Magic Quadrant for Digital Commerce

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By Analysts Mike Lowndes, Jason Daigler, Sandy Shen, Penny Gillespie, Yanna Dharmasthira

The COVID-19 pandemic has propelled the digital commerce market to new heights by forcing organizations into adoption and vendors into new approaches and pricing models. We evaluate the viability of 15 vendors to help application leaders supporting digital commerce make informed evaluations.

Strategic Planning Assumptions

By 2022, organizations using multiple go-to-market approaches for digital commerce will outperform noncommerce organizations by 30 percentage points in sales growth.

By 2023, prices for B2C digital commerce platforms will be 30% less than in 2019, due to feature commoditization and "headless" implementations.

By 2023, organizations that have operated enterprise marketplaces for more than one year will see at least a 10% increase in digital revenue.

By 2024, 10% of digital commerce organizations will use packaged business capabilities to construct their application experiences.

Market Definition/Description

Gartner's view of the digital commerce market continues to focus on transformational technologies and technological approaches for delivering impactful solutions to clients.

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 information necessary for customers to make buying decisions. It 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 platform must support, out of the box, the ability to search for products, add products to a cart, and fully price an order inclusive of product-, customer- and order-level discounts or promotions. The commerce platform 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 2020)

Vendor Strengths and Cautions

Adobe (Magento)

Adobe (Magento) is a Leader in this Magic Quadrant; in the last iteration of this research it was also a Leader. Its commerce product, Magento Commerce, offers a single-tenant commerce platform, as well as multitenant distributed order management and commerce analytics. Operations are globally diversified, with the majority of Magento's customers being midsize businesses in a range of industry sectors and geographies. Digital commerce leaders in midsize B2C and B2B organizations seeking a robust commerce solution that can be deeply customized should consider Magento. Digital commerce leaders in large enterprises should monitor Adobe Commerce Cloud, a bundled offering that combines Adobe Experience Manager with Magento, as it improves Magento's ability to scale and deepens the integrations with Adobe's industry-leading marketing and personalization products.

Strengths

- **Global span:** Magento had one of the largest increases in new customer numbers, relative to other vendors evaluated for this Magic Quadrant. Magento has grown its market share through its extensive global solution integration partner network, its dominance of the midmarket, and its expansive reference customer base for both B2B and B2C digital commerce models.

- **Commerce scope:** Clients often choose Magento because of its expansive feature list and robust app marketplace. Magento Commerce includes a native web content management (WCM) module (Page Builder) with its commerce platform, and provides additional solutions for order management, shipping and analytics.

- **Adobe ecosystem:** Under Adobe's ownership, Magento is beginning to benefit from Adobe's ecosystem of capabilities, especially in complex B2C commerce scenarios. Adobe Experience Manager, a market-leading digital experience platform (DXP), has been bundled with the managed services offering of Magento to form Adobe Commerce Cloud. Gartner expects Adobe to continue to build its momentum by competing for digital commerce market share with a growing suite of capabilities.

Cautions

- **Cloud SaaS:** Magento Commerce is not a cloud-native application and lacks autoscaling at the time of publication of this Magic Quadrant. Magento is addressing agility requirements by expanding the application's GraphQL API coverage to enable headless commerce. However, the core single-tenant commerce application retains a monolithic architecture that can be challenging to upgrade in a cost-effective manner when extensive customizations have been made to the core codebase.

- **Enterprise-scale gross merchandise value (GMV):** Magento's roadmap highlights improvements to application performance and scalability as part of its move into the Adobe enterprise market. Organizations with sustained order volumes and high SKU counts should evaluate Magento's ability to scale.

- **Focus on Adobe:** Magento Commerce did not receive a major upgrade in 2019. Magento's focus was directed toward the Adobe Commerce Cloud launch, which included rolling out a managed services model for enterprise customers. Its roadmap is similarly focused on Adobe Commerce Cloud investments.

BigCommerce

BigCommerce is a Challenger in this Magic Quadrant; in the last iteration of this research it was a Niche Player. It offers an eponymous multitenant SaaS commerce solution on Google Cloud Platform. Traditionally focused on SMB and midmarket organizations with under $50 million in commerce GMV, BigCommerce has recently attracted customers with over $100 million in GMV, and thus shown improved ability to attract more complex customers. Its operations are substantially based in the U.S., as are most of its customers. Digital commerce leaders in small or midsize B2C and B2B organizations seeking a cloud-native multitenant commerce solution that can be extended via APIs should consider BigCommerce.

Strengths

- **Growth:** BigCommerce had strong revenue growth in 2019, compared with other vendors of similar size, and this has propelled it from the Niche Players quadrant into the Challengers quadrant. Although historically focused on the SMB market, in the past year BigCommerce has onboarded more customers in the midmarket and enterprise-scale categories, thus demonstrating an ability to handle increased complexity, including headless commerce. Additionally, BigCommerce has grown its customer base

beyond North America, by expanding its referenceable customers in Latin America, Europe and Asia/Pacific.

- **Interoperability:** BigCommerce has a foundational set of APIs to enable interoperability of its multitenant commerce platform. Additionally, BigCommerce is unique among multitenant cloud commerce vendors in that it does not throttle API calls to its platform. This improves BigCommerce's competitive advantage over Shopify, which is often shortlisted with BigCommerce.

- **Customer focus:** Gartner Peer Insights reviewers and users of Gartner's client inquiry service have given BigCommerce comparatively high ratings for responsiveness, service and support, and pricing flexibility. BigCommerce's strategy to attract more midmarket customers has built an internal culture that is focused on customer acquisition, responsive to the communications of existing and prospective customers, and willing to work on negotiated pricing to win business.

Cautions

- **Environment tooling:** Third-party tools are required for multiple-environment support, such as for development and staging — a requirement of most midmarket customers. Out of the box, BigCommerce's solution comes with a simple page preview only prior to live deployment, an approach more typically suited to small-company processes.

- **Network of system integration (SI) partners:** BigCommerce has experienced SI partners in North America, but few elsewhere. It has one of the shortest SI partner lists of vendors of comparable size.

- **Span of B2B features:** BigCommerce's B2B capability is improving, but still shows gaps when compared with B2B-focused commerce platforms. For instance, B2B customer hierarchy and approval workflow management capabilities are lacking. Additionally, the ability to operate multiple stores with subcatalogs is not available out-of-the-box, which may limit the platform's utility for some B2B commerce use cases.

commercetools

Commercetools is a Leader in this Magic Quadrant, due to growth in its customer numbers, revenue and geographical span; in the last iteration of this research it was a Visionary. Its eponymous headless commerce solution is available as multitenant SaaS on Google Cloud Platform and Amazon Web Services (AWS). It is aimed at large, complex organizations — a typical customer has over $100 million in GMV annually. Its operations are substantially based in Europe, and customers are mostly in Europe and North America, although a regional data center in Australia opened in March 2020. In October 2019, commercetools was spun off as a private firm from Germany's REWE, raising $145 million in funding from private equity firm Insight Partners. Digital commerce leaders should consider commercetools if they have deep expertise in integration technology (or the means to hire that expertise from a digitally mature solution integration partner) and need multichannel digital commerce capability.

Strengths

- **Cloud:** Commercetools' solution is cloud-native. The commerce functionality was built specifically for a cloud environment by including autoscaling and capacity provisioning. Additionally, the commerce capabilities are offered via an "as a service" model, meaning customers receive automatic updates to the core software.

- **Architecture:** All commerce capabilities are exposed through APIs and each API can be consumed independently, making commercetools' solution one of the few commerce offerings to adhere to

microservices architecture principles. This benefits users by enabling only those APIs required to meet business needs to be consumed. The architecture model also supports improved agility for delivering enhancements.

- **Industry span:** Commercetools has reference customers spanning diverse industries, such as retail, tourism, telecom, media and healthcare, and the automotive and brand manufacturer sectors. In early 2020, it launched a B2B set of APIs, which further expands its addressable market.

Cautions

- **Complexity:** Commercetools targets large and complex organizations with the technical maturity to handle complex commerce ecosystem deployments and operations. Commercetools is not recommended for organizations that lack integration experience or a mature digital commerce strategy, or that need a "test and learn" platform.

- **Ecosystem:** Commercetools does not have a commerce storefront, nor does it sell such technology, although it does offer accelerators to other front-end technologies in its marketplace. Clients must bring their own DXP, content management system, personalization engine or other components needed to deliver the final customer experience. Commercetools' solution cannot be deployed by itself to deliver the desired e-commerce customer experience.

- **SI partner tenure:** Commercetools does not have reference SI partners with over 10 implementations in any major region of the world.

Elastic Path

Elastic Path is a Visionary in this Magic Quadrant; in the last iteration of this research it was also a Visionary. Elastic Path offers a headless commerce platform called Elastic Path Commerce that is typically deployed on-premises or managed by the customer on cloud infrastructure. Elastic Path aims at large, complex organizations — a typical customer has over $50 million in online GMV annually. Its operations are based in North America and Europe, as are its customers. In January 2020, Elastic Path acquired Moltin, a vendor of a headless commerce platform with a microservices architecture.

Strengths

- **Interoperability:** Elastic Path's API-based solutions allow 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.

- **Moltin acquisition:** Moltin's platform — now renamed Elastic Path Commerce Cloud — brings a microservices technology and associated talent into the company. Elastic Path Commerce Cloud's microservices platform expands Elastic Path's addressable market by providing a SaaS-based multitenant, modular technology that enables customers to replace legacy solutions incrementally. Additionally, the acquisition improves Elastic Path's ability to compete in a market with an increasing choice of headless commerce vendors and a decreasing appetite for on-premises deployments.

- **Industry span:** Elastic Path's headless deployments have supported integration with not only DXPs but also innovative touchpoints such as Internet of Things (IoT) devices and chatbots. Compared with other vendors in this Magic Quadrant, Elastic Path has more reference customers that have deployed IoT and chatbot use cases for commerce.

Cautions

- **Complexity:** Elastic Path's focus on API-oriented architecture demands robust technology and integration. 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 therefore lack the usability of those of some competitors.

- **SaaS:** Elastic Path Commerce is typically not used by customers in a SaaS model. Not choosing SaaS can offer customers tighter control over the operation and customization of the solution, but it also means they face the cost, complexity and potential version lock-in that accompanies single-tenant ownership.

- **B2B commerce:** Elastic Path has improved its B2B capabilities, but there remain notable gaps. Its platform lacks the ability to set up and manage accounts or user-specific spending limits. It also lacks the ability to set up "line of credit" accounts.

Episerver

Episerver is a Challenger in this Magic Quadrant; in the last iteration of this research it was also a Challenger. Episerver Commerce Cloud offers single-tenant commerce functionality tightly integrated within its DXP. Episerver has operations in Europe and North America, and its customers are in Europe, North America and parts of Asia/Pacific. In December 2019, Episerver acquired Insite Software to expand its B2B commerce expertise. Digital commerce leaders should consider Episerver if their commerce volumes amount to between $50 million and $500 million in annual GMV and they require B2B and B2C commerce capabilities bundled with content management and personalization in one platform.

Strengths

- **Packaging:** Episerver offers a tightly integrated suite, including several modules that complement digital commerce, such as modules for personalization, search, A/B testing, analytics and email marketing. It also includes a customer data management platform. The overall platform has a unified data model for all modules. Bundling this breadth of functionality into one platform appeals to growing midsize organizations.

- **B2B and B2C:** Episerver's commerce solution has a substantial reference customer base for both B2B and B2C models. The product performs well, compared with those of other vendors, in terms of delivering experience-driven commerce. Episerver acquired Idio to improve its personalized content recommendations and analytics and to enhance its B2B capabilities with a BPM tool.

- **B2B investment:** The acquisition of Insite brought Episerver a team with expertise in B2B commerce, along with a strong product information management (PIM) technology that promises to strengthen Episerver's ability to compete. Insite's customer base is in North America, which will give Episerver a stronger foothold in that region.

Cautions

- **Suitability for large enterprises:** Episerver typically sells to clients with annual digital commerce GMV below $500 million. It lags in terms of market visibility and recognition by enterprises with high-volume digital commerce needs. Enterprises considering Episerver should ask to speak to a reference customer of similar size.

- **Cloud:** Historically an on-premises software application provider, Episerver now offers its commerce product on subscription and can deploy it on cloud infrastructure. However, cloud customers are

responsible for performing their own upgrades if significant changes to the application code have been made. In addition, Episerver draws on partners if managed services are required.

- **Unified commerce:** Although Episerver is good at web-centric experience delivery, its multiexperience and hybrid headless commerce capabilities are still developing in terms of covering a wide variety of channels and touchpoints across customer journeys.

Kibo

Kibo is a Niche Player in this Magic Quadrant. Its Personalized Commerce Cloud solution offers a multitenant platform focused on unified commerce for B2C retail. Kibo's operations are based in North America. Its customers are mainly in North America, with smaller numbers in Europe, Latin America and Asia/Pacific. In 2019, Kibo acquired Certona and Monetate to expand its personalization capabilities. Digital commerce leaders should consider Kibo if their annual commerce volumes are $50 million to $500 million in GMV and they require bundled point of sale (POS), commerce and personalization capabilities for the retail industry.

Strengths

- **Commerce and personalization:** Following the acquisition of Certona, personalized search and recommendations have been integrated into Kibo's commerce platform. The more recent acquisition of Monetate brings content personalization and testing capabilities. The integrated commerce and personalization capabilities are particularly applicable to B2C commerce use cases.

- **Suitability for retail:** Kibo offers a POS, available-to-promise inventory solution, a clientelling application, a distributed order management system and returns support. This suite of integrated functionality is aimed at the retail sector.

- **Integration platform:** In 2019, Kibo bundled an integration platform — a white-label version of Tray.io — with commerce technology. This improves Kibo's ability to provide the tools its customers need, given that most commerce customer experiences rely on the integration of multiple vendor offerings.

Cautions

- **Industry limitations:** Kibo's platform, being purpose-built for retail, supports only a small number of wholesale customers. The Monetate and Certona acquisitions have brought enterprise-scale customers to Kibo, but Kibo's commerce product is still used mainly by Tier 2 retailers, with few other industries represented.

- **Regional focus:** Kibo's commerce customers are almost entirely based in North America. Accordingly, Kibo has only a small list of SI partners.

- **Administration UI:** Although Kibo's recent acquisitions have been integrated into one bundled SKU for pricing, the administration UIs have not yet been consolidated.

Oracle

Oracle is a Leader in this Magic Quadrant; in the last iteration of this research it was also a Leader. Oracle CX Commerce offers a hybrid multi/single-tenant commerce platform. Oracle CX Commerce is part of Oracle's CX portfolio, which includes separate sales, marketing and service applications. Oracle's operations are global, as are its customers, albeit with a lesser presence in Asia/Pacific. In October 2019, Oracle

acquired CrowdTwist to improve its support for customer loyalty programs, although CrowdTwist's product comes at additional cost. Digital commerce leaders should consider Oracle CX Commerce if they desire strong B2B and B2C commerce capabilities in one platform or are already an Oracle customer and intend to invest further in Oracle's core technology offerings.

Strengths

- **Commerce and configure, price and quote (CPQ):** Oracle has one of the best reference clouds for self-service commerce integrated with CPQ application functionality — a reflection of Oracle's established customer base in the high-tech manufacturing and telecom sectors. In 2019, Oracle Subscription Management was launched to further enhance a B2B recurring revenue management model.

- **Pace of execution:** Oracle has implemented over 30 releases for its CX Commerce product in the past 12 months — a pace that has outstripped much of the competition. Oracle's market-leading search capabilities were further enhanced to improve personalization. A new commerce analytics dashboard is now available, and Oracle has improved integration with Oracle CX Content.

- **Breadth of offering:** Oracle has multiple commerce platforms, delivery models and complementary applications to meet the needs of companies of nearly every size. This enables it to address a large part of the addressable market, including its strong customer base for both B2B and B2C commerce models.

Cautions

- **Deployment options:** Oracle CX Commerce must be deployed on Oracle Cloud Infrastructure (OCI). Some customers resist considering Oracle CX Commerce because of this constraint.

- **Availability of reference customers:** Oracle CX Commerce has continued to increase its numbers of signed contracts and implementations. However, prospective customers with over $200 million in annual GMV may struggle to find similar customers that can provide references for the software in production environments.

- **Customer focus:** Some customers from large organizations have reported issues with still-maturing features and capabilities. Additionally, Oracle's direct sales organization has great incentive to make cloud sales and is reluctant to sell on-premises technology.

Oro

Oro is a Niche Player in this Magic Quadrant. OroCommerce, along with OroCRM, is part of OroPlatform, a commercially licensed open PHP application suite. Focused on B2B digital commerce, OroCommerce can be licensed and self-managed, or managed by Oro in a single-tenant hosted model on OroCloud. Oro's operations are based in North America and Europe, and its customers are in all major geographical regions, except Japan. Digital commerce leaders should consider Oro if they need a B2B-focused platform and desire a tightly integrated CRM system.

Strengths

- **B2B commerce and CRM:** Oro's appeal is strongest to organizations looking for both CRM and B2B commerce capabilities. OroPlatform's ability to tightly couple both ecosystem capabilities is especially appealing to midmarket organizations looking for efficiencies in relation to implementation and cost.

- **Internationalization:** OroCommerce's architecture natively supports a multistorefront paradigm, which is good for companies that sell in multiple geographies. Additionally, the administration UI is available in 30

languages.

- **Industry span:** Oro has an impressive list of customers spanning industries such as wholesale and distribution, manufacturing, healthcare, transportation and fashion. Oro's platform can support a wide range of industries owing to its suitability for multiple B2x models, including B2B, B2B2B, B2B2C, business-to-government and business-to-employee. Some customers who have chosen Oro for their B2B functionality also use it for B2C commerce.

Cautions

- **Tenure:** Oro was founded in 2012 and is among the smaller companies evaluated in this Magic Quadrant. Oro's ecosystem of partners is small, but growing, with some partners having over 10 implementations, especially in the Americas.

- **Feature gaps:** Oro lacks several out-of-the-box capabilities required for common commerce use cases, such as A/B testing and artificial intelligence (AI)-powered product recommendations. For these, Oro relies on partnerships and third-party integrations.

- **Marketplace syndication support:** OroCommerce lacks out-of-the-box support for syndicating products to external marketplaces. Nor does it support direct integration with external marketplaces in order to provide them with updates automatically when content or product information changes.

Salesforce

Salesforce is a Leader in this Magic Quadrant; in the last iteration of this research it was also a Leader. Its operations are global and most of its customers are in North America and Europe. Salesforce offers two distinct commerce platforms: Salesforce B2B Commerce and Salesforce B2C Commerce. Salesforce B2C Commerce has a history of suitability for retailers and luxury brand manufacturers, but also has reference customers in many other industry segments, including grocery and telecom. Salesforce B2B Commerce is a native Salesforce app built on Salesforce Community Cloud. Digital commerce leaders should consider Salesforce's commerce solutions if they are already a Salesforce customer, or if they require an omnichannel suite of solutions spanning sales, service, marketing and commerce.

Strengths

- **Cloud-nativeness:** Salesforce has continued to expand its share of the digital commerce market. Its background in cloud applications and its market-leading position in front-office enablement have built a formidable brand presence. As more organizations are embracing cloud applications, Salesforce's commerce applications appear frequently on consideration lists.

- **Bundled offering:** Salesforce excels at selling bundled "multicloud" solutions to enterprise-scale customers. This approach is particularly relevant to Salesforce B2B Commerce, which is built on Salesforce Community Cloud. Salesforce's strength in B2B applications, including its flagship Sales Cloud (for CRM), has underpinned the strong revenue growth of Salesforce B2B Commerce over the past 12 months.

- **Vision:** Salesforce's Customer 360 initiative envisions an open-source, common Cloud Information Model (CIM). Integrating multiple applications with different data models is one of the costliest aspects of a commerce technology implementation. Therefore, Salesforce's vision of simplifying commerce ecosystem implementations, while providing a 360-degree view of the customer, resonates strongly with existing and prospective clients.

Cautions

- **Pace of execution:** Some clients have expressed frustration at the pace of execution of Salesforce's vision, as well as confusion about which aspects of the Customer 360 initiative are available. For example, Salesforce's new order management functionality is available for Salesforce B2C Commerce only, although its product marketing shows it as a service underpinning both Salesforce B2C Commerce and Salesforce B2B Commerce.

- **B2C technology stack:** Salesforce B2C Commerce's core technology stack is over 10 years old and is not on Salesforce's native platform. Some clients have become frustrated with its merchant tool's usability in relation to personalized content and catalog customer experience agility, for example. Consequently, there are a growing number of headless implementations, most of which continue to be priced according to a revenue-sharing model.

- **B2B search:** Salesforce's B2B Commerce platform falls short of other B2B commerce platforms in its search functionality. Gartner Peer Insights reviewers and users of Gartner's client inquiry service have reported a need to integrate a separate search product to meet even basic search capabilities across the product catalog.

SAP

SAP is a Leader in this Magic Quadrant; in the last iteration of this research it was also a Leader. Its operations are global, as is its customer base. SAP's Commerce Cloud solution is deployed exclusively on Microsoft Azure infrastructure as part of a broader strategy with Microsoft to enable SAP's transition to cloud-based applications. Digital commerce leaders in large, global enterprises with complex commerce requirements should consider SAP's Commerce Cloud solution, especially for B2B commerce with product catalogs of over 100,000 SKUs, or where both B2B and B2C commerce are required on one platform. SAP also offers a new SaaS product called SAP Upscale Commerce, which is aimed at specialty retail and direct-to-consumer use cases.

Strengths

- **Geographical reach:** SAP has the most geographically distributed customer base of any vendor evaluated for this Magic Quadrant. Additionally, SAP has a robust list of SI partners, including six that have delivered 50 or more commerce implementations across the world.

- **Scale:** SAP has the largest number of customers with annual GMV of over $1 billion in commerce revenue of any vendor evaluated for this Magic Quadrant. This finding reflects SAP's targeting of large, multinational enterprise customers with complex operations, which often use SAP's flagship ERP systems.

- **PIM background:** With SAP Commerce Cloud, SAP continues to capitalize on one of the best aspects of the Hybris acquisition — the ability to manage a large, complex product catalog. Few commerce engines can handle the complexity of product catalogs that SAP Commerce Cloud can.

Cautions

- **Transition to cloud:** SAP Commerce Cloud is not fully multitenant SaaS at the time of publication of this Magic Quadrant. SAP was one of the last large commerce vendors to embrace cloud infrastructure, and accordingly its market share for digital commerce applications was comparatively flat in 2019. Whereas all new customers deploy the cloud product, a significant part of its installed base continues to run SAP Commerce on-premises.

- **Agility:** SAP Commerce Cloud is one of the most full-featured and complex commerce solutions on the market, and therefore does not enable "quick start" commerce. SAP Upscale Commerce has the potential to bring more agility to its target specialty retail and direct-to-consumer segments, but there are too few reference customers at this time to confirm whether it is yet fulfilling this potential.

- **Fragmented customer experience portfolio:** Among SAP's prospective customers, large enterprises often want to evaluate a portfolio of customer experience capabilities that includes commerce, sales, CPQ, service and marketing features. Although SAP does offer solutions for those areas, it is among the least mature and integrated providers, relative to other vendors with similar portfolios.

Shopify

Shopify is a Challenger in this Magic Quadrant; in the last iteration of this research it was also a Challenger. Shopify offers an eponymous multitenant, cloud-based commerce platform for B2C sellers. Shopify's end-to-end solution spans commerce, POS, payment and fulfillment. Its operations are based in North America, as are half its customers. In 2019, Shopify acquired 6 River Systems to expand the capabilities of its fulfillment services. Shopify has gained the attention of large organizations with Shopify Plus, which is aimed at merchants that need additional features or require access to Shopify's APIs. Although Shopify's B2C customers are mainly relatively small organizations, large retail enterprises should evaluate Shopify Plus for some B2C requirements, such as ensuring a new product line reaches the market quickly, or when testing social selling scenarios.

Shopify did not respond to requests for supplemental information, or for a review of the draft contents of this Magic Quadrant. Therefore, Gartner's analysis is based on other credible and accepted public sources.

Strengths

- **Midmarket expansion:** Shopify recorded significant growth in its Shopify Plus customer base in 2019. Shopify's share of the global digital commerce market grew faster than that of any other vendor evaluated in this Magic Quadrant. This indicates that Shopify is attracting midsize companies with over $1 million in annual GMV.

- **Ease of use:** Shopify is best used to sell finished goods that do not need sophisticated personalization or customer support. In this context, it has gained a reputation for ease of use. Its mobile-optimized storefront templates, social shopping connectors, integrated blog feature and mobile POS capability tick many boxes from a merchant's perspective.

- **App store:** Shopify has an extensive app store, one of the most substantial evaluated for this Magic Quadrant. Many apps on this store are relatively easy to install, though implementation of others requires the use of Shopify's proprietary scripting language.

Cautions

- **B2B commerce:** Although Shopify made a step toward B2B digital commerce with its acquisition of Handshake, Shopify's suitability for B2B digital commerce remains untested.

- **Geographical span:** Shopify has been investing in more localization features to expand its geographical range. However, some of its offerings — Shopify Payments, Shopify Fulfillment Network and a POS offering, for example — have limited geographical availability. Additionally, Shopify tends to attract more local design agencies than global solution integrators, which may result in patchy availability of technical resources outside the U.S. and Europe.

- **Cost transparency:** Shopify Plus is typically deployed for a negotiated multiyear term, so costs vary. Most enterprise customers find they require additional functionality not included in a basic Shopify store, such as faceted search and customer reviews, from either Shopify's app exchange or customer integrations via Shopify APIs. Additionally, customers who do not use Shopify Payments are moved to a GMV-based fee structure. Customers should not assume that Shopify Plus is always the least expensive option.

Shopware

Shopware is a Niche Player in this Magic Quadrant. Its operations are based in Europe and most of its customers are in Europe. Shopware's eponymous commerce platform is based on the PHP Symfony framework and was available exclusively as licensed software until May 2020 in which month it launched a multitenant cloud offering called Shopware Cloud. Shopware's target industry segments include B2C retail and brand manufacturers and wholesale B2B. Digital commerce leaders should consider Shopware if they are in a region with a Shopware presence and want to manage their own retail or wholesale commerce operations of under $100 million in GMV annually.

Strengths

- **Licensing flexibility:** Shopware Enterprise edition is licensed for a flat fee of €40,000. This licensing model appeals to small and midsize organizations that desire full visibility of the software's total cost of ownership (TCO), as well as a capital purchase strategy. This licensing model is becoming rare, as almost all commerce vendors have moved to subscription or transaction-based licensing. However, for organizations that prefer a subscription licensing model, Shopware does offer that as well.

- **Rule builder:** Shopware version 6 was generally available in early 2020 and represents a full rewrite, compared with version 5. The most interesting new capability is a low-code rule builder. This is a central component of the platform and enables the creation of flexible rules governing prices, shipping costs and customer segmentation, among other things.

- **Custom ecosystem:** Pickware, a company based in Germany and serving the same region as Shopware's customer base, offers a warehouse management system and a POS system specifically designed to work with Shopware. This expands the appeal of Shopware to organizations needing those abilities but wanting to avoid custom integration and data management costs, especially within Shopware's target segments of retailers and brand manufacturers.

Cautions

- **Regional reach:** Most of Shopware's customers are in Europe and more specifically the Germany, Austria and Switzerland (DACH) region. Shopware also has some customers in Asia, but very few in North America or Latin America. Customers in those regions may struggle to find reference customers or solution integrator partners.

- **Cloud capabilities:** Shopware's software is not cloud-native and therefore lacks some capabilities that cloud-deployed commerce systems have, such as autoscaling. Its multitenant cloud deployed offering — Shopware Cloud — is new as of May 2020. Additionally, most customers customize the core code, which the current cloud offering continues to allow. This is a model that many vendors are moving away from in order to make maintenance and upgrading easier.

- **Suitability for large enterprises:** Shopware is most suitable for organizations with GMV of less than $100 million annually. Reference customers with higher GMV are rare.

Spryker

Spryker is a Niche Player in this Magic Quadrant. Its operations are based in Europe and all its customers are in Europe and North America. Spryker Cloud Commerce OS is built on PHP technology and is sold as licensed software or available in a single-tenant model deployed on AWS, Azure or Google Cloud Platform. Spryker's target industry segments include B2C retail and brand manufacturing, as well as wholesale B2B. Digital commerce leaders who need a modular commerce framework for both B2B and B2C commerce models, and who are in North America or Europe, should consider Spryker.

Strengths

- **Modularity:** Spryker stands out by offering a highly modular commerce architecture composed of 800 independently deployable modules. The native modular design contributes to high scalability and the agility that many industries such as grocery, retail, brand manufacturing and distribution are now demanding.

- **Headless commerce support:** Spryker is built to support headless commerce, with comprehensive API coverage. However, most of Spryker's current customers use its native storefront, which is included in the licensing cost.

- **B2C and B2B support:** Spryker's largest industry segment is retail, and it has some native distributed order management capability bundled into its product to support split shipments, multiple warehouses and shipping methods. It has recently improved its B2B functionality with quoting, an approvals process, punchout support and B2B order orchestration. Spryker has an almost even split of B2B and B2C reference customers, and a higher-than-average number of customers who use the platform for both.

Cautions

- **Revenue model:** Spryker positions its commerce technology as a framework or basis for customization. Accordingly, it generates over 75% of its revenue from professional services, rather than software licensing, which positions it more as services company than as a product-focused company.

- **Regional focus:** Spryker has few customers in Asia/Pacific and none in Latin America. It plans to maintain its sales focus on Europe and North America.

- **Personalization:** Spryker is comparatively weak in terms of its ability to support personalization of the commerce experience. Additionally, it has few integrations with leading personalization engines or customer data platforms.

Unilog

Unilog is a Niche Player in this Magic Quadrant; in the last iteration of this research it was also a Niche Player. The majority of Unilog's operations are based in Mysore and Bangalore, India, but its customers are primarily in North America. Unilog offers a hybrid single- and multitenant, cloud-based commerce platform called CIMM2 for B2B manufacturers and distributors. Unilog's primary go-to-market strategy involves partnering with B2B industry associations in order to build robust product catalogs relevant to association members. Over half of its customers have been acquired through this strategy because assembling a high-quality customer-facing product catalog is often the costliest aspect of enabling B2B commerce. The vendor's installed base consists primarily of organizations in manufacturing, distribution and wholesale. Digital commerce leaders in B2B manufacturing, distribution and wholesale organizations should consider Unilog, especially if they belong to an industry association with which Unilog has a partnership.

Strengths

- **B2B support:** Complex B2B organizations typically find that CIMM2 meets their needs, including the requirement to support B2B2C capabilities for franchisees or dealer networks. It comes with a comparatively low TCO as Unilog charges a revenue-based flat-fee subscription for the whole platform. Free proofs of concept are offered to some prospective customers.

- **PIM and WCM:** Unilog offers native WCM, PIM and event management capabilities, as well as product content enrichment and data cleansing. 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.

- **Event management:** Unilog's base platform has an event management module that supports the registration and scheduling of events. This is unique among the commerce solutions evaluated in this Magic Quadrant.

Cautions

- **Regional focus:** Unilog remains U.S.-centric, having few clients and no solution partners in Europe or Asia/Pacific. Additionally, its focus on North America makes it less suitable for globalized commerce operations. Prospective customers 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 impair prospects' ability to find sales and support staff, as well as partners, outside the U.S. or Asia/Pacific.

- **Limited B2C support:** Although Unilog does support B2C commerce for some of its B2B customers, organizations that need only B2C commerce, or that desire both B2B and B2C support, may need to look elsewhere for sophisticated or leading-edge B2C functionality.

VTEX

VTEX has moved into the Visionaries quadrant due to its growth, unique marketplace plus commerce plus order management system (OMS) offering, and geographical expansion; in the last iteration of this research it was a Niche Player. VTEX offers an eponymous multitenant SaaS commerce platform for B2C and B2B business models. Its operations and employees are primarily in Latin America. In November 2019, VTEX secured $140 million to fund an expansion into North America, Europe and Asia, with North America the initial focus. VTEX's customer base is largely composed of B2C commerce practitioners, although VTEX has also had success in growing its enterprise customer base for B2B commerce to 20% of its platform tenants. Digital commerce leaders who need a multitenant modular commerce platform with tightly integrated commerce and marketplace platform technology and an OMS should consider VTEX.

Strengths

- **Commerce functionality and marketplace:** VTEX's marketplace platform technology is integrated with its OMS and commerce platform. This represents a clear differentiator — by comparison, when using other vendors, the launch of a marketplace often requires a separate technology integration, at substantial additional cost. Some B2C and increasingly B2B commerce strategies require marketplace platforms to grow digital revenue.

- **Breadth of functionality:** VTEX's platform contains many features for the end-to-end management of a digital commerce business, including digital asset management and PIM, a customer database, an OMS and fulfillment. This makes the platform well-suited to the needs of midsize organizations. VTEX has a growing number of complex enterprise organizations among its reference customers, especially as it expands from Latin America into North America and Europe.

- **Extensibility and modularity:** Early in 2020, VTEX launched VTEX IO, a low-code platform that enables customers to extend VTEX's capabilities or provide customizations while preserving the core multitenant code for vendor-managed upgrades. In addition, VTEX has improved the modularity of its platform — it now has approximately 20 discrete modules, which increases its agility and improves the delivery of enhancements.

Cautions

- **Industry limitations:** Although VTEX's B2B capabilities are improving, most tenants use VTEX for B2C commerce and are in the CPG, retail or manufacturing industries. Those in other industries — or that need robust B2B functionality — should perform additional due diligence.

- **Regional focus:** Prospective VTEX customers seeking a global product and implementation may struggle to find SI partners as over 50% of VTEX's SI partners are in Latin America, although its partner network is expanding, especially in North America. Additionally, the user administration console is limited to English, Portuguese and Spanish.

- **Personalization:** Commerce personalization is largely driven by machine learning and other AI intellectual property. VTEX lags behind some competitors in terms of AI investment, and its platform is comparatively weak in native personalization capabilities.

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 reflect a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

- Kibo

- Oro

- Shopware

- Spryker

Dropped

- Digital River

- Sitecore (see Honorable Mentions section)

Inclusion and Exclusion Criteria

The inclusion criteria represent the specific attributes that Gartner analysts believe are necessary for vendors to appear in this Magic Quadrant. To be included, vendors had to meet the following inclusion criteria as defined by Gartner:

- Vendors must offer a minimum of one digital commerce platform, actively being sold, that meets the market definition and stated functionality.

- The digital commerce platform must support over 50 production customers.

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

Additionally, vendors had to fulfill one of the three scenarios described below for new customers, revenue growth and total revenue for their digital commerce platform(s):

Scenario 1:

- Net new digital commerce platform customers during 2019: more than 10

- Annual recognized digital commerce software revenue in 2019: equal to or greater than $11 million

- Growth in annual recognized digital commerce software revenue from 2018 to 2019: greater than 20%

Scenario 2:

- Net new customers in 2019: six

- Revenue in 2019: $41 million

- Revenue growth from 2018 to 2019: 11%

Scenario 3:

- Net new customers in 2019: six

- Revenue in 2019: $100 million

Definitions

Digital commerce platform 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 buying decisions and uses rules and data to present fully priced orders for payment.

Digital commerce platform 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. Out of the box, the commerce platform must support 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. It must support interoperability with customer, product, content, and order functionality and data via APIs.

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 (that is, one production customer equals one production contract).

Vertical scope: The digital commerce platform serves organizations with differing Standard Industrial Classifications (SICs), such as those for the retail, manufacturing, finance, insurance and transportation sectors.

Net new customers: New and nameable customers that signed a contract or launched a digital commerce platform during 2019.

Annual recognized digital commerce software revenue: This is the total revenue generated 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 software revenue excludes revenue from supporting ecosystem applications (such as WCM, OMS, PIM and CPQ applications) and services (such as implementation, customization and integration services).

Honorable Mentions

Gartner tracks more than 90 vendors in this market. Fifteen vendors met the inclusion criteria for this Magic Quadrant, but the exclusion of a vendor does not mean that that vendor and its products lack viability. The vendors below were excluded because they either failed to meet one of the inclusion criteria or their circumstances changed during the research process, which made it impossible to include them. They may be appropriate choices, depending on requirements.

HCL Technologies

HCL Technologies completed its acquisition of IBM WebSphere Commerce on 1 July 2019. This made it difficult to validate its ability to meet the inclusion criteria for this Magic Quadrant, which require a full year (2019) of revenue and customer data. HCL's operations are global, with most of its commerce customers in North America and Europe. HCL Commerce version 9 is a single-tenant commerce platform. Most customers run licensed on-premises models, but a growing number — currently around 15% — of production installations are on cloud infrastructure. Since the acquisition, HCL has invested in augmenting the development staff devoted to HCL Commerce, and it released its first upgrade of this platform in June 2020.

HCL's roadmap features continued improvements to its commerce storefront, administration tooling, native search and performance capabilities. Additionally, HCL plans to improve the integration between Unica — a marketing technology platform also acquired from IBM — and HCL Commerce. In June 2020, HCL announced that Google Cloud Platform will be the preferred cloud platform for HCL Commerce. HCL also intends to use Google Anthos to enable multicloud and hybrid-cloud deployments of HCL Commerce.

Sitecore

Sitecore is a leading DXP vendor that offers a commerce module. It failed to fulfill the inclusion criteria due to a recategorization of how its commerce revenue is reported. However, Sitecore's commerce offering — Sitecore Experience Commerce — is still relevant, especially to existing customers of Sitecore's DXP platform.

Sitecore serves mostly B2C brands and retailers, but also has customers in the manufacturing, professional and scientific, and high-tech sectors. Its customers are found mainly in North America and EMEA, but it also has a considerable client and partner base in Asia/Pacific. Sitecore targets midmarket and enterprise organizations with its DXP, but its commerce capabilities have lagged those of other commerce platforms and been suited mainly to lower/midmarket B2C commerce use cases. In 2019, Sitecore improved the scalability and performance of its commerce module to broaden its suitability for larger organizations.

Evaluation Criteria

Ability to Execute

Enterprises evaluating digital commerce platforms have wide-ranging requirements, depending on their industry, types of product, business and revenue model, sales strategy, geographic focus, and the type of customer experience they wish to deliver. In fact, the customer experience has never been as important as it is today. Therefore, breadth of product or service functionality, overall viability, market responsiveness/record, and customer experience remain highly weighted criteria.

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	Not Rated
Customer Experience	High
Operations	Not Rated

Source: Gartner (August 2020)

Completeness of Vision

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

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	Not Rated
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Not Rated
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Medium

Source: Gartner (August 2020)

Quadrant Descriptions

Leaders

Leaders demonstrate the ability to:

- Provide a depth and breadth of commerce functionality for B2C and B2B use cases.

- 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.

- 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, typically by means of technology updates to commerce platforms, new products and product functionality, investments inside and outside core digital commerce platforms, and programs that improve customers' ability to succeed.

Leaders also have financial, technical and organizational viability, and consistently feature in Gartner clients' 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 relation to serving the total addressable market than that of Leaders. Challengers may focus on fewer industries, geographies, technology deployment methods or business models.

These vendors are often highly respected. They invest in technological innovation that is key to their target markets. They use 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 perceived high-growth sector of the market.

- Invest heavily in technology to meet the needs of their target customers.

- Have robust feature sets for the customers they serve.

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. They often win new customers quickly because they have identified an underserved niche in the market, one not addressed by Leaders or Challengers.

Visionaries often:

- Find it challenging to communicate their competitive advantage effectively.

- Lack resources, compared with larger companies.

- Have smaller partner networks.

- Act as fast movers.

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 continued progress.

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. They frequently provide cost-effective solutions. They 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 still meet the inclusion criteria.

Niche Players 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 continued progress.

Context

For this Magic Quadrant, our inclusion criteria for vendors emphasize increased annual digital commerce revenue and growth in the number of digital commerce customers. They also consider the number of production customers and vendors' overall financial performance.

The evaluation criteria emphasize the requirements for future success and assess vendors on their journey to the future of commerce (see "Industry Vision: Commerce to You").

Buyers of digital commerce platforms are looking for ways to deliver and support a unique, compelling and consistent customer experience through these platforms across all supported channels. While they may pursue this goal in different ways, they are all seeking more flexible and nimble implementations and postimplementation extensions that enable an accelerated time-to-market, reduce the TCO and deliver desirable 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.

Companies' requirements differ. We encourage clients to match their requirements for functionality, industry expertise, technology and cost to the right vendor, which may appear in any part of this Magic Quadrant.

Market Overview

Gartner forecasts that the worldwide market for enterprise application software will contract in 2020, due to the COVID-19 pandemic. However, the digital commerce segment will be less impacted, because of the surge in demand for online purchasing across all B2x business models. The customer experience and relationship management (CRM) sector, of which digital commerce is part, is forecast to achieve a CAGR of 10.9% for the period 2019 through 2024 (see "Forecast: Enterprise Application Software, Worldwide, 2018-2024, 2Q20 Update"). Gartner forecasts a CAGR of 12.9% for digital commerce platform revenue over the same period.

Since the beginning of the pandemic, Gartner's digital commerce team has seen significant growth in the number of inquiries from clients about digital commerce platforms. This growth has been especially pronounced in relation to B2B digital commerce. Client scenarios range from a complete lack of preparation — some companies had no digital commerce presence whatsoever — to growth in the use of existing digital channels so significant that it forced a reprioritization of initiatives and heavier investment in digital commerce solutions. One clear consequence of the pandemic for many companies has been a new vision for digital commerce, one that sees digital commerce as valuable not just for increasing revenue and improving customer experiences, but also for helping avoid disruption to supply chains and sales processes.

Evidence

This Magic Quadrant is based on primary and secondary research by Gartner. This included, but was not limited to:

- Gartner Peer Insights: Peer Insights reviews were evaluated for anecdotal observations and evaluation metrics related to operations (service and support, including quality of technical support), sales experience (pricing and contract flexibility) and market responsiveness (value received). The clients who made these reviews are referred to as "Gartner Peer Insights reviewers" in this Magic Quadrant.

- Other sources:

  - ["Forecast: Enterprise Application Software, Worldwide, 2018-2024, 2Q20 Update."](#)

  - Interactive briefings and demos in which the vendors provided Gartner with insights into their products' capabilities.

  - Feedback about vendors and their products captured during thousands of conversations and interactions with users of Gartner's client inquiry service in 2019 and the first five months of 2020.

  - 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.