analytics and Adobe Target, AI-driven personalization and dynamic multivariate testing are not fully integrated into Magento Commerce today. Behavioral data is synchronized from Magento into Adobe Analytics, but Adobe Analytics data does not yet sync back into Magento Commerce.

BigCommerce

BigCommerce is a Niche Player offering an multitenant SaaS platform for small-, mid- and large-size businesses. It serves B2C and B2B, and continually upgrades its B2B functionality to better serve B2B clients. Most clients are generating digital commerce GMV below \$20 million from the platform.

The company is a venture-backed, late-stage-pre-IPO company. To date, it has raised \$200 million from venture/growth capital firms including General Catalyst, Revolution Partners, SoftBank, GGV Capital and Goldman Sachs.

BigCommerce is headquartered in Austin, Texas, U.S., with offices San Francisco, California, U.S., Sydney, Australia, Singapore and London, U.K.

Strengths

- **B2C commerce:** BigCommerce provides a spectrum of functionality for online sellers at an affordable TCO. It also includes seamless integration to marketplaces such as Amazon, and the ability to sell on Instagram, Facebook and so on. Prospects can test the BigCommerce solution with a free 15-day trial.
- **API-based partner ecosystem:** BigCommerce offers a diverse ecosystem partner network (with most integrations executed with “one click”), flexible APIs and webhooks designed to make building custom integrations easier. It offers unlimited API calls for mid- and large-size enterprise clients, which is unique in a digital commerce offering.
- **Technology flexibility:** Modernizing its platform architecture has led to BigCommerce decoupling the presentation layer from the commerce engine, with 90% of the platform exposed via APIs. The vendor offers a number of CMS plug-ins and connectors for WordPress, Drupal, Adobe Experience Manager, Sitecore, Bloomreach and so on, enabling it to compete with “headless” vendors. Clients can simultaneously run multiple stores across various front-end solutions from a single platform account.

Cautions

- **B2B customer management:** BigCommerce continues to build out its B2B capabilities, but still lacks natively some of the more complex customer management functionality. It doesn't natively support the ability for clients' customers to set up or manage their departments and cost centers, or create workflow for approvals, budgeting or support/subuser accounts. It also does not support clients' abilities to manage their customers' spending and available credit.
- **Sophisticated B2C functionality:** While BigCommerce supports a spectrum of general commerce functionality, it may not support clients with more sophisticated use cases requiring more advanced functionality. Examples include subscriptions, tight POS integration and DOM without additional services or customization.

- **Geographic presence:** Although BigCommerce continues to expand its functionality for global clients, its physical presence and revenue sources indicate a majority presence in the U.S. and Australia. Clients outside these countries could experience resource challenges in the areas of local sales and service support.

commercetools

Commercetools is a Visionary, having been early to market with a cloud-native, multitenant SaaS microservices-based platform. It provides two headless, API-based platforms: commercetools B2C and commercetools B2B. The B2B platform also supports B2B2C and includes selling subscriptions. It provides a PIM tool and an open-source marketplace operations add-on module. No “storefront” is provided as part of the solution, which therefore requires integration to a presentation layer to provide end-to-end digital experiences including native device apps, DXPs and custom front-ends. To facilitate custom storefront creation, commercetools has developed Sunrise, an open-source front-end framework based on Vue.js.

The vendor’s installed base represents a wide range of industries, including retail, manufacturing, wholesale, automotive, publishing, tourism, media, life sciences and agriculture. Customers are primarily based in North America and EMEA. Commercetools targets midmarket to large-enterprise customers that have GMV of \$50 million and above, though most existing customers fall within the \$50 to \$500 million range.

Commercetools was acquired by REWE Group in 2015 and is 100% owned by the large European conglomerate. The vendor is headquartered in Munich, Germany, with 10 offices spread between EMEA, the U.S. and Singapore.

Strengths

- **Partner ecosystem:** Commercetools has developed a diverse set of over 30 solution partners within its two primary operating regions. This allows customers to readily find partners in North America and EMEA.
- **Rapid development:** Commercetools is a multitenant platform running on microservices architecture (MSA). Combined with its continuous integration and continuous delivery, this enables daily releases to the platform.
- **Customer satisfaction:** Reference customers reported satisfaction with commercetools as a vendor and with its platform, scoring the platform consistently highly across business, operational and technical capabilities.

Cautions

- **Global presence:** Commercetools has limited exposure regionally in Latin American and Asia/Pacific, with none in the Middle East. Clients with extended global operations should closely examine the vendor’s presence and capabilities in all required geographies.

- **Lack of vertical solutions:** The commercetools platform has no productized vertical accelerators, so industry solutions must be built from existing components in each case.
- **Complexity:** Commercetools is not an end-to-end commerce solution; it requires an additional storefront application (such as a DXP) or resources to develop a customized storefront. Customers with mainstream commerce requirements who are looking for a single-vendor-packaged solution should look elsewhere.

Digital River

Digital River is a Niche Player based on analysis of its multitenant SaaS commerce platform, Global Commerce. We have moved it from the Leaders quadrant due to multiple factors: declining enterprise-size customers, its sunsetting the B2B commerce capabilities, and lack of investment in key technologies such as personalization and AI relative to vendors in the Leaders quadrant. Digital River limits its market opportunity with its embedded functionality for serving as the merchant of record for tenants on its commerce platform (i.e., it manages payments, tax collection, regulatory compliance and chargebacks).

The vendor's installed base comprises B2C customers, primarily in business or consumer services, high tech and IT, or manufacturing. Its customers range from smaller sellers with GMV below \$10 million to larger customers with GMV above \$100 million.

Digital River is privately owned by private equity firm, Siris Capital. The vendor's headquarters are in Minnetonka, Minnesota, U.S.

Strengths

- **End-to-end global commerce solution:** Global Commerce is a tightly integrated solution for commerce and global payments. It is especially suitable for selling digital goods, such as software accessible by download, or hardware requiring a subscription. Digital River's merchant-of-record services facilitate the sale of products on a global scale. It has established customers selling into more than 200 countries and territories.
- **Payment risk mitigation:** Customer that use Digital River's merchant-of-record services are less exposed to fraud and chargeback costs. In fact, most of its customers selected the vendor because of this unique offering, which differentiates it from other vendors in this Magic Quadrant.
- **Global payments:** Digital River has a comprehensive global payments platform to complement its digital commerce platform, which is sold separately and in which it has been investing to expand the addressable market. Such investment has included adding a landed cost calculator for displaying customs and duties at check-out, so end users can see the total cost of purchasing a product that is being shipped across borders.

Cautions

- **Market presence:** With approximately 90% of its customers generating under \$10 million in GMV, Digital River lacks significant presence among enterprise clients reporting GMV above \$100 million, especially outside the high-tech and software space. Larger companies may have difficulty finding similar reference clients.
- **Service provider ecosystem:** Digital River typically performs most of its customers' installations and customizations, and has four solution integration partners worldwide – a smaller network than most other vendors in this Magic Quadrant have. While it is working to increase the amount of services performed by party services, prospects seeking the flexibility to switch service providers or that prefer to leverage relationships with existing service providers should evaluate their provider's familiarity with Digital River.
- **Commerce technology strategy:** Enterprise customers typically use their own website technology to power the customer experience, leveraging APIs from Digital River for cart and check-out. In addition, the vendor has developed integrations to Adobe's Magento platform as well as other leading commerce technologies, indicating that customers select it for the ability to offer subscription models, international payments and merchant-of-record services rather than for core commerce functionality.

Elastic Path

Elastic Path is a Visionary due to its API-oriented architecture. It launched a single-tenant SaaS platform for AWS and Microsoft Azure, Elastic Path Commerce Cloud, in January 2019. This has feature parity with the vendor's on-premises version, Elastic Path Commerce, which can also be hosted via private cloud. The vendor also provides Elastic Path CloudOps for AWS and Azure to facilitate cloud hosting setup and continuous integration.

The vendor supports an array of business models across B2C and simple B2B use cases. It sells to companies with a wide range of GMV, from \$10 million to over \$1 billion, and has customers in verticals such as high tech, retail, manufacturing, travel, legal, education, and media and publishing. It has an increasing presence in telecom. Most of its customers are in North America and Europe.

Elastic Path is a private-venture-funded company and is headquartered in Vancouver, B.C., Canada, with offices in the U.S. and U.K.

Strengths

- **API orientation:** Elastic Path's API-based platform allows customers the flexibility to connect to a variety of channels and touchpoints. Its Cortex API is based on hypermedia, which makes API navigation and consumption easier, and contains features of API orchestration, choreography, mediation and gateway products.
- **Reference storefront:** The Elastic Path Starter Store offers a reference storefront experience for customers new to the headless platform, to make implementation more straightforward. It

also comes with a PWA experience based on the React framework, delivering a modern PWA mobile web experience.

- **Innovative customer experience:** Elastic Path's headless deployments have supported integration with not only DXPs but also innovative touchpoints such as IoT and chatbots. A much higher portion of its reference customers (compared to those of other vendors in this Magic Quadrant) said they had deployed such front-ends.

Cautions

- **Technical focus:** The vendor's focus on the API-oriented architecture requires more tech-oriented customers. Elastic Path is typically introduced by service providers for use cases involving emerging front-ends, and may be less attractive for simpler use cases. Its business UIs are not optimized with out-of-the-box features, and lack the usability of those of some competitors.
- **Application ecosystem:** Elastic Path supports integration via its Cortex API but has built few connectors for ecosystem applications. Prospects with limited technical resources may find it difficult to integrate Elastic Path Commerce with their in-house application environment.
- **Global reach:** Elastic Path generates 95% of its revenue from North America (NA) and Europe, and has offices and development teams only in NA and the U.K. Its partners are located in most regions but also tend to concentrate in NA and Europe. Clients and prospects may find limitations for certain types of support, such as sales and product development, if they are located outside those regions.

Episerver

Episerver is a Challenger with its Episerver Digital Experience Cloud offering, which includes its core digital commerce application, CMS and search, as well as four optional, ancillary application suites (Campaign, Personalization, Analytics and Social). While the core commerce platform is single-tenant PaaS, the ancillary suites are multitenant SaaS. Commerce functionality and the accompanying applications are also available as a hybrid SaaS deployment via the Microsoft Azure PaaS.

The vendor supports B2C, B2B and B2B2C customers, primarily in the manufacturing, distribution, retail and wholesale verticals. Episerver targets customers with online GMV below \$250 million.

Episerver is majority owned by the private equity firm Insight Partners, which acquired it in October 2018. The vendor has North American headquarters in Nashua, New Hampshire, U.S., European headquarters in Stockholm, Sweden, and Asia/Pacific headquarters in Sydney, Australia.

Strengths

- **Full-featured platform:** Episerver offers a suite including several modules that complement digital commerce, such as solutions for personalization, search, a DMP, A/B testing, analytics and email marketing. The platform has a unified data model for all modules.
- **Content and commerce:** Episerver offers a strong solution for companies investing in a content-rich digital experience, in addition to digital commerce. (We positioned it as a Visionary in the 2019 Magic Quadrant for Digital Experience Platforms.)
- **Lower TCO:** Episerver combines multiple applications that are typically found outside digital commerce platforms and natively integrates them in a single platform, creating cost savings for many customers. Reference customers scored Episerver above the aggregated average score of all vendors in this Magic Quadrant for their satisfaction with its value proposition.

Cautions

- **Enterprise fit:** Episerver typically sells to a client base with digital commerce GMV below \$250 million. Enterprise-size prospects may be concerned with the lack of client references of similar size.
- **Headless experience:** Despite releasing a headless API in 2018, Episerver has fewer customers running commerce in a headless fashion relative to other leading commerce platforms. Organizations interested in a commerce platform with a long history of headless implementations should evaluate Episerver's capabilities closely.
- **Microsoft centricity:** Episerver has strong connections to the Microsoft ecosystem, including leveraging a .NET architecture, running on Azure and using AI services from Microsoft. While Episerver's commerce solution can be operated in other public clouds using traditional on-premises licenses, prospects invested in other public clouds or other programming languages may wish to evaluate competing options.

Oracle

Oracle is a Leader based on it offering multiple products and modern technology. It has both on-premises (Oracle Commerce) and hybrid multitenant SaaS (Oracle Commerce Cloud) solutions. Both products use common technology and have varying degrees of integration to other Oracle products that support digital commerce. Those products include Oracle Content and Experience Cloud, Integration Cloud Service, Data Cloud, Mobile Cloud Service for Bots, Marketing Cloud, CPQ Cloud, Sales Cloud and Service Cloud.

Oracle Commerce serves B2B, B2C and B2B2C clients, with most clients' digital commerce GMV ranging from \$250 million to over \$1 billion. Oracle Commerce Cloud serves both B2B and B2C clients, with clients' digital commerce GMV ranging from \$50 million to over \$1 billion. Common industry verticals for both products include manufacturing, retail and telecom.

Oracle is publicly traded and headquartered in Redwood Shores, California, U.S., with offices worldwide.

Note: Oracle also offers NetSuite SuiteCommerce, a commerce offering for the midmarket that typically pairs with NetSuite ERP. It was not included as part of this evaluation.

Strengths

- **Offering breadth:** Oracle has multiple commerce platforms, delivery models and complementary applications to meet the needs of nearly every company size. This enables it to address a large portion of the total addressable market.
- **Commerce Cloud feature parity:** Launched in 4Q15, Oracle Commerce Cloud initially lacked feature parity with Oracle Commerce, but the vendor has made significant strides in adding functionality. B2B functionality in Oracle Commerce Cloud was significantly improved in 2018. Reference customers scored Oracle above the aggregated average score of all vendors in this Magic Quadrant for its ability to deliver planned roadmap product enhancements in a timely manner.
- **API utilization:** Oracle provides a rich set of RESTful APIs for both commerce products, allowing clients to customize the applications to meet their needs. For Oracle Commerce Cloud, these APIs are a differentiator when compared to other multitenant SaaS commerce platforms.

Cautions

- **Commerce Cloud reference customer availability:** Oracle Commerce Cloud continues to increase its number of signed contracts and implementations. However, with this number not yet meeting that of Oracle Commerce, some prospects may be challenged in finding similar client references in production.
- **Product integrations:** Although Oracle offers many applications to complement its commerce offerings, only some are natively integrated. Due diligence should be required in assessing complementary products.
- **Migration path:** Gartner clients often cite confusion about whether the newer Oracle Commerce Cloud solution will work for them and, if so, how to move to it from Oracle Commerce. Clients considering this migration should request assistance from the vendor for best-practice guides and tools for migrating as well as understanding product nuances between the two solutions.

Salesforce

Salesforce is a Leader with two distinct multitenant SaaS commerce platforms: Salesforce B2C Commerce and Salesforce B2B Commerce. The B2C solution targets retailers and manufacturers; the B2B solution (acquired in 2018 with the purchase of CloudCraze) is natively built on the Salesforce Lightning platform – a point of distinction between the two platforms.

Salesforce's 2018 acquisition of MuleSoft, a leading integration and API management platform, should be of particular interest to organizations seeking commerce platforms due to the scope

of integration typically required. Salesforce targets organizations with online GMV above \$10 million.

Salesforce is a public company with headquarters in San Francisco, California, U.S., and offices worldwide.

Strengths

- **Partner network and application ecosystem:** For B2C Commerce, Salesforce has over 100 service partners across the world that support integration and development efforts. It also has a rich application ecosystem with over 250 partner applications, such as WCM, PIM, OMS, marketing, personalization, mobility and analytics. Its B2C technology and service partners can be searched and sorted in its Commerce Cloud Partner Marketplace (formerly LINK). For B2B Commerce, the Salesforce AppExchange offers a rich array of solutions for applications built on Salesforce Lightning platform.
- **B2B strength:** Salesforce's core customers typically leverage its cloud offerings to enable B2B business models. Salesforce B2B Commerce is well positioned within that suite of B2B capabilities, with native integrations to the Sales, Service and Community Clouds. For organizations already utilizing this vendor for B2B functions and needing a commerce solution, Salesforce is a clear choice to include on their vendor shortlist.
- **Viability:** Salesforce's viability rating by Gartner is strong, based on its well-crafted and proven strategy, strong leadership, continued revenue growth, and growing profitability. The vendor continues to broaden its reach in customer appeal and product offerings. It announced a significant investment in delivering a solution initially focused on benefiting B2C relationships (Customer 360), which will enable a single view of the customer for clients. The program is in pilot and expected to be GA in late 2019.

Cautions

- **Multiple commerce platforms:** Each of Salesforce's two distinct commerce solutions is built on a different platform, and they are not currently integrated. Prospects seeking both a B2B and B2C solution on the same platform should understand what plans exist for integration, if any. Prospects seeking a B2B platform should understand that Salesforce B2B Commerce is built on Salesforce Lightning, whereas Salesforce B2C Commerce is not.
- **Integration with other Salesforce products:** While some prebuilt integrations exist for Marketing and Service Clouds (supporting common use cases), integration between Salesforce B2C Commerce and Salesforce Lightning remains limited. Likewise, Salesforce B2B Commerce is not fully integrated with CPQ. Custom development may be needed to leverage the data and rules that exist on the Salesforce platform for either of these products.
- **Headless commerce:** Although Salesforce B2C Commerce has a REST API (OCAPI), fewer customers run the platform in a headless or modular mode when compared to customers using competitor platforms. Prospects wanting to integrate Salesforce with other front-end

systems or use individual commerce components should ensure that the APIs exposed by the vendor meet their needs.

SAP

SAP is a Leader with its SAP Commerce Cloud solution (hosted on Azure), support for B2C, B2B and B2B2C, and continued growth in customers.

SAP Commerce Cloud is part of the larger SAP customer experience (CX) suite, SAP C/4HANA, which also includes Marketing Cloud, Sales Cloud, Service Cloud and Customer Data Cloud. Commerce Cloud is further extended by WMS, DOM, PIM and CSM embedded modules, and has native integrations to SAP's Leonardo, Analytics Cloud, ERP, CPQ and S/4HANA solutions.

SAP Commerce Cloud has varying degrees of presence in all verticals, with specific implementation accelerators for some industries. The majority of its clients generate GMV from \$10 million to \$1 billion.

SAP is publicly traded and headquartered in Walldorf, Germany, with offices globally.

Note: In late 2018 SAP introduced Upscale Commerce, a cloud-native, multitenant SaaS platform that shares common product and inventory data with SAP Commerce Cloud. The vendor also supports a large installed base of customers using SAP Hybris Commerce – the predecessor to SAP Commerce Cloud. Neither Upscale Commerce nor Hybris Commerce was included in this evaluation.

Strengths

- **Comprehensive product suite:** SAP Commerce Cloud includes many applications now required for commerce. It also natively integrates to all the SAP CX suite clouds as well as to traditional back-office SAP applications. This enables clients to connect customer journeys from discovery through service, and deliver more optimal customer experiences.
- **Commerce functionality:** SAP Commerce Cloud has robust functionality, especially for clients selling globally yet requiring “regional” functions. It also includes rich product content management capabilities.
- **Industry accelerators:** SAP Commerce Cloud has one of the more robust sets of industry accelerators, including for the telecom, utilities, financial services, travel and citizen engagement (i.e., government) verticals.

Cautions

- **API centricity:** While significant work has been done modernizing the legacy SAP Hybris hybrid on-premises platform into Commerce Cloud hosted on Azure, it continues to be a work in progress as it marches toward being fully cloud-native with a full set of corresponding APIs. Prospects with cloud commerce aspirations should evaluate SAP's roadmap against their own plans.

- **Cloud extensibility:** The SAP Cloud Platform Extension Factory was announced in 2018, promising a cloud-native extensibility framework and to make it easier for customers and partners to customize and extend existing SAP functionality. This continues to be a work in progress.
- **Digital access policy:** When evaluating the use of a digital commerce platform, prospects should consider vendors' digital access policies. SAP's digital access policy will translate into fees for digital access usage when clients utilize a non-SAP commerce program in conjunction with a SAP ERP program.

Shopify

Shopify is a Challenger offering its Shopify Plus multitenant SaaS commerce platform, which targets midsize enterprises or business units within large enterprises. The vendor also offers Shopify Payments, Shopify Shipping, Shopify POS and Shopify Capital to complement the commerce solution. Shopify recently acquired Handshake to expand its B2B capabilities.

The company typically targets B2C organizations in retail and manufacturing, with most clients having GMV under \$10 million. Most of its customers are in North America and Europe. Shopify has customers in about 175 countries, but the U.S., Canada, the U.K. and Australia accounted for the large majority of its customer base in 2018.

Shopify is listed on the New York Stock Exchange and headquartered in Ottawa, Ontario, Canada, with offices in Canada, the U.S., Germany and Lithuania.

Note: Shopify did not submit references or complete a vendor questionnaire. Therefore, Gartner analysis is based on previous vendor briefings and other credible and accepted public sources.

Strengths

- **Ease of use:** Shopify Plus offers no-code configuration of the store that can be managed by business users without involving the IT team. The average launch time is between three and four months. This is a key consideration for organizations whose commerce business is managed by business users.
- **TCO:** Shopify Plus has a highly competitive price that can be an order of magnitude lower than what other vendors in this Magic Quadrant charge. Its price is often negotiated, typically starting with a \$2,000 monthly fee plus payment costs. Clients not using Shopify for payments typically find additional costs associated with each sale.
- **Multichannel support:** Shopify Plus offers native integration with over 20 channels, including marketplaces and social media such as Amazon, eBay, Facebook, Instagram and Pinterest. All these channels can be managed alongside the stand-alone commerce site from the single console. The vendor also offers a mobile SDK for native app development, and Shopify POS for in-store sales.

Cautions

- **Sophisticated functionality:** While Shopify Plus allows configuration of storefront design, check-out experience, payment and shipping, it lacks both B2B support and features required in complex use cases. Examples of missing complexity include the ability to support complicated catalog structures, the sale of digital products, service bundles and DOM.
- **Back-end integration:** Shopify offers open APIs to developers but lacks prebuilt connectors to leading ERP, CRM, OMS or PIM solutions. Clients need to integrate with Shopify themselves or find a service partner.
- **Global reach:** Although Shopify has customers in about 175 countries, close to 90% of its service partners are concentrated in North America and Europe. Clients outside those regions may find it difficult to find qualified service partners.

Sitecore

Sitecore is a Niche Player providing Sitecore Experience Commerce, which bundles a commerce platform with the vendor's DXP via a native integration. This also utilizes Sitecore Experience Database (xDB), providing a customer data platform to drive personalization. Sitecore can be deployed to public (subscription-based, managed hosted) or private clouds and is also available for on-premises hosting.

Sitecore serves mostly B2C brands and retailers, but also has customers in the manufacturing, professional and scientific, and high-tech sectors. Its customers are currently found mainly in North America and EMEA, though it has a considerable client and partner base in Asia/Pacific. Sitecore targets midmarket and enterprise organizations that have GMV between \$100 million and \$1 billion.

Sitecore is a private company owned by private equity firm EQT. The company is headquartered in San Francisco, California, U.S., with offices throughout EMEA and Asia/Pacific.

Strengths

- **DXP integration:** Sitecore is primarily used for "experience driven" commerce, where a content-rich and personalized experience drives the transaction. It is suited to organizations that already have a considerable investment in Sitecore's DXP and wish to add commerce capabilities. (We positioned Sitecore as a Leader in our 2019 Magic Quadrant for Digital Experience Platforms.)
- **Acquisition of Stylelabs:** Sitecore extended its platform in late 2018 via the acquisition of Stylelabs. This provides Sitecore Experience Commerce customers a marketing resource management platform with integrated DAM and PIM capabilities.
- **Integrated customer data platform:** Sitecore Experience Commerce delivers a central customer profile, advanced targeting and analytics, and marketing automation alongside the commerce platform.

Cautions

- **Unintuitive pricing:** Sitecore Experience Commerce is priced on “visits” – a content-focused measurement stemming from the WCM roots of the company. It is not aligned to commerce KPIs such as revenue or transactions.
- **Basic search:** Surprisingly for a digital commerce platform, native search capability is basic. Sitecore recommends a third party, Coveo, for better commerce search capability, but this comes at extra cost.
- **Narrow focus:** Sitecore targets a narrow market of brands and manufacturers doing B2C selling. Its B2B capabilities trail those of many competitors at a time when many organizations are looking to service both use cases from the same platform. The vendor has, however, partnered with SmartOSC, which has developed an accelerator to provide B2B commerce functionality on top of Sitecore Experience Commerce.

Unilog

Unilog is a Niche Player offering CIMM2, which targets B2B customers but also has strong B2B2C capabilities for large franchisee or dealer networks. The platform is based on a microservices and REST API architecture and is offered as multitenant SaaS, with some clients having deployed it as single-tenant. In addition to its commerce platform, Unilog offers native WCM, PIM and event management capabilities as well as product content enrichment/data cleansing.

The vendor’s customer installed base consists primarily of organizations in manufacturing, distribution and B2B (wholesale) retail. These customers are primarily in North America, with some in EMEA and Asia/Pacific. Unilog targets customers with a wide GMV range of between \$10 million and \$1 billion, but most current customers are toward the lower end of that range.

Unilog is a privately owned company headquartered in Wayne, Pennsylvania, U.S., with offices in India and Belarus. Almost all technical staff are in India.

Strengths

- **Modern architecture:** Unilog’s architecture gives CIMM2 flexibility and agility. Reference customers scored the vendor above the aggregated average scores of all vendors in this Magic Quadrant for their satisfaction with its ease of deployment, customization and extension, and noted that most deployments were completed on time.
- **Content:** CIMM2’s integrated PIM and WCM functions enable strong catalog and taxonomy management, and the ability to support product data enrichment services for complex catalogs.
- **Value for money:** Complex B2B organizations typically find that CIMM2 meets their needs and comes with a low TCO compared to many competitors, with Unilog charging a revenue-based flat-fee subscription for the whole platform. Free POCs are supported for key prospects.

Cautions

- **Regional limitations:** Unilog remains very U.S.-centric, having few clients and no solution partners in Europe or Asia/Pacific. Prospects outside the U.S. may struggle to find suitable references or solution partners.
- **Limited partners:** Utilizing a direct sales and implementation model with direct customer management puts Unilog in a “do it all itself” position. This results in a very small partner network, which may impact prospects’ ability to find both sales and support staff as well as partners outside of the U.S. or Asia/Pacific regions.
- **Limited B2C support:** While Unilog does support B2C for some of its B2B customers, organizations that need both B2B and B2C support may need to look elsewhere for sophisticated or leading-edge B2C functionality.

VTEX

VTEX is a Niche Player offering VTEX Cloud Commerce, a multitenant SaaS platform. The vendor primarily offers a B2C solution, but has some B2B capability. Cloud Commerce includes native functionality for digital subscription management and services, an OMS, WCM, DAM, MDM for customers as well as products (aka PIM), marketplace operations, CPQ, and product comparison.

VTEX serves multiple industries, with the majority of its customers in retail and manufacturing, and located in Latin America. While it has several customers with GMV in the range of \$15 million to \$1 billion, the large majority continue to be SMBs with GMV below \$10 million.

The vendor is a private company, with 71% of its funding coming from its co-founders and key executives, 25% from Riverwood Capital, and 4% from key employees.

VTEX is headquartered in St Albans, U.K., with the majority of its offices and employees in Latin America and several offices in Europe and the U.S.

Strengths

- **Agility and velocity:** The VTEX multitenant SaaS platform enables quick time to market (historically an average of four months), while the vendor’s continuous integration and delivery model enables constant upgrades and releases for the platform. All reference customers said that their solutions were delivered on time, with 86% reporting implementation periods under six months (many under four months).
- **Satisfaction on product functionality:** All reference customers cited product functionality and performance as one of the top criteria for choosing VTEX, and would recommend the solution to others.
- **Breadth of functionality:** VTEX contains a large set of features for the end-to-end management of a digital commerce business, from DAM and PIM, a customer database, an OMS, and fulfillment. This makes the platform well suited to a midtier organization’s needs.

Cautions

- **Industry limitations:** VTEX Cloud Commerce is primarily a B2C platform that serves mainly small and midsize retail and manufacturing customers. Larger prospects and those in other industries – or that need robust B2B functionality – should do additional due diligence.
- **Sophistication of innovation:** While VTEX continuously has innovative product enhancements and releases, it falls short in its full support for the more innovative technologies, such as machine learning and the emerging channels of VPAs, VR/AR and so on.
- **Global presence:** Prospects seeking a global product and implementation may be challenged by limited support services from VTEX, as over 50% of its SI partners are in Latin America. Likewise, those seeking globalization and localization of product features for implementations in languages beyond English, Spanish and Portuguese should look elsewhere.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

Adobe (due to acquisition of Magento)

Dropped

2Checkout

Apttus

IBM (see HCL Technologies in the Honorable Mentions section)

Kibo (see the Honorable Mentions section)

Skava

Inclusion and Exclusion Criteria

The inclusion criteria represent the specific attributes that analysts believe are necessary for inclusion in this research. To have been included, vendors must have met the following inclusion criteria as defined by Gartner:

1. Vendors must offer a minimum of one digital commerce platform, actively being sold, that meets the market definition and stated functionality.
2. The digital commerce platform must support over 50 production customers.

3. The digital commerce platform must serve at least two unique vertical markets.

Vendors must meet one of the three scenarios below for new customers, revenue growth and total revenue for their digital commerce platform(s):

Scenario 1:

- Net new digital commerce platform customers during 2018 greater than: 13
- Annual recognized digital commerce software revenue in 2018 equal or greater than: \$21 million
- Growth in annual recognized digital commerce software revenue in 2018 vs. 2017 greater than: 11%

Scenario 2:

- 2018 net new customers: 6
- 2018 revenue: \$41 million
- 2017/2018 revenue growth: 11%

Scenario 3:

- 2018 net new customers: 6
- 2018 revenue: \$100 million

Inclusion Criteria Definitions

1. **Digital commerce platform product description.** A digital commerce platform is the core technology that enables customers to purchase goods and services through an interactive and self-service experience. The platform provides necessary information for customers to make their buy decisions, and uses rules and data to present fully priced orders for payment.
2. **Digital commerce platform product functionality.** The platform must have out-of-the-box capability or the APIs to support a self-service, interactive commerce experience. This must include storefront, product catalog navigation, product pages, shopping cart, check-out and customer account. The commerce product must support out the box the ability to search for a product, add products to a cart and fully price an order inclusive of product-, customer- and order-level discounts or promotions. The commerce product must support interoperability with customer, product, content, and order functionality and data via APIs.
3. **Production customers.** A production customer is an organization that:
 - Purchased the digital commerce platform

- Has a corresponding contract with the digital commerce vendor in the name of the buying organization
- Is live and transactional on the commerce platform
- Pays for the use of the digital commerce platform (i.e., one production customer equals one production contract)

Example 1: System Integrator ABC is offering a managed services contract to its customers using XYZ digital commerce software. A contract is signed between ABC and XYZ. The XYZ customer is ABC. Any customers signed by ABC using the managed services XYZ application would be ABC customers (versus XYZ customers) and would require a contract between the customer and ABC. ABC sells the XYZ managed services to Supplier TOP. A contract is made between ABC and TOP. TOP is the customer of ABC.

Example 2: Company TOPCAT signs a contract with digital commerce vendor TOPDOG. Company TOPCAT is the holding company for four brands. This deal constitutes one customer (i.e., TOPCAT), representing four logos.

4. **Vertical scope.** The digital commerce platform serves organizations with differing Standard Industrial Classifications (SICs), such as retail, manufacturing, finance, insurance, transportation and so on.
5. **Net new customers.** New and nameable customers that have signed a contract or launched their digital commerce platform over the past four quarters (2018 calendar year).
6. **Annual recognized digital commerce software revenue.** This is total revenue exclusively from the sale of licensed software, software license maintenance, SaaS or subscription services for a digital commerce platform that can be reported for a specific year according to Generally Accepted Accounting Principles (GAAP). For the purposes of this Magic Quadrant, annual recognized digital commerce revenue excludes supporting ecosystem applications (such as WCM, OM, PIM and CPQ) and services (such as implementation, customization and integration).

Honorable Mentions

Gartner currently tracks more than 90 vendors in this space. While this research identifies 13 vendors that have met our inclusion criteria, the exclusion of a vendor does not mean that the vendor and its products lack viability. There are several noteworthy vendors that did not meet all of our inclusion criteria but could be appropriate for clients, contingent on requirements. The vendors below were excluded because either they failed to meet one of the inclusion criteria and have solid products or their circumstances changed during the research process, which made it impossible to include them.

HCL Technologies

HCL Technologies closed its acquisition of IBM WebSphere Commerce on 1 July 2019, during the research period for this Magic Quadrant. Whereas IBM had met the inclusion criteria and its WebSphere Commerce v.9 product was evaluated, HCL was not evaluated. As a result, we include it here.

HCL Commerce v.9 consists of extendable architecture utilizing a comprehensive set of APIs and deployed on container technology. The commerce platform comprises a full stack of commerce technology that has been separated into several separately deployable components, including modules for metering, logging and compliance. It can be deployed on-premises or as a single-tenant, hosted managed services model. It contains the robust functionality proven in prior generations of the product, and accommodates both B2C and B2B business models on a single instance. The product serves customers with varying degrees of presence in most verticals, and is particularly prevalent in larger, more complex businesses that have GMV above \$100 million. HCL's commerce division is based in Toronto, Canada. The vendor is headquartered in Noida, India, and operates in 44 countries.

Intershop

Intershop Commerce Suite is an omnichannel platform that supports B2B, B2C and other complex operations (e.g., B2B2B, B2B2C) with different sites, shops, business models, partners and brands. It enables more-complex management of suborganizations, business units, brands, customer segments, partners and so on. The suite includes a customer experience and personalization engine, marketing and campaign tools, advanced self-service and account management for customers, A/B testing, and commerce search capabilities, as well as omnichannel OMS. While it supports customers of all sizes and with GMV up to \$12 billion, most clients have GMV between \$10 million and \$250 million. The vendor is headquartered in Jena, Germany, with offices in North America, Asia/Pacific and Europe.

Kibo

Kibo provides a multitenant SaaS solution called Kibo eCommerce, targeted at B2C retail and brand manufacturers. Recently, Kibo has built basic B2B functionality into its commerce offering to expand the scope of its capabilities within its target market.

The vendor was formed from the acquiring and merging of several companies and technologies, including MarketLive, Shopatron, Fiverun, Baynote and Mozu (acquired from Volusion), by private equity firm Vista Equity Partners. It most recently acquired Certona, boosting Kibo's relevance in the enterprise-size market, and announced a partnership with Google. The Kibo Unified Commerce Cloud includes eCommerce, Order Management, Mobile Point of Service and Certona Personalization. The majority of Kibo's business is conducted in the U.S. The vendor is headquartered in Dallas, Texas, U.S., with offices in the U.S. and the U.K.

Spryker Systems

Spryker Commerce OS fully supports B2C and B2B commerce. The solution includes over 700 decoupled modules and is delivered as software that can also be hosted on public cloud. Its

headless, API-based platform enables flexibility and a designed separation of front-end and back-end. While the vendor supports multiple industries and has clients representing all levels of GMV, it primarily serves clients in distribution, retail and wholesale with GMV between \$100 million and \$10 billion. The vendor is headquartered in Berlin, Germany, with offices in Hamburg (Germany), Amsterdam (the Netherlands) and Kharkiv (Ukraine). It operates primarily in Europe and North America.

Evaluation Criteria

Ability to Execute

Enterprises evaluating digital commerce applications have wide-ranging requirements depending on their industry, type of products sold, business and revenue model, sales strategy, geographic focus, and type of customer experience (i.e., buyer) they wish to deliver. In fact, customer experience has never been as important as it is today. Therefore, breadth of product and service functionality, overall viability, market responsiveness/record, and customer experience continue to be highly weighted criteria.

Note: The criteria weightings below remain unchanged from the previously published Magic Quadrant.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (August 2019)

Completeness of Vision

In this fast-paced digital world, change comes quickly. This makes it paramount for vendors to understand not only the emerging market, but their clients' specific needs when it comes to offering strategy and business models. Likewise, innovation is imperative. Innovative vendors that demonstrate an understanding of the market in their offering (product) strategies and

emerging business models exhibit Completeness of Vision. As a result, market understanding, offering (product) strategy, business model and innovation continue to be highly weighted criteria.

Note: The criteria weightings below remain unchanged from the previously published Magic Quadrant.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	High
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	High

Source: Gartner (August 2019)

Quadrant Descriptions

The following sections summarize the general characteristics of vendors in each of the four quadrants.

Companies seeking digital commerce platforms will be best-served by matching the functionality, industry expertise and cost of solutions offered by vendors to their requirements, irrespective of the quadrant in which the most suitable platform's vendor appears. Clients should recognize that all vendors in the Magic Quadrant meet the inclusion criteria and offer viable products.

Leaders

Leaders demonstrate the ability to:

- Provide depth and breadth of commerce functionality to include B2C and B2B.
- Deliver commerce capabilities across multiple industries and business models.

- Deliver commerce platforms that can scale up to support large transaction volumes and high levels of digital commerce GMV revenue.
- Provide sales and support services both directly and through an ecosystem of application, services and integration partners.
- Deliver additional application functionality that integrates with their core commerce platform.
- Innovate, which is typically exhibited through technology updates to commerce platforms, new products and product functionality, investments inside and outside core digital commerce platforms, and customer programs that improve their customers' ability to succeed.

Leaders also have financial, technical and organizational viability, and appear consistently on client evaluations of digital commerce vendors. They often set the competitive benchmark against which other vendors compare themselves.

Challengers

Challengers provide commerce functionality that may have a narrower scope in serving the total addressable market than those of Leaders. These vendors may focus on fewer industries, geographies, technology deployment methods or business models. These vendors are often highly respected. They invest in technology innovation that is central to their targeted markets – using their R&D resources, access to investment, profits and market reputation to either grow quickly or attract a new kind of customer.

Challengers often:

- Focus on a subset but perceived high-growth sector of the market.
- Make heavy technology investments to better meet their targeted customers.
- Have robust feature sets for the customers (i.e., buyers) they serve.

Niche Players

Niche Players address a narrow band of the market, defined by industry, digital commerce GMV, company size, region, technology capability or a combination of these. Niche Players frequently provide a cost-effective solution and often target smaller or emerging-market opportunities, or smaller end-user companies.

Niche Players often:

- Lack geographical or transactional scale.
- Attract a significantly smaller range of technology, implementation or service partners.
- Offer more narrowly focused products, focusing either on B2C or B2B but not both equally.

- Lack the financial viability of Leaders and Challengers – but meet the inclusion criteria.

Both Niche Players and Visionaries are often funded by venture capital or private equity companies, which provide the capital that enables them to invest in technology, sales and marketing resources for their continued advance.

Visionaries

Visionaries demonstrate the ability to disrupt established commerce markets through innovation. They may incorporate new technologies into their platforms, use creative pricing strategies or focus on a narrow market segment. Visionaries often win new customers quickly because they have identified an underserved niche in the market, not addressed by Leaders or Challengers.

Visionaries are often:

- Challenged to communicate their competitive advantage effectively.
- Lacking resources compared to larger companies.
- Supported by a smaller partner network.
- Fast movers.

Both Niche Players and Visionaries are often funded by venture capital or private equity companies, which provide the capital that enables them to invest in technology, sales and marketing resources for their continued advance.

Context

Our inclusion criteria for this Magic Quadrant emphasized increased annual revenue and growth in the number of vendors' customers, and took into consideration the number of production customers and vendors' overall financial performance. Our evaluation criteria emphasized the requirements for future success and assessed vendors on their journey to the future of commerce (see "Industry Vision: Commerce to You").

Buyers of digital commerce platforms are seeking ways to deploy and support a unique and compelling customer experience through their digital commerce platforms and consistently across all their supported channels. While they may pursue this goal in different ways, they all seek more flexible and nimble implementations and postimplementation extensions that enable an accelerated time to market, reduce TCO and deliver digital business outcomes. They also recognize the importance of a vendor's ability to attract and develop an ecosystem of technology and service provider partners that add value to its digital commerce platform.

Not every company's requirements are identical. We encourage clients to match their functionality, industry expertise, technology and cost requirements to the right vendor, regardless of quadrant.

Market Overview

Market Growth

The worldwide enterprise application software market is forecast to grow at a 9.4% compound annual growth rate (CAGR) in constant U.S. dollars (9% in current U.S. dollars) from 2018 through 2023. Customer experience and relationship management (CRM), of which digital commerce is part, is leading the growth and is expected to reach a CAGR of 12.6% over the same period (“Forecast: Enterprise Application Software, Worldwide, 2017-2023, 1Q19 Update”).

Gartner forecasts digital commerce platform revenue to reach a CAGR of 15.5% through 2022. The Gartner digital commerce team has seen continued growth in the number of digital commerce platform inquiries – especially in the area of B2B.

Digital commerce platform adoption is expanding. Survey results from the reference customers of the vendors included in this research (see the Evidence section) show that, of the 195 survey respondents, only 39% represented retail whereas 22% represented manufacturing and natural resources, and 19% represented services industries. (Note: Other than utilities and government, all verticals were represented across the respondents.) The size of respondents also ranged the gamut of total revenues – less than \$10 million to over \$10 billion.

Further, in the Gartner 2019 Digital Commerce Budgeting and Spending Survey, 69% of respondents reported that they expected their organization’s budgets/spend for digital commerce initiatives to increase in 2019 compared to 2018.

Deployment, Pricing and Outcomes

Among the reference customers surveyed, deployments occurred worldwide and included a wide range of supported websites. The proportions of respondents that chose each deployment method were as follows:

- Hosted (private cloud) – 27%
- Multitenant SaaS – 24%
- Hosted (public cloud) – 20%
- On-premises – 19%
- Single-tenant SaaS – 9%

The most common pricing model reported by survey respondents was flat fee, followed equally by transaction-based pricing and the one-time fee model with annual maintenance.

Overall, respondents reported satisfaction with both vendors and the TCO of their digital commerce platform. They reported these key business results with their digital commerce platforms:

- Increased digital revenues
- Improved customer experience
- Increased customer loyalty
- New customer acquisition

Commerce revenues continue to rise. Survey respondents' organizations are pumping an average of 31% of total revenues through their digital commerce platforms.

The top consideration in selecting a digital commerce platform overwhelmingly continues to be product functionality and performance. The second most important criteria for selecting a commerce platform historically has been TCO, but this year, technological innovation outranked it to reach second (albeit closely followed by TCO).

Eighty percent of respondents also stated that the digital commerce platform played a significant role in realizing the expected digital business outcomes planned from the investment.

Acronym Key and Glossary Terms

API	application programming interface
B2B	business to business (selling)
B2B	business to business (i.e., distributor, franchise, etc.) to consumer
B2C	business to consumer (selling)
B2B2C	business to business to consumer
CAGR	compound annual growth rate
CloudOps	cloud operations
CMS	content management system
CPQ	configure, price and quote
CRM	customer relationship management
DAM	digital asset management

DOM	distributed order management
DXP	digital experience platform
ecosystem	The applications and technologies used in conjunction with digital commerce platforms for purposes of improving customer experience.
ECM	enterprise content management
GMV	gross merchandise value (of products sold on a digital commerce platform)
OM	order management
OMS	order management system
marketplace	Marketplaces provide a place where merchants, branded manufacturers, retailers and consumer goods manufacturers can list and sell products.
marketplace operations	Marketplace operation applications provide the ability to create and manage online marketplaces where multiple third-party sellers can list products and interact with buyers. These applications typically manage vendor onboarding, product catalogs, order routing, order status updates and vendor compliance with marketplace regulations.
MDM	master data management
MSA	microservices architecture
PIM	product information management
POS	point of sale
product comparisons	The ability for a website to compare key attributes of similar products for easier distinction among them to assist in decision making.
PWA	progressive web apps (a new category of HTML5-enabled web app providing a mobile web experience that looks and behaves more like an app)
SEO	search engine optimization

SDK	software development kit
SI	system integrator
SMB	small or midsize business
TCO	total cost of ownership
WCM	web content management

Evidence

Surveys and Reviews

This Magic Quadrant is based on Gartner’s primary and secondary research, including but not limited to:

- The Magic Quadrant reference check — This is part of the data gathering effort to help us build on our existing knowledge of vendors in a particular market. During the kickoff of this Magic Quadrant process, all invited vendors were asked to submit references that generally represented the inclusion criteria. The vendors provided reference contact information, which we used to invite the reference to complete a 20- to 30-minute online survey. A total of 195 references from 15 vendors completed the survey.
- Gartner Peer Insights — Peer reviews were evaluated for anecdotal commentary and evaluation metrics related to operations (service and support, quality of technical support), sales experience (pricing and contract flexibility) and market responsiveness (value received). Those who made these reviews are referred to as “Gartner Peer Insights reviewers” throughout this Magic Quadrant.
- Gartner’s Digital Commerce Budgeting and Spending Survey — This was conducted via an online survey from 21 through 30 January 2019 among 52 Gartner Research Circle members. Respondents were part of organizations that have launched a digital commerce site, and had knowledge about budgeting and spending on digital commerce initiatives in their organization.

Other Sources

- “Forecast: Enterprise Application Software, Worldwide, 2017-2023, 1Q19 Update”
- Extensive data on functional capabilities and ecosystem support, customer-based demographics, financial status, pricing, and other quantitative attributes, gained via an RFI-like process engaging vendors in this market. This was administered during December 2017

and January 2018, with updates to product functionality as of 31 January 2018 as well as from similar sources collected in previous years.

- Interactive briefings and demos in which the vendors provided Gartner with insight on their product capabilities.
- Feedback about vendors and their products captured during conversations with users of Gartner's client inquiry service, based on thousands of end-user and client interactions with the digital commerce team in 2018 and January through April 2019.
- Generally available sources of information.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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