

Magic Quadrant for Digital Commerce

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Investments in digital commerce continue to grow as companies adapt to new business models and sales processes prompted by the COVID-19 pandemic. This research evaluates the viability of 17 digital commerce platform vendors to help application leaders make informed decisions.

Strategic Planning Assumptions

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, 15% of B2B organizations will use digital commerce platforms to support both its customers and sales reps in all sales activities.

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

By 2024, subscriptions will contribute to 20% of revenue growth for digital commerce organizations.

By 2024, leading commerce organizations will generate 10% of online revenue from services attached to physical products.

Market Definition/Description

Gartner’s view of the digital commerce market continues to focus on transformational technologies that help organizations deliver great buying experiences for their customers.

Gartner defines the digital commerce platform as 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 buying decisions, and uses rules and data to present fully priced orders for payment.

The platform must have out-of-the-box (OOTB) capability or the APIs to support a self-service, interactive commerce experience that includes storefront, product catalog navigation, product pages, shopping cart, check-out, and customer account. The commerce product must support OOTB ability to search for a product, add products to a cart, and fully price an order inclusive of product-level, customer-level and order-level discounts or promotions. The commerce platform must support interoperability with customer data, product data, content and order functionality, either natively, via APIs or both.

Several vendors covered in this research are evolving to become more modular, API-first solutions. For explanations and definitions of modular commerce, composable commerce and API-based digital commerce, see [Hype Cycle for Digital Commerce, 2021](#).

Magic Quadrant

Figure 1: Magic Quadrant for Digital Commerce



Source: Gartner (August 2021)

Vendor Strengths and Cautions

Adobe

Adobe is a Leader in this Magic Quadrant. Adobe Commerce, previously known as Magento Commerce, can be deployed via Adobe managed services on Amazon Web Services (AWS) or Microsoft Azure, or deployed on-premises. Adobe Commerce has an established presence in all major geographies, and is also well-represented in a wide range of industries. The majority of its clients have annual gross merchandise values (GMVs) of less than \$50 million, although it does have clients generating more than \$1 billion on the platform. Midsize organizations seeking a robust commerce solution that can be deeply customized should consider Adobe Commerce. Large global organizations using other Adobe products should consider Adobe Commerce due to its ability to better leverage the digital marketing assets and insights of the Adobe suite.

Strengths

- **Global reach:** Adobe has the most diverse geographic presence of all the vendors evaluated in this Magic Quadrant. It also has the largest number of service partners spread across all major markets, making it easier for organizations to find partners in their local markets.
- **OOTB functionality:** Adobe has comprehensive OOTB functionality that can fulfill requirements from basic to medium levels of complexity. It supports multiple user roles, multistores, catalog management, marketplace integration, promotions and discounts, language, and currencies, all with good granular control. It has a native content management system (CMS; Page Builder) and Progressive Web Application (PWA) Studio with reference storefront.
- **Admin UI:** Adobe has a modern and intuitive UI that can be configured based on user role. It supports multiple import mechanisms for product data, and can integrate with multiple data sources and analytics tools, making it easy for admins to focus on outcomes.

Cautions

- **Composable vision:** While Adobe supports API-first deployment and some new functions such as product recommendations and Amazon integration, which are launched as individual modules, the core commerce platform remains a monolith.
- **Release cadence and version adoption:** Adobe only had one major release to the core commerce platform in 2020, the lowest of all vendors evaluated in this Magic Quadrant. Many clients are running one or more versions behind the latest release.
- **Scalability:** The product doesn't yet support autoscaling, although Adobe actively monitors volume to ensure availability. The maximum transaction throughput (orders per second) is lower than what was reported by near competitors. High-volume businesses should run their own tests or seek references to confirm that Adobe can meet their needs.

BigCommerce

BigCommerce is a Challenger in this Magic Quadrant. BigCommerce offers an eponymous multitenant SaaS commerce solution on Google Cloud Platform. Traditionally focused on small and midsize business (SMB) and midmarket organizations with under \$50 million in commerce GMV, BigCommerce also has a few customers with over \$100 million in GMV. Its operations are substantially based in the U.S., as are most of its customers, but BigCommerce has steadily grown its customer base in EMEA and the Asia/Pacific region. 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. BigCommerce had an initial public offering in August 2020.

Strengths

- **Interoperability and modularity:** BigCommerce provides extensive API coverage (with unlimited API calls). This allows customers to build custom storefronts and extensions without affecting any other capabilities. These services (such as storefront or catalog services, among many others) are not priced individually, but are part of the overall offering and also independently deployable.
- **Prebuilt integrations:** In addition to having prebuilt connectors for leading CMSs, digital experience platforms, custom front-end frameworks and progressive web applications, BigCommerce has added more than 20 payment integrations, single-click check-out with Bolt Commerce and a check-out capability on Instagram.
- **Page Builder:** BigCommerce has over 100 themes (including paid) with the ability to build customer widgets using low-code tooling. The Page Builder tool is easy to use, and the workflow to create, preview and publish pages is very quick.

Cautions

- **Midmarket focus:** BigCommerce's customers are primarily in the SMB market, and the platform doesn't have many proven enterprise deployments. BigCommerce only has a small number of customers with a GMV over \$50 million. Large/enterprise companies will need to ask for reference customers that suit their use cases.
- **Search and personalization:** BigCommerce comes with a basic search engine and personalization, as compared to other digital commerce platforms evaluated in this research. Customers with advanced requirements will need a third-party application or integration.
- **Limited B2B offering:** Although BigCommerce has now included B2B as part of its product stack, the capabilities are fairly basic and will still struggle to attract enterprise-level B2B clients. Even with the current offering, customers will need to integrate with other third-party applications to meet some B2B use cases. Some missing capabilities include the ability to set up configurable products and account-based navigation.

commercetools

Commercetools is a Leader in this Magic Quadrant. Commercetools is a multitenant SaaS offering available on Google Cloud Platform and AWS. It is an API-first platform behind other front-end technologies. It has a strong presence in Europe and North America and is expanding in the Asia/Pacific region, with more cloud infrastructure planned there in 2021. It has a wide industry span with a presence in almost all verticals, including retail, manufacturing, wholesale, telecom and life sciences. It targets large global organizations, with a good portion of its customers transacting over \$250 million in annual GMV. Large organizations with complex requirements, and strong technical skills and governance, should consider commercetools.

Strengths

- **Architecture:** Commercetools offers an API-first, cloud-native and modular architecture that autoscales and is continuously enhanced. It doesn't include a front end, but offers a reference application (SUNRISE), several SDKs and GraphQL for clients that want a quick start. The modular architecture allows for frequent releases at the rate of a few times per day, which are transparently deployed to production.
- **Global presence:** While commercetools has a strong presence in Europe and North America, it is expanding in the Asia/Pacific region and Latin America, with a growing number of customers and revenue.
- **Industry span:** The vendor is well-represented in almost every industry, including retail, manufacturing, wholesale, telecom, life sciences, energy and high tech.

Cautions

- **Complexity:** Due to the nature of the API-first and modular architecture, organizations need to integrate multiple applications from multiple vendors to deliver a rich commerce experience. Commercetools' OOTB functions vary in sophistication, and organizations must understand where the native functions are good enough versus when third-party applications may be required, such as for advanced search, order management system (OMS), personalization and analytics.
- **System integrator network:** While commercetools almost doubled its number of service partners in 2020, the majority is based in Europe and North America. The number of partners with more than 10 implementations is very low, and almost half have only single-digit implementations.
- **Innovation:** While commercetools has a modern architecture, the competition is quickly catching up, and it is increasingly difficult to maintain a leadership position purely based on the architecture. Commercetools needs more innovations in the product offering to stay ahead.

Elastic Path

Elastic Path is a Visionary in this Magic Quadrant. Elastic Path offers two commerce products: Elastic Path Commerce and Elastic Path Commerce Cloud. Elastic Path Commerce is purpose-built for telecom and regulated industries and is available to be self-hosted by customers, either on-premises or in a private cloud environment. Elastic Path Commerce Cloud, from the acquisition of Moltin, is a multitenant SaaS offering. Elastic Path primarily focuses on North America and Europe. The vendor is represented in many verticals such as retail, manufacturing, life sciences and telecom. Many clients are on Elastic Path Commerce, and have an annual GMV of over \$100 million, with a few over \$1 billion. Midsize to large organizations with unique digital commerce requirements and tech stack, and those that want to quickly innovate by taking advantage of the modular platform, should consider Elastic Path.

Strengths

- **Architecture:** Both Elastic Path Commerce Cloud and Elastic Path Commerce are built for API-first implementations, and Elastic Path Commerce Cloud is built with a cloud-native and modular architecture, which enables frequent releases, effortless customer upgrades and scalability.
- **Extensibility:** Elastic Path offers an application hub (the Composable Commerce Hub) that includes preintegrated applications, reference experiences and extensions. Preintegrated apps are embedded in the commerce platform, so customers can easily select and swap between services. The hub facilitates integrations with ecosystem applications.
- **Industry span:** Elastic Path is represented in a good mix of industries, including retail, brand manufacturing, life sciences, telecom, business services and education.

Cautions

- **Execution:** Elastic Path had much slower customer growth compared to the competition, and its network of service partners barely changed from the year before. Since the acquisition of Moltin's technology in January 2020, Elastic Path Commerce Cloud still has a gap to fill to achieve feature parity with Elastic Path Commerce, and has not migrated many customers from Elastic Path Commerce.
- **Product positioning:** Elastic Path Commerce Cloud is positioned as the cutting-edge product due to its modular, API-first, cloud-native architecture, and the vendor uses this messaging often in its overall marketing. Yet most customers are still on Elastic Path Commerce, which contributes the most to Elastic Path's revenue.
- **OOTB functionality:** Compared to the competition, Elastic Path Commerce Cloud has fewer OOTB user roles and configuration options, promotions, and discounts, and the analytics dashboard is barely usable. It also lacks key B2B functions such as workflows and organizational hierarchy.

HCL Software

HCL Software is a Niche Player in this Magic Quadrant. It is a new entrant with its HCL Commerce platform, although the product was acquired from IBM in 2019 and last appeared in this Magic Quadrant in 2018. HCL Commerce is a single-tenant hosted platform, either managed by HCL or by the client. HCL's customers are primarily large or enterprise companies in North America and Europe, across a wide range of industries. Digital commerce leaders should consider HCL if they need a B2B or B2C platform that can scale for high-traffic and transaction volumes.

Strengths

- **Multiple cloud options:** Customers can deploy HCL Commerce on-premises, have HCL manage the deployment or leverage a partner for hosting. The platform leverages Docker container technology and, while Google Cloud Platform is the preferred hosting partner, the platform can also be hosted on AWS, Azure or IBM Cloud.
- **Native content capabilities:** HCL offers native content management and digital asset management capabilities included in the commerce offering, making it an all-in-one solution for commerce teams.
- **Promotion engine:** HCL demonstrated one of the more robust promotion engines of all the vendors in this research, showcasing many OOTB templates, along with the ability to offer category-specific promotions, free gifts and stacking options, and the ability to target specific customer segments.

Cautions

- **Customer growth:** HCL suffered a drop in customers on the platform after acquiring it from IBM and, although the number of customers is now trending in the right direction, the growth rate is not as high as most other vendors evaluated in this Magic Quadrant.
- **Customers on the latest version:** Less than 20% of HCL's customers are on version 9 or higher of its platform (version 9.1.5 is the latest version). Prospects may find difficulty in identifying reference customers or solution integrators with experience implementing the latest version of HCL Commerce.
- **Lack of modularity:** Although HCL has begun efforts to decouple individual components from the platform (such as search), increasing modularity in the core commerce platform is on HCL's roadmap. Other vendors in this research that are more focused on composability have outpaced HCL in this regard.

Intershop

Intershop is a Niche Player in this Magic Quadrant. Intershop's digital commerce platform is available as a single-tenant hosted or multitenant SaaS offering. The vendor's customers are primarily based in Europe, across retail, manufacturing and wholesalers, with more than 80% of its customers

transacting over \$50 million in GMV on the platform. Organizations should consider Intershop if they need a B2B or B2C platform that can scale for high-traffic and transaction volumes.

Strengths

- **B2B capabilities:** Intershop has made significant updates to its B2B functionality, which is reflected in its recent B2B customer wins.
- **Ecosystem offering:** Intershop offers several prebuilt integrations for leading product information management (PIM); ERP; configure, price and quote (CPQ); and CRM applications. This helps its digital commerce platform fit into most technical ecosystems already in place for midsize, large or enterprise clients.
- **PWA improvements:** Intershop provides an Angular-based PWA accelerator kit. It can be used as a template to build a storefront on RESTful APIs or as a stand-alone product within a front-end-as-a-service concept.

Cautions

- **Lack of composability:** Although Intershop has made many upgrades to its overall platform architecture (specifically with extensions to its RESTful APIs), it still has a common data layer across all modules that does not support composable attributes such as independent deployment of capabilities.
- **Geographic presence:** Almost all of Intershop's revenue is generated from clients in the EMEA region, with only a small client base in North America. Companies may have difficulty finding solution integration resources outside EMEA.
- **Administrator UI usability:** The business-user-facing admin UI is not as intuitive, compared to other offerings evaluated in this research. Business users may need more training to become comfortable with navigation and task execution.

Kibo

Kibo is a Niche Player in this Magic Quadrant. Kibo offers deployment options for both single-tenant and multitenant SaaS, a reporting dashboard (via Looker), and an integration platform (via Tray.io) free for all customers. Kibo's primary area of growth remains B2C retail, with the majority of its customers based in North America. Digital commerce leaders should consider Kibo if they are looking for a unified commerce solution to connect digital and physical experiences with native personalization capabilities.

Strengths

- **Search and personalization:** This is Kibo's strongest capability — enable product and content recommendations, create product collections, and offer the ability to boost/bury search results

natively within its digital commerce platform. Although not all personalization capabilities are free of cost, Kibo does provide some core features that still make this a differentiator for the vendor.

- **Storefront setup:** For customers that choose to use Kibo's native storefront, the platform provides strong functionality to quickly set up, preview and publish a storefront or individual pages. Kibo also provides the ability to preview a storefront for a specific future date, which is a critical capability for retailers preparing for marketing campaigns.
- **Unified, yet modular:** The solutions that make up the Kibo platform are natively unified – with centralized data, centralized services and a central API – although each solution may be utilized as a stand-alone module. This enables merchants to implement only the solutions they need, while providing the flexibility to add (and pay for) additional modules as business needs arise.

Cautions

- **Geographic presence and indirect go-to-market model:** Kibo's geographic coverage is mainly focused on North America, and solution integration resources are primarily in North America as well. However, the vendor has expanded its customer base in EMEA, and added more system integrators (as well as sales and marketing partners) in the region. Kibo's expansion strategy is indirect, or can be led by partners or system integrators. Yet Kibo still has a relatively smaller number of system integrator partners compared to other vendors in this research.
- **Industry limitations:** Kibo's growth (and existing customer base) is heavily skewed toward the B2C retail industry, including many customers that were acquired through the Certona and Monetate acquisitions.
- **Prebuilt connectors:** Kibo has fairly limited OOTB, prebuilt point-to-point connectors within its core commerce platform, and usually encourages its customers (or system integrator partners) to use its free low-code application tray.io to build workflows and configure the available set of connectors during the implementation cycle.

Optimizely

Optimizely is a Challenger in this Magic Quadrant. Optimizely Commerce Cloud for B2C is a hybrid PaaS/SaaS solution, and Optimizely Commerce Cloud for B2B is single-tenant SaaS, while other components such as search, testing and analytics are SaaS. Optimizely customers are primarily in EMEA and North America, and primarily midmarket and smaller enterprises (\$50 million to \$500 million GMV) across a broad set of verticals. The vendor previously provided B2C and B2B commerce on the same platform, but since Episerver acquired Insite Software in 2019, the company has offered two separate products for these use cases. In 2020, Episerver acquired Optimizely, and subsequently rebranded from Episerver to Optimizely. In March 2021, Optimizely acquired Zaius, a customer data platform (CDP).

Strengths

- **Breadth of capability:** Optimizely offers a one-stop shop for B2C digital commerce, including several modules that complement the core, such as personalization, search, A/B testing, PIM, analytics, CDP and email marketing. Bundling this breadth of functionality into one platform appeals to growing midsize organizations.
- **Clear pricing:** Optimizely's pricing is refreshingly transparent for both products compared to most competitors, providing a tiered pricing model based on transactions, with three service levels. It is also presented as a modular platform with the ability to purchase add-on modules from the Optimizely suite.
- **Cloud platform:** Although it could be seen as a caution to be limited to a single public cloud vendor, Optimizely's focus on Azure has paid off, utilizing some core capabilities of the Azure iPaaS to provide the benefits of its scalable infrastructure and operational management to Optimizely customers.

Cautions

- **B2C and B2B:** Optimizely B2B and B2C commerce are now separate platforms. Previously, heritage Episerver was sold into both use cases. The B2B platform, formerly Insite, is not integrated into the heritage Episerver DXP, and has separate content management tools. Customers wishing to conduct both B2B and B2C commerce with Optimizely should be aware that this may require using two platforms.
- **PaaS, not SaaS:** Although Optimizely Commerce Cloud for B2C is on a very regular (weekly) release schedule, this is PaaS, not SaaS, and customers or their partners must still deploy these incremental updates. The shift from customization to extension as a development paradigm is not complete for the B2C product. A fully managed service PaaS version of the core B2C commerce product is available via Optimizely Professional Services. Optimizely Commerce Cloud for B2B is offered as a single-tenant SaaS offering.
- **Ease of use:** Optimizely's business-facing UI, once a Leader in ease of use, is now somewhat dated, less integrated (partly due to the numerous acquisitions) and more complicated to manage, compared to the business user experiences of some competitors.

Oracle

Oracle is a Visionary in this Magic Quadrant. Oracle Commerce (cloud) is a hybrid multi/single-tenant commerce platform and is part of Oracle's CX portfolio, which includes separate sales, marketing and service applications. Oracle also has many customers on a legacy on-premises product called Oracle Commerce (on-premises), but net new customers buy the Oracle Commerce (cloud) platform. Oracle's operations are global, with commerce customers in a wide range of industries. Digital commerce leaders should consider Oracle Commerce (cloud) if they desire strong B2B and B2C

commerce capabilities in one platform, are already an Oracle customer, or are interested in prebuilt integrations to other Oracle products, such as Oracle CPQ.

Strengths

- **B2B vision and capabilities:** Oracle provides a comprehensive offering for many B2B use cases, including multichannel B2B cases that leverage CPQ, sales force automation (SFA), ERP and subscription management.
- **Native content management:** Oracle Commerce (cloud) includes Design Studio, which provides robust tooling for business users to generate and edit an SPA storefront that can be customized and targeted to different customer segments. Developers can also add widgets to the tool that business users can leverage when designing pages.
- **Open Storefront Framework (OSF):** Oracle's OSF allows developers to build their own front-end commerce functionality or leverage the hundreds of components provided by Oracle. OSF also allows nontechnical users to retain control over the layout and configuration of pages on the commerce site.

Cautions

- **Lack of customer growth:** Although Oracle added Oracle Commerce (cloud) customers in 2020, its pace of growth is slower than most other vendors in this research. The relatively small customer base could present problems for prospects or clients seeking reference customers or system integrators that have implemented Oracle Commerce (cloud).
- **Deployment options:** Oracle Commerce (cloud) must be deployed on Oracle Cloud Infrastructure (OCI). While this allows Oracle to more easily leverage some native cloud services, customers with other preferred public clouds (such as AWS, Azure or Google Cloud Platform) may have to look elsewhere.
- **Application ecosystem integrations:** Although Oracle provides native integration to several other Oracle applications, prebuilt integration to third-party applications is lacking. Oracle does not provide prebuilt integration to third-party CPQ, PIM, DXP or search applications.

Oro

Oro is a Niche Player in this Magic Quadrant. OroCommerce is bundled with OroCRM and sold together with the OroPlatform. It can be deployed on OroCloud, private clouds (VMware) or public clouds (Google Cloud Platform, Microsoft Azure and AWS). The majority of Oro customers are in Europe and North America. It has customers of all sizes and in all major regions. Digital commerce leaders should consider Oro if they have a B2B focus with requirements for a tightly integrated CRM system and an extended tool for their sales team.

Strengths

- **Model diversity:** Oro supports multiple B2X models, including B2B, B2B2B, B2B2C, business-to-government (B2G) and business-to-employee (B2E), which enables the technology to be leveraged for other use cases. Customers report using Oro for both B2B customer self-service and as a tool for its sales team. Existing B2B customers report successful B2C implementations of the platform.
- **Workflow management:** Oro offers a modular and highly configurable workflow supporting multiple use cases (for example, content management approvals and purchase approval workflows), which enables it to support multiple industries without specific industry accelerators (such as distribution, wholesale, manufacturing, agriculture/mining and life sciences).
- **Mobile integration capabilities:** Oro's API framework enables the creation of OOTB mobile experiences for both the front end and back end. Customers can create orders, RFQs, etc., while off-site, or make prebuilt purchases by scanning a bar code with their mobile devices. This feature is also appealing to sales teams that want to be efficient while on the road.

Cautions

- **Application ecosystem partners:** Oro continues to fill out its supporting application ecosystem. As a result, it leverages native functionality in some areas and therefore lacks partners in those areas (CPQ, personalization and web content management [WCM]). It lacks partners in distributed order management (DOM) and has a limited number of third-party logistics (3PL) and CRM partners; instead, it offers its own CRM solution.
- **Product gaps:** Oro addresses a large majority of the evaluated feature function set, but its native capabilities exclude punchout and support for invoice generation and payment. Punchout is addressed, however, through integrations with partners.
- **Regional focus:** Prospects seeking a global implementation may struggle to find an Oro presence outside Europe and North America. Likewise for system integrator partners, most of which are located in Europe and North America.

Salesforce

Salesforce is a Leader in this Magic Quadrant. Salesforce offers four commerce platforms: B2C Commerce, B2B Commerce on Classic, B2B Commerce on Lightning Experience and B2B2C Commerce on Lightning Experience (for businesses wanting to sell direct to consumers). Salesforce bundles the two B2B platforms into a single product called B2B Commerce, so clients have their choice of using either or both. The vendor also offers separate products at additional costs for order management, customer portals and payments. Salesforce is a global company serving a diverse set of customers, industry offerings and clients in all regions. Some customers have reported doing over \$1 billion in GMV on B2C Commerce. Digital commerce leaders who are existing Salesforce

customers or those seeking a full customer experience suite should consider Salesforce. Salesforce acquired Vlocity (for industry-specific solutions) in February 2020 and Mobify (for front-end-as-a-service capabilities) in September 2020.

Strengths

- **Technology reusability:** Salesforce enables clients to connect and reuse Salesforce products, functionality and data. Leveraging the B2C Commerce platform, clients have the ability to share products, content, inventory and loyalty across commerce sites, including those created by B2B Commerce on Lightning Experience. Both B2B platforms include personalization, search and loyalty functionality.
- **Global coverage and localization:** Salesforce has a global presence, including Japan, and maintains a partnership with Alibaba as an exclusive provider of Salesforce products in China, including the three digital commerce platforms, although that offering has yet to launch. It offers robust localization capabilities supporting over 100 currencies. B2B Commerce on Lightning Experience offers over 100 languages and integrates with Salesforce Experience Cloud for both translation management and use of the translations. For B2C Commerce, it offers certified integrations with translation and internationalization providers via its AppExchange that initiate, automate, control, track and complete all facets of the translation process.
- **Commerce accelerators:** During COVID-19, Salesforce launched Quick Start Commerce Solutions for D2C Consumer and Essential Goods, Buy Online and Curbside Pickup, Grocery and Food Service, Subscriptions, B2B, and Social Selling. These solutions combine digital commerce with payments, implementation, three months of managed services and one annual contract.

Cautions

- **Multiple platforms:** Salesforce offers multiple approaches to commerce built on three distinct platforms — two of which were obtained via independent acquisitions. While Salesforce continues to better integrate the B2C platform with its other cloud products, it remains a separate platform with a different underlying technology stack. B2B Commerce on Lightning Experience was built in 2020 to use a consistent data model and release schedule with other Salesforce Clouds. Clients have reported confusion over which B2B product is referenced on their sales contracts. The number of languages available on the B2B platforms varies greatly, with Lightning Experience providing more languages for the admin experience. Salesforce plans to stop selling B2B Commerce on Classic and only offer B2B Commerce on Lightning Experience for new B2B customers. The B2B2C Commerce platform is built on the Lightning platform and targeted to Salesforce's B2B customers that want to sell direct to consumers.
- **Salesforce Cloud interdependencies:** While existing Salesforce clients benefit from integrations among other Salesforce Clouds (Sales, Service, Marketing), clients without these products may

find less value in the commerce products, due to the necessity of additional integrations. For example, Salesforce CPQ is required to provide OOTB quote management and configuration.

- **Monolithic architecture:** While Salesforce continues its migration toward a composable platform, B2C Commerce Cloud is still monolithic in nature, with few functions individually deployable as services (for example, search and inventory). Companies pursuing composable commerce use cases will find more flexibility in other platforms.

SAP

SAP is a Leader in this Magic Quadrant. SAP's primary commerce offering is SAP Commerce Cloud, a single-tenant application leveraging Microsoft Azure infrastructure that is managed by SAP and can be augmented with multitenant SaaS services from SAP. The vendor also offers SAP Upscale Commerce, a multitenant SaaS platform aimed at midmarket brands pursuing direct-to-consumer (D2C) use cases. SAP has customers in many geographies and industries, and its SAP Commerce Cloud offering is a fit for enterprise companies with larger amounts of revenue and SKUs, or those with complex use cases. In November 2020, SAP acquired Emarsys, a cloud-based marketing platform that will ultimately impact the commerce platform by offering enhanced personalization.

Strengths

- **Enterprise clients and functionality:** SAP offers a robust set of functionality and can support large, global enterprises with complex use cases. The platform has proven its scalability over the years, with many customers operating it in multiple regions and generating high amounts of revenue.
- **B2B capabilities:** SAP is often considered for enterprise-grade B2B implementations. The platform provides strong functionality for punchout, RFQs, approval workflows and other B2B-specific capabilities.
- **Product information management:** SAP Commerce Cloud includes and is fully integrated with SAP Product Content Management (PCM). Although clients can also choose to integrate a separate, third-party PIM system, PCM offers more robust functionality than what is embedded in other commerce platforms discussed in this research.

Cautions

- **Monolithic architecture:** Although SAP is making an effort to decouple certain components of the commerce platform, it is still monolithic in nature, with the core commerce platform leveraging a single database. Companies pursuing composable commerce use cases will find more flexibility in other platforms.
- **Legacy versions:** In addition to SAP Commerce Cloud hosted on Microsoft Azure and SAP Upscale Commerce, SAP has customers on a private cloud version (on SAP Cloud) and many of its customers are still on an on-premises version, which is no longer being sold. This forces the

vendor to cater to multiple customer bases. Prospects may have difficulty finding references for the version they choose and solution integrators that have a strong track record of implementations.

- Third-party integrations: Although SAP offers native integrations to several SAP products and offers a marketplace for third-party applications, most integrations to third-party applications are built and maintained by the application partners. This will result in additional cost and deployment times for companies choosing to use non-SAP digital commerce ecosystem applications.

Shopify

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.

Shopify is a Challenger in this Magic Quadrant. Shopify Plus is a multitenant SaaS platform for small to midsize businesses, predominantly for B2C. Shopify has a digital wallet (Shop Pay) and a visual workflow builder (Shopify Flow), and also sells a mobile POS. Shopify is global in reach, but a large majority of its customers are in North America. Shopify Plus has gained the attention of larger merchants with simple selling requirements, with time to market being its clear differentiator. Although Shopify's customers are relatively small to midsize organizations, larger businesses should also evaluate Shopify Plus, especially when wanting to ensure that a new product line reaches the market quickly or in a new geography, or when testing social selling.

Strengths

- Customer growth: Shopify recorded more than 40% year-over-year growth in its Shopify Plus customer base in 2020. The vendor's share of the global digital commerce market grew faster than most vendors evaluated in this Magic Quadrant. This indicates that Shopify started to attract companies with over \$1 million in annual GMV, and its growing standard plan customer base bodes well for future growth as existing customers upgrade to Shopify Plus.
- Expansion via Shop Pay: Shopify's digital wallet Shop Pay was extended to Facebook and Instagram in early 2021, providing a convenient extension for brands that want to sell via social channels.
- Shopify APIs: Shopify has developed its APIs considerably, and they are now used extensively by larger customers. This includes enabling integrations to PIM, CRM, ERP, 3PL and OMS suites, previously a large gap for Shopify. Despite this, Shopify does not have a decoupled storefront, and Gartner clients report difficulties in using it via APIs for SPA and PWA storefronts.

Cautions

- **B2B commerce:** Shopify made a step toward B2B digital commerce with its acquisition of Handshake and helped merchants to tap into wholesale market demand. However, Shopify's suitability for B2B digital commerce use cases remains untested. Businesses/merchants looking for more complex B2B functionalities should ask for customer references and success stories.
- **Total cost of ownership (TCO):** Customers should not assume that Shopify Plus is the least expensive digital commerce platform in terms of TCO. Most enterprise customers find that they require additional functionality not included in a basic Shopify Plus store, such as faceted search and customer reviews, from either Shopify's app exchange or via custom integrations using Shopify APIs. In addition, Shopify Plus is typically deployed for a negotiated multiyear term, so costs can vary. Also, customers that do not use Shopify Payments are contracted to a GMV-based fee structure.
- **Contract flexibility:** Gartner clients frequently report difficulty in working with Shopify during contract negotiations, citing concerns around guaranteed SLAs, indemnification and a general unwillingness to make changes to the standard Shopify Master Services Agreement.

Shopware

Shopware is a Niche Player in this Magic Quadrant. Shopware 6 is based on the PHP Symfony framework and is available as licensed software and SaaS (Shopware Cloud), plus an open-source community version. A B2B suite is part of the Enterprise Edition only. Shopware operates mostly in EMEA, with a focus on DACH countries (Germany, Austria, Switzerland), but is also expanding in the Asia/Pacific region. Shopware's target segments are small to midsize B2C retail and brand manufacturers, and wholesale B2B. Most Shopware customers make under \$100 million in GMV annually.

Strengths

- **Ease of use:** Shopware 6 has a good, simple business-user-friendly UI for small and midsize businesses. The new Enterprise Search functionality is well-integrated within the admin console.
- **Business model support:** A broad set of product types is supported, including configurable products, digital products, services and subscriptions. Product setup is via intuitive multistep configuration wizards. Shopware also continues to invest in its visual rule builder, used across the platform (for example, for promotions, personalization and segmentation).
- **B2B improvements:** For 2021, Shopware has continued to enhance its B2B capabilities, first introduced in 2019, and clients can provide both B2B and B2C digital commerce in one instance.

Cautions

- **Limited global reach:** Geographic reach remains DACH-focused. While there are some Asia/Pacific customers, there are very few in the U.S., and no customers in Latin America using Shopware's

enterprise products.

- **Solution architecture:** Shopware is open-source-based, with an emphasis on flexibility via extension instead of customization. However, the core platform remains monolithic and, while it can be cloud-hosted, it is not cloud-native, and no cloud platform management tooling was available when this research was conducted. Since that time, Shopware has added a PaaS offering with a partner, Platform.sh.
- **Production change management:** At the time of this research, Shopware had no native distinction between “preview” and “published” product details or other content, or between staging and production environments. For large product, content and platform enhancement changes, customers must set up their own environments. Changes between environments then need to be synced via APIs. In May 2021, Shopware began offering a free add-on to the Enterprise edition to address this.

Spryker

Spryker is a Visionary in this Magic Quadrant. Spryker Cloud Commerce OS is a multitenant PaaS platform providing a SaaS core, but enabling extensibility via single-tenant environments. It is deployed on AWS, Azure or Google Cloud Platform. Spryker also sells a multitenant SaaS version, SprykerNOW, with extensibility limitations. Clients are able to migrate from this to the full platform as required. Its operations are based in Europe, with an office established in the U.S. in 2021. Most of its customers are in Europe or North America. Spryker’s target industry segments include B2B: brand manufacturing, marketplace operators, wholesale and distributors, and B2C retail. Digital commerce leaders who need a modular commerce framework for both B2B and B2C commerce models should consider Spryker.

Strengths

- **Platform architecture:** The platform began as a modular monolith, but has since transformed into a truly modular platform conforming to some broader definitions of microservices, but most closely to Gartner’s packaged business capability (PBC) paradigm. With the accompanying shift to deployment as an API-led multitenant platform in 2020, this is now a leading product in terms of being architected for business agility.
- **B2C and B2B support:** Spryker’s largest industry segment is retail, and it has some native DOM capability to support split shipments, multiple warehouses and shipping methods. It continues to invest in B2B functionality with a visual state machine for managing business workflow. Spryker has an almost even split of B2B and B2C customers, and a higher-than-average number of customers that use the platform for both.
- **Strong adoption:** Spryker scored highest for overall growth of any vendor in this Magic Quadrant, with both customer and revenue growth nearing 100%. Although it remains a comparatively small

and regional vendor, this growth is impressive. Customer growth was paralleled by an increasing number of larger service provider partnerships being cemented.

Cautions

- **Regional focus:** Spryker has few customers in the Asia/Pacific region and none in Latin America. It plans to maintain its sales focus on Europe and North America.
- **Personalization and AI:** Spryker is comparatively weak in terms of its ability to support personalization of the commerce experience, and has little in the way of machine learning in its product, although this is on the product roadmap. Additionally, it has few integrations with leading personalization engines or customer data platforms.
- **Low-code environments:** Spryker has a basic native CMS, but no low-code storefront management capabilities. To ameliorate this, it has integrations to many headless CMSs, DXPs and some front-end-as-a-service providers.

Unilog

Unilog is a Niche Player in this Magic Quadrant. Unilog's CIMM2 platform is a hybrid single-tenant and multitenant SaaS platform. The core commerce platform is single-tenant and can be hosted on Google Cloud Platform or Microsoft Azure. The vendor's customers are primarily distributors in North America. Midmarket manufacturers, distributors and wholesalers with large catalogs, or those that need stronger PIM capabilities, should consider Unilog, especially if they belong to an industry association with which Unilog has a partnership and has already built a product catalog. In February 2021, Unilog acquired Bravo Business Media, which provides sales and selection software for the decorative, plumbing, hardware, lighting, and hearth and home industries.

Strengths

- **B2B functionality:** Unilog offers strong capabilities for B2B companies, including functionality for punchout, RFQs, customizable account screens, and the ability to generate and pay invoices from within the commerce site.
- **New pricing model:** Unilog revamped its pricing in 2020 to offer simpler and more granular options for SMBs, including the ability to roll implementation costs into the base pricing.
- **Advanced analytics:** Unilog began offering an add-on module in 2020, Site Analytics Pro, which provides traffic source reports, heat maps, session recordings and campaign tracking. The capabilities demonstrated to Gartner were some of the most robust of all the vendors in this research.

Cautions

- Limited ecosystem: In addition to very few solution integration partners compared to other vendors in this research, Unilog offers few prebuilt integrations to other digital commerce ecosystem applications, including no ability to use a third-party PIM.
- Narrow geographic focus: More than 90% of Unilog's customers are in the U.S., making it less of a fit for global commerce operations. Prospects in other geographies may have difficulty finding reference customers and solution integrators to support their implementations.
- No decoupled storefront offering: Although Unilog offers a native mobile app generated from the core commerce site, there is no SPA, PWA or AMP provided OOTB.

VTEX

VTEX is a Visionary in this Magic Quadrant. The VTEX Commerce Platform is a multitenant SaaS offering with functionality for marketplace operations and order management. It is deployed on AWS and supports both B2B and B2C use cases. While most of VTEX's operations and clients are in Latin America, its customer base in North America and EMEA is growing. VTEX has customers in multiple industries, the largest being retail. It serves many small organizations, but is gaining traction with larger enterprises (GMV over \$50 million). Digital commerce leaders desiring a modular, multitenant SaaS solution that includes marketplace technology and OMS should consider VTEX. VTEX made two acquisitions in 2021: Suiteshare, a social selling platform provider (in June) and Workarea, a North American digital commerce platform (in February). In 2020, it acquired dLieve, a real-time tracking system for last-mile deliveries (in May), and Biggy, an AI-powered search, product suggestion and storefront personalization engine (in April). VTEX had an initial public offering in July 2021.

Strengths

- Product investment and functionality: VTEX distinguishes itself by offering packaged functionality beyond pure digital commerce, including marketplace operations; OMS; intelligent search and personalization; a headless CMS; and VTEX IO, its low-code and serverless development platform. All of these components are offered at one price. The vendor continues to make product investments and acquisitions to improve its offering.
- Ecosystem: VTEX has a broad ecosystem of application partners, with over 400 applications available to customers via API and/or plug-in, and with over 40% of the applications available as plug-ins. It also has over 175 implementation partners, predominantly in Latin America, although representation in Europe and North America continues to grow.
- Platform technology: VTEX has a modern multitenant SaaS platform with more than 100 independent modules that are monitored, managed and maintained independently. It is accompanied by the VTEX IO low-code and serverless development platform for building platform extensions, custom applications and integrations. VTEX made over 5,400 updates in 2020.

Cautions

- **Public cloud support:** The VTEX Commerce Platform is only available on AWS, which may not appeal to prospects with other public cloud preferences, especially retailers and brands in the U.S. and Europe that may prefer a non-Amazon offering.
- **Multistore setup:** Setting up a new store subsite requires submitting a service request to VTEX, which is not covered in the SLAs. While the process is typically completed within 24 hours, this could be a nuisance to some clients desiring business user self-service for creating subsites.
- **Enterprise-scale GMV:** VTEX typically sells to clients with annual digital commerce revenue GMV of below \$50 million. While VTEX is gaining larger customers, enterprise prospects may be challenged to find comparable reference customers in their industries and regions.

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

- HCL Software
- Intershop

Dropped

- No vendors were dropped from this Magic Quadrant.

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 that is actively being sold that meets the product definition and stated functionality.
- The digital commerce platform must support over 50 production customers.
- The digital commerce platform must serve customers in more than one unique vertical. To qualify for serving customers in a vertical, the platform must have a minimum of 5% of production

customers in the vertical.

- The digital commerce platform must be used by paying customers in more than one geographic region. To qualify for serving customers in a geographic region, the platform must earn a minimum of 5% of digital commerce revenue from the region.
- The digital commerce platform customers must not consist of more than one customer that represents more than 10% of the annual recognized digital commerce software revenue.

Additionally, vendors must meet one of the three scenarios below for year-over-year customer growth, revenue growth and total revenue for their digital commerce platforms.

Scenario 1:

- Net new digital commerce platform customers during 2020: More than 10
- Annual recognized digital commerce software revenue in 2020: Equal to or greater than \$15 million
- Growth in annual recognized digital commerce software revenue from 2019 to 2020: Greater than 20%

Scenario 2:

- Net new customers in 2020: More than six
- Revenue in 2020: Equal to or greater than \$20 million
- Revenue growth from 2019 to 2020: Greater than 10%

Scenario 3:

- Net new customers in 2019: More than six
- Revenue in 2020: Equal to or greater than \$70 million

Gartner definitions guiding the above inclusion criteria include:

- **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 buying decisions, and uses rules and data to present fully priced orders for payment.

- **Digital commerce platform product functionality:** The platform must have OOTB capability or the APIs to support a self-service, interactive commerce experience that includes: storefront, product catalog navigation, product pages, shopping cart, check-out and customer account. The commerce product must support OOTB ability to search for a product, add products to a cart, and fully price an order inclusive of product-level, customer-level and order-level discounts or promotions. The commerce product 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, and pays for the use of the digital commerce platform (that is, one production customer equals one production contract).
- **Year-over-year growth of digital commerce platform customers:** This is the number of digital commerce platform customers that have signed a contract or launched their digital commerce platform during the 2020 calendar year, relative to the 2019 calendar year.
- **Annual recognized digital commerce software revenue:** This is defined as total revenue exclusively from the sale of licensed software (regardless of deployment model – for example, on-premises, SaaS, etc.) 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 and services, including (but not limited to) WCM, DXP, DOM, PIM, CPQ and merchant-of-record services; payment and payment services; etc. Additionally, revenue should not be included if it comes from a parent organization or another business entity within the same parent organization.

Honorable Mentions

Gartner tracks more than 140 vendors in this market. Seventeen 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 discussed below were excluded because they failed to meet only one of the inclusion criteria. They may, however, be appropriate choices, depending on requirements.

NuORDER: NuORDER by Lightspeed is a wholesale B2B digital commerce platform serving clients that sell apparel, footwear, accessories, cosmetics, jewelry, sports equipment, outdoor goods, home goods, and kids and baby products. NuORDER is a multitenant SaaS platform that helps buyers and merchandisers in large and midsize organizations collaborate in their efforts to build a complete collection and conduct transactions. NuORDER offers an embedded payments engine, a digital catalog and native virtual showrooming functionality within the platform. In June 2021, commerce

platform Lightspeed bought NuORDER to provide a unified commerce platform for retailers and suppliers.

Skava: Skava provides its flagship digital commerce platform, Skava Commerce, as a modular, API-first platform with independently deployable modules that align to Gartner's PBC paradigm. Skava is owned by Infosys, and thereby allows for bundling the digital commerce platform with implementation and integration services from Infosys or other system integrator partners. Skava targets large enterprise clients across a variety of industries and use cases, including B2B, B2C and B2B2C. Skava is a fit for companies with complex requirements or use cases, and those seeking a commerce platform with a modern architecture. Available as multitenant SaaS, single-tenant hosted, or on-premises offering, Skava is cloud-agnostic and comes with a React/Node.js storefront and SkavaSTUDIO – a content and digital experience management solution.

Virto Commerce: Virto Commerce is a Microsoft .NET platform that targets B2B wholesalers in the midmarket and above. The platform is modular and API-first, including API coverage for the business user admin console. Virto comes with individual modules for the digital catalog, pricing, cart, orders, promotions, multilevel account management, and others. The platform offers a native DXP and is available as a single-tenant application in the Virto managed cloud or hosted in a public or private cloud. Virto is open source and also offers a community edition for startups and small businesses.

Evaluation Criteria

Ability to Execute

Companies 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.

Sales execution/pricing, while still important, shifted from a High weighting to a Medium weighting in this year's research. The change was driven primarily by an influx of vendors to the market, which results in more options and the changing architectures of many digital commerce platforms. As platforms become more modular, pricing models continue to change as companies consume individual modules from different vendors.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High

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

Source: Gartner (August 2021)

Completeness of Vision

The digital commerce market has changed rapidly over the last two years, primarily due to changes brought on by the pandemic. Vendors must understand not only the emerging market, but also 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

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

Source: Gartner (August 2021)

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 a robust ecosystem of application, service and integration partners; deliver additional application functionality or partnerships with vendors that integrate with their core commerce platform; and 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; and 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 or architectural approaches 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 have modern offerings that have yet to win large numbers of customers; lack resources, compared with larger companies; have smaller partner networks; and 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; and 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

Much like previous years, our inclusion criteria for vendors in this Magic Quadrant emphasize increased annual digital commerce revenue growth and customer growth. Additionally, the base of customers in which the growth occurs is a factor in understanding how impressive a vendor's growth actually is. Vendors' financial performance continues to be important, although the pandemic played a large role in successful revenue growth for many companies this year. Double-digit revenue growth percentages were not uncommon, with multiple vendors achieving growth rates over 30%.

The evaluation criteria emphasize the requirements for future success, architectural vision, innovation and breadth of capabilities. Buyers of digital commerce platforms are looking for ways to deliver and support a unique, compelling and consistent customer experience through these platforms across many 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. This is especially true as commerce platforms become more modular and cater to companies that are interested in decoupled front ends, or architectural approaches that put them on a path to composable commerce (see [Composable Commerce Must Be Adopted for the Future of Applications](#)).

But ultimately, every company's requirements are slightly different. 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, or even to the 100-plus vendors we track that do not appear in this research.

Market Overview

Amid the COVID-19 pandemic, the 2020 digital commerce software market grew by 17.3% – higher than its pre-COVID-19 growth in 2019, and almost double the growth of the overall enterprise application software market at 9%. The strong growth in digital commerce is expected to continue in 2021, projected at 16.1% in constant currency, as it continues to be driven by 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 13.5% in constant currency for the period 2020 through 2025 (see [Forecast: Enterprise Application Software, Worldwide, 2019-2025, 2Q21 Update](#)). Gartner forecasts a CAGR of 15% for digital commerce platform revenue over the same period.

Gartner's survey work reinforces the growth expectations of digital commerce, especially in the B2B sector. According to the 2020 Gartner B2B Digital Commerce Survey, 80% of the buying organizations have a formal goal for increasing purchasing through websites, and 85% of the selling organizations have a formal goal for increasing sales through websites.

Yet the purpose of digital commerce is not always primarily about revenue growth. According to Gartner's Digital Commerce State of the Union Survey, fostering business innovation (65%) and improving customer satisfaction (61%) are key digital commerce adoption drivers.

Gartner client inquiries about digital commerce strategies, trends, platforms and ecosystem applications have been consistently high since the beginning of the pandemic and have continued throughout 2021. In many cases, clients that were forced to act quickly in 2020, and may not have

implemented the most purpose-built solutions, are now properly investing in 2021. Growth in B2B digital commerce continues to outpace B2C as clients think about solutions that are not solely used for simple transactions, but rather for complex B2B sales that sometimes involve other systems, such as CPQ or SFA. Despite the need to integrate digital commerce platforms with many other applications, prebuilt integrations from commerce platform vendors are frequently lacking, causing companies to seek the assistance of solution integrators, or to attempt to integrate the applications themselves.

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).
- Other sources:
 - [Forecast: Enterprise Application Software, Worldwide, 2019-2025, 2Q21 Update](#)
 - Recorded 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 2020 and the first five months of 2021
 - Generally available sources of information

Gartner's 2020 B2B Digital Commerce Survey: This primary research was conducted online from 27 October through 15 December 2020 among a total of 379 respondents in North America (n = 173), Western Europe (n = 135) and the Asia/Pacific region (n = 71). Respondents were either selling or purchasing organizations with selling organizations representing North America (n = 85), Western Europe (n = 63) and the Asia/Pacific region (n = 33), while the purchasing organizations represented North America (n = 88), Western Europe (n = 72) and the Asia/Pacific region (n = 38).

Qualifying organizations spanned various industries. Organizations were screened for having at least 250 employees, and being business-focused or a blend of business and IT-focused.

Respondents were required to be director level or above and work in a department relevant to selling or purchasing. Selling respondents had to sell to businesses and currently use, or plan to use in the next three years, websites for B2B sales. Procuring respondents had to purchase products/services

from other businesses and currently use, or plan to use in the next three years, websites for B2B purchases.

Quotas were applied for countries/regions and selling/procuring modules.

The study was developed collaboratively by Gartner analysts and Gartner's Research Data and Analytics team.

Note: Results do not represent global findings or the market as a whole, but reflect sentiment of the respondents and companies surveyed.

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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