Use 4 Key Factors to Evaluate Digital Commerce Platforms

17 June 2025 - ID G00824460 - 27 min read

By: Penny Gillespie

Initiatives:Digital Commerce

With the variety of digital commerce platforms on the market, digital commerce leaders struggle to identify the option that best meets their needs. Considering four key factors in your evaluation process — functionality, technology, ecosystem and cost — will help you make the optimal selection.

Overview

Key Findings

- CMOs anticipate that by 2025, an average of 40.8% of sales will be made through digital commerce. The growth of this area makes the digital commerce platform an important tool for more organizations.
- In 2025, the average marketing budget remains flat at 7.7% of total revenue, underscoring the need to identify technology investments that provide sufficient ROI.
- When evaluating platforms, digital commerce leaders frequently overlook key features or functions, misunderstand technological differences, undervalue the vendor ecosystem or underestimate the cost.

Recommendations

- Evaluate vendors based on their ability to deliver the required capabilities by anticipating both current and future needs.
- Assess the different types of technology deployment and architecture to determine which combination best fits your needs.
- Scrutinize the vendors' supporting application ecosystem to identify key complementary applications, integration accelerators and certified service partners.
- Calculate the total cost of the platform by including implementation and service fees, recognizing that differing technology deployment models and architecture have different cost implications.

Introduction

The percentage of sales conducted through digital commerce continues to grow. According to the 2025 Gartner CMO Spend Survey, respondents expect that digital will account for an average of 40.8% of total revenue by 2025. [1] However, the average marketing budget remains stagnant at 7.7% of total revenue, the same as last year. [1,2] As a result, digital commerce leaders must carefully scrutinize the function's technology investments.

Digital commerce leaders navigating these constraints often struggle to effectively assess digital commerce platforms and select the most suitable option. Common considerations include cost, features and functions, vendor viability, and integrating new technologies such as AI and generative (GenAI). Despite this, leaders may inadequately explore these considerations and overlook other crucial factors. For example, they may:

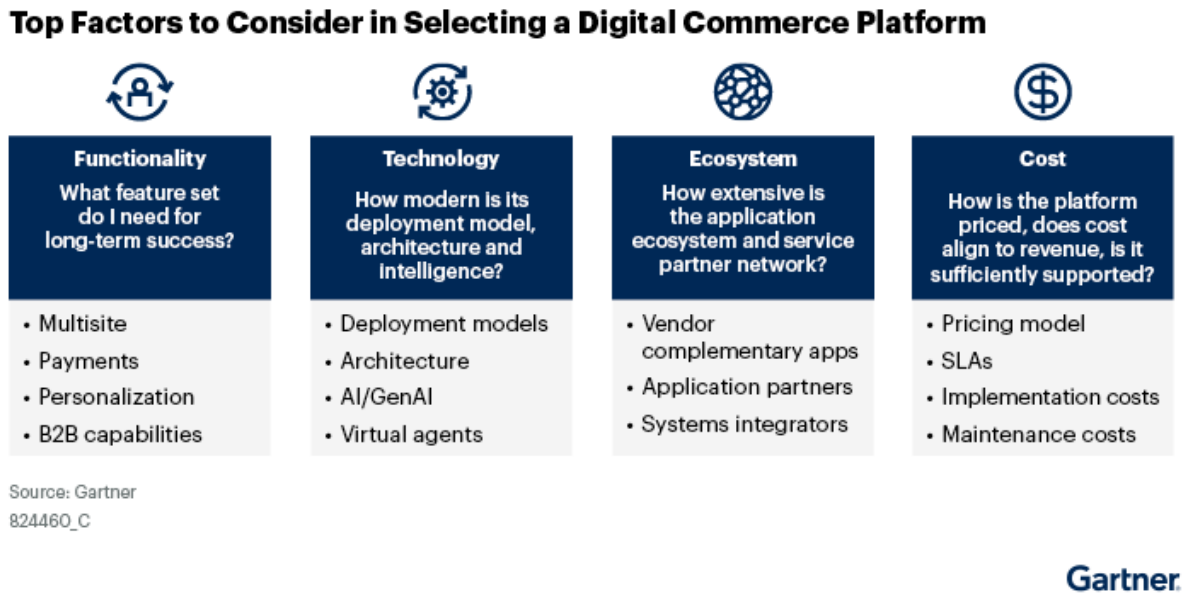
- Fail to identify all the features and functions their organizations require.
- Be unable to discern the technology implementation nuances among different platforms.
- Undervalue the benefit of a strong partner ecosystem.
- Underestimate the significance of gross merchandise volume (GMV) and order forecasting used in vendors' pricing models.
- Underrate the value of SLAs and vendor support in other key areas (e.g., success managers, site assessments and innovation roadmaps).

As a result, digital commerce leaders risk investing in subpar digital commerce platforms.

To help digital commerce leaders systematically and thoroughly vet digital commerce platforms, Gartner has identified and detailed four key factors to consider (see Figure 1):

- **Functionality** — What feature set is needed for long-term success?
- **Platform technology** — How is the technology delivered, and how modern is the architecture?
- **Vendor ecosystem** — How extensive is the application ecosystem and service partner network?
- **Cost** — How is the platform priced, and how well does it align with potential revenue?

Figure 1: Top Factors to Consider in Selecting a Digital Commerce Platform



This research facilitates understanding of the four key factors most influencing vendor selection and provides tactics for creating and comparing shortlisted vendors and products — ultimately improving the digital commerce platform's ROI. To learn more about the market at large and to begin the process of shortlisting vendors, see Note 1.

Analysis

Functionality

Digital commerce platforms provide varying levels of support for what may be considered key functionality. Identify vendors that support selling your product types (e.g., physical, digital or services) and desired business models (e.g.auctions, B2C, B2B, B2B2X, direct-to-consumer [D2C], enterprise marketplaces or sales teams).

Determine the need for key functionality that can vary great among vendors:

- **Multisite support** — Some platforms enable multiple storefronts to share common items, such as product catalogs, page templates, promotions, digital assets or back-office integrations, such as ERP.
- **Personalization**—Some platforms may have exceptional search capabilities, but may lack personalization capabilities, making it difficult to deliver the desired customer experience.
- **Payments** — Some platforms come preintegrated with payments, saving users time and money on payment vendor selection and integration.
- **B2B functionality** — Some platforms distinguish themselves with B2B-related functionality that drives usage (e.g., visual configuration, CPQ, workflow, punchout and RFQ).

In addition, consider user tool types as some platforms have exceptional business user tools (e.g., store and content creation, catalog management, and merchandising) while others excel in providing development tools. See Note 2 for additional details and common functionality requirements.

> **Consider All Stakeholders' Priorities in Functionality Requirements**
>
> Traditional methods for calculating the enterprise value of investing in a digital commerce platform prove too narrow, focusing solely on financial assessments or specific stakeholders. This narrow focus leads digital commerce leaders to underestimate the benefits and struggle to justify the expense of digital commerce technologies.

> To secure buy-in for a new platform investment, consider all potential stakeholders and involve them initially in the conversation from the beginning. By addressing the priorities and concerns of a broad audience while identifying the functionality requirements, digital commerce leaders can enhance the perceived value of the investment. This approach also enables a comprehensive assessment, helping digital commerce leaders select the best platform for their needs.
>
> The list of internal stakeholders in digital commerce is surprisingly extensive, as it impacts nearly every aspect of an organization. While key stakeholders may differ by industry, the most common include marketing, sales, IT, finance, supply chain and customer support. Gartner's Enterprise Value Equation can assist in identifying the full range of stakeholder concerns, value enablers and stakeholder impacts, ultimately determining the total return to the organization. See Reap More Value From Digital Commerce Investments to learn more.

What You Need to Do

Start the platform evaluation by identifying the functions and features the organization needs to achieve its digital commerce goals. While many organizations, particularly in B2B, begin with simple setups (e.g., existing customers and low-value, repeat transactions), it's important to think long-term, even when making tactical decisions.

Here are some tips to help digital commerce leaders create a comprehensive list of requirements:

- **Look ahead at least three years** (the average contract length) and consider how the needs may evolve. For example, functions that seem unnecessary or advanced during purchase could become mainstream during the contract term. Planning ahead can help digital commerce leaders avoid lagging behind their peers, spending extra funds to catch up, or prematurely replatforming.

- **Consider self-service and assisted service together** for a holistic view. The tools and information a sales representative needs to serve a customer often overlap significantly with what a customer requires for self-service.

- **Collaboration with CMOs** to ensure that the platform supports marketing strategies and enhances customer engagement through personalization and targeted promotions.

- **Consider the sales team's appeal** when selling B2B. Some sales teams prefer using digital commerce applications as their primary sales tool. Consider functionalities such as a general workflow for client approval processes and sales discount approvals, or the ability for a sales or service representative to order on behalf of the customer. Another valuable feature is the digital sales room. This private, persistent microsite uses product content, buyer-seller collaboration tools, e-commerce and workstream planning capabilities to align and facilitate seller and buyer activities.

Digital commerce leaders can jump-start their digital commerce requirements gathering and prioritization processes with Gartner's Toolkit: RFP for Digital Commerce Applications.

While accurately assessing a vendor's platform is crucial, it is equally important to validate the quality of its features and functions by reaching out to the vendor's reference customers. Remember that what one organization or industry considers a minimum entry requirement might be viewed as highly advanced by another. To avoid inappropriate comparisons, digital commerce leaders must seek vendor references that closely resemble their organizations' industry, geographic scope, product types, organizational complexity, technological proficiency and commerce sophistication.

Platform Technology

Technology frequently involves hidden costs, both long-term and short-term. Ignoring these hidden costs can lead to misleading price comparisons. The two most critical factors to consider are the deployment model and architecture.

Deployment Model

Most vendors label their commerce platform as "cloud." However, these offerings can range from multitenant SaaS to various forms of single-tenant SaaS and licensed software, some of which require both hosting and managed services. Responsibilities for application upgrades can differ. Some vendors also offer platform as a service (PaaS), where the licensed software is hosted as a managed service by the vendor, but the customer retains access to the code for extensions and customization (see Table 1).

Table 1: Digital Commerce Platform Deployment Models

(Enlarged table in Appendix)

Model	Description	Cost considerations
Multitenant SaaS	The vendor selects the hosting location and owns, manages and delivers application code. Customizations are achieved via configuration or extension, typically through exposed APIs.	■ Pricing typically includes both hosting and maintenance costs ■ Often versionless, allowing customers to use or ignore regular functionality updates ■ May restrict customizability and extensibility
Single-tenant SaaS	Similar to multitenant SaaS but with only one tenant per deployed instance. The vendor updates each client individually, ensuring each client has its own instance of the datastore.	■ May require additional costs for hosting or maintenance — or both ■ Often versionless, allowing customers to use or ignore regular functionality updates ■ May restrict customizability and extensibility
Single-tenant hosted	The vendor hosts the platform in a private data center or on a public cloud, with varying service levels. The client may access the core commerce application code. Upgrades are performed by the vendor, client or solution integrator. (Sometimes referred to as PaaS when the customer can access the code for extensions and customization.)	■ May require additional costs for hosting or maintenance, or both ■ Additional services (at additional cost) may include application monitoring, autoscaling, and managed upgrades.
On-premises or self-hosted	The client installs the platform on its chosen infrastructure without vendor involvement. Upgrades must be performed by the client or a solution integrator.	■ Requires additional costs for hosting. ■ May require additional cost for maintenance. ■ Requires additional costs for application monitoring, scaling and security.

Source: Gartner

Architecture

There are a few different approaches to technology architecture from which to choose, each with its advantages and limitations (see Table 2 and Align Digital Commerce Architecture With Business Outcomes).

Table 2: Digital Commerce Platform Architectures

(Enlarged table in Appendix)

Architecture	Advantages	Limitations
Commerce-led (or monolithic) uses a single primary commerce platform. A modern version can be used in either the cloud or a SaaS capacity instead of on-premises, while retaining a feature-rich, quick-to-market approach.	▪ Convenience of a "single source solution" ▪ Availability of prebuilt APIs ▪ Reduces dependency on large IT teams or external vendors ▪ Can be deployed quickly with minimal integration effort and upfront cost	▪ Limited sophistication of features such as layout management, personalization, content testing and analytics ▪ Restricted platform customizability ▪ Often very slow to change (e.g., one or two upgrades per year) ▪ "Head on" server-side front ends that may limit performance
Experience-led has a separate digital experience layer that integrates with a "headless" commerce platform and other capabilities as necessary.	▪ Flexible digital customer experience across multiple sales channels or brands (especially for narrative-led brand or lifestyle approaches that move beyond "the catalog") ▪ Opportunities for continuous customer experience improvement and innovation ▪ Reduced build-and-deploy timelines	▪ More reliance on IT teams and unique skill sets ▪ Larger upfront investment ▪ Additional overheads for operating and maintaining multiple solutions
Modular (API-first) decomposes the typical monolithic platform capabilities to increase agility and decrease interdependencies during deployment. It is a stepping stone to composable commerce.	▪ Improves organizational (and vendor) agility by "productizing" capabilities ▪ Enables mixing and matching of the most-suited technical stack ▪ Reduces dependencies across the platform	▪ Possible scarcity of technical skill sets ▪ Requires maintenance for multiple applications and platforms ▪ Requires a decoupled front end, which may put presentation or journey management back on the front-end developers
Composable requires loosely coupled back-end application capabilities, which are used to compose new commerce functionality and custom experiences.	▪ Greater ability to move quickly in response to customer demand or market changes ▪ Tools and frameworks for an innovation-centric business, which enable mixing and matching of the most-suited capabilities ▪ Reduced dependencies on vendor roadmaps and greater flexibility to focus on differentiating capabilities ▪ Supports organizations with complex business needs and distributed development by individual teams	▪ Requires higher upfront investment, significant digital maturity and longer implementation timelines ▪ Longer time to achieve business value ▪ Requires coordination across multiple teams and stakeholders, as well as new ways of working ▪ Lock-in can move from a commerce vendor to a service provider providing the platform composition

Source: Gartner

Most mature digital commerce platform vendors are shifting from a commerce-led architecture to various composable models. Some vendors are evolving their traditionally commerce-led platforms to be more modular, while others are starting to enable customers to move toward composable commerce.

Pure Play vs. Suite Play

There is a growing bifurcation in the market between two types of digital commerce platforms: (1) narrowly scoped platforms that require partner ecosystems to complete the solution and (2) modular suites offering broad or end-to-end capabilities while retaining the benefits of internal modularity and composability. The former is ideal for those seeking composable best-of-breed solutions from a network of vendors. The latter is better suited for those preferring a single vendor solution, with the option to replace specific capabilities as needed in the future.

Intelligence

A solid AI or GenAI strategy is critical to digital commerce success because it enables two key things:

- **Personalized customer experiences:** AI or GenAI enhances personalization, boosting conversion rates and average order value while reducing abandonment rates.
- **Improved employee efficiency:** It streamlines processes, accelerates time to market and potentially lowers costs.

AI or GenAI is integral to various aspects of digital commerce, serving as an underlying technology rather than a specific application. Its top three applications are content generation, campaigns and personalization:

- **Content generation:** GenAI enhances content creation efficiency, boosts employee productivity and reduces organizational costs.
- **Campaigns:** GenAI improves campaign effectiveness, reduces employee effort, lowers conversion costs and increases ROI.
- **Personalization:** GenAI enhances the ability to address customer needs, reduces customer effort, builds loyalty, fosters brand advocacy and drives revenue.

For more details, see Quick Answer: How Is GenAI Most Commonly Used in Digital Commerce?.

Recently, AI or GenAI has begun to manifest through AI agents, assisting both customers and employees to enhance commerce experiences, drive revenue, improve customer satisfaction and boost productivity. These agents autonomously detect, analyze, plan and act, improving commerce functionality through chain-of-thought processes and identifying optimal actions. They support both customers and employees:

- **Customer-facing AI agents** elevate customer experience by enhancing self-service with personalized buying assistance, grounded in a broader knowledge base, thereby increasing conversion rates and order value.
- **Employee-facing AI agents** boost employee productivity and efficiency by automating tasks, gathering insights and managing workflows, such as recommending optimal strategies.

For more details, see AI Agents Assist Humans to Enhance Digital Commerce Performance.

What You Need to Do

Start the technical assessment by collaborating with IT to understand technology nuances and related impacts. Here are some tips to help digital commerce leaders create a comprehensive list of requirements:

- **Partner with the CIO**s to assess the technical architecture, deployment models and platform intelligence. This partnership ensures that the chosen platform aligns with the organization's overall IT strategy and infrastructure, facilitating smoother integration and scalability.
- **Make accurate vendor comparisons** by evaluating those with similar deployment models and architectures. If direct comparisons aren't possible, calculate how differences might impact the cost of the platforms digital commerce leaders are considering. Additionally, digital commerce leaders must assess their organization's technical skills and identify any gaps between them and the requirements of their chosen platform delivery and architecture; upskilling will contribute to the total technology cost.
- **Get guidance on modular or composable architectures**, validate the modularity or composability, or consider the benefits of a phased or incremental implementation approach. Although elongated implementation may cause short-term pain, the long-term benefits of increased platform flexibility and business agility may be worthwhile.
- **Assess platform intelligence** by equally assessing l corporate objectives, long-term goals and employee skills. Match corporate abilities to platform sophistication and be prepared to upskill staff.

Vendor Ecosystem

Most vendors offer additional applications that are both complementary and compatible with their digital commerce platforms, such as personalization, distributed order management, CDP, PIM/PXM, ERP and analytics. However, they often expand their capabilities through a network of applications and service partners, which has become crucial. In fact, when all other factors are comparable, Gartner clients frequently base their final platform decision on the vendor's specific relationship or integration with an application provider.

When evaluating the vendor ecosystem, digital commerce leaders can involve CSOs to ensure the platform supports sales processes. This includes essential functionalities such as sales team roles, the ability to place orders on behalf of clients, sales tool integrations and account management features, all of which are crucial for enhancing sales efficiency and effectiveness. In some cases, when the B2B sales team engages with or accesses the digital commerce platform, they adopt it as their preferred sales tool.

Application Partners

Application partners provide applications that complement the digital commerce platform by either:

- Filling functionality gaps, such as analytics; marketing; and configure, price and quote.
- Improving the customer experience through features such as site search, personalization or virtual assistants.

While applications from partners typically incur additional costs, they may offer cost savings through accelerated integration. In some cases, especially with multitenant SaaS platforms, immediate integration is available via preintegrations or "one-click" integrations.

However, application partners differ in their commitment to future releases of a digital commerce platform. Some partners certify their software with the platform vendor and commit to maintaining compatibility with future platform releases. When this is not the case, clients may encounter additional costs or disruptions later.

Service Partners

Service partners, usually systems integrators (SIs), handle platform implementations, integrations and custom software development. These partners are typically trained and certified by the digital commerce platform vendor to varying degrees, aligning them with specific vendors or platforms.

Still, selecting an SI can be challenging. Digital commerce leaders should consider these five key areas:

- **Organization and vision** — Assess whether digital commerce leaders can establish good chemistry with the partner, whether its vision aligns with theirs, and whether its type, size and viability meet their needs.
- **Contextual experience** — Evaluate the partner's expertise with the platform and their organization's vertical, industry and business model.
- **Integration capabilities** — Gauge the partner's ecosystem expertise, customer experience and integration capabilities.
- **Processes and resources** — Understand the partner's development practices and processes, as well as their level of business agility.
- **Assigned team's experience** — Consider interviewing each SI team member assigned to the project to evaluate their experience. Just because an SI has implemented a particular vendor's platform 100 times does not mean the assigned team has.

What You Need to Do

Start the ecosystem assessment by thinking long term. Here are some tips to help digital commerce leaders create a comprehensive list of requirements:

- **Identify all ecosystem applications** currently used or likely to be needed. Look ahead at least three years or the duration of the initial contract with the digital commerce platform vendor. Digital commerce leaders can learn more about common applications used in digital commerce in Evolve Digital Commerce Portfolios by Leveraging the Application Ecosystem.
- **Work with the CIO** to decide between a narrowly scoped commerce platform with ecosystem applications and a modular suite where most capabilities may come from a single vendor.

- **Evaluate how well the vendors on their shortlist meet the specific requirements** for supporting application and service partners. Be sure to consider the partner's level of experience with the vendor and the number of certified employees (to gauge industry and regional expertise). Application and service partners are typically listed on digital commerce vendors' websites. More sophisticated vendors even offer a marketplace for their partner networks.
- **Obtain implementation cost estimates** and include them in the vendor assessment to understand the full cost of the digital commerce platform.

Cost

The two largest costs associated with digital commerce are the platform fee, which may include ongoing costs for hosting, maintenance and updates, and the implementation cost.

Digital commerce core platform fees fall into three types, listed below from most to least common:

- **Volume-based fees** — Clients pay either a price per order or a percentage of gross merchandise value (GMV) based on forecast or actual GMV during the contract term. Price per order is more common for B2B, while GMV percentage is more common for B2C; however, some vendors have adopted GMV pricing for B2B as well (see Note 3 for more on GMV pricing).
- **License- or subscription-based fees** — Clients pay a flat annual fee, typically based on anticipated usage. Inputs for this fee may include GMV, average order value, number of orders, lines per order and number of SKUs.
- **Platform metric-based fees** — Clients pay based on platform usage, which may be calculated by the number of SKUs, operating environments, annual order lines or page views.

Basic support is generally included in the cost of the digital commerce platform. However, over time, some vendors have introduced enhanced service levels to support the 24/7 nature of digital commerce. These service-level agreements (SLAs) come at an additional cost and can impact platform performance and the overall investment value. Common SLAs focus on platform uptime or system availability and incident response. Occasionally, vendors offer SLAs based on specific functionality, incident resolution time and API call responses. A few vendors provide credits for unmet SLAs (see Note 4 for more details).

In addition to SLAs, digital commerce leaders may want to negotiate other contract items, such as additional storefronts or environments, architect or tech specialist hours, success manager, site-readiness assessment (especially for first-time implementations or significant replatforming) and more, as the best pricing occurs at contract signing. Anything needed during the contract term should be negotiated at signing.

While most clients focus on the platform fee, the implementation cost can be higher, depending on the scope of the organization's digital initiatives. Factors that can increase implementation costs include:

- The number of storefronts
- Creating or buying technology for the storefront
- The size of the product catalog
- The number of roles supported
- The number and type of integrations
- The amount of customization required
- The need to access additional functionality
- Platform backup
- Disaster recovery

Vendors also offer an array of supporting services, with some of the most valuable ones being:

- Platform optimization

- Shared best practices
- Value optimization
- Technical resources in a given region or language
- Industry vertical experience
- A customer advisory board (e.g., to influence platform development)
- User conferences (in-person or online)
- Peer networking (in-person or online)
- Different types of training (such as platform usability, technical or development) and training delivery options (e.g., in-person or online)
- Thought leadership (e.g., research, white papers, blogs or videos)

What You Need to Do

Consider all costs in making the assessment. Here are some tips to help digital commerce leaders create a comprehensive list:

- **Include the implementation cost**, which is the largest cost component in most commerce projects. An inexpensive platform with additional hosting costs and high implementation costs may not be as competitively priced as a more expensive platform with lower implementation costs and no hosting or maintenance fees.

- **Seek out pricing possibilities.** Align digital commerce costs to potential revenue generated by the platform. Calculations should also factor in the margin impact, as GMV revenue share percentages can significantly affect profitability if selling low-margin items. Digital commerce leaders should engage with CFOs to understand the financial implications of different pricing models and implementation costs. This collaboration aligns the platform investment with the organization's financial goals and ensures a favorable ROI.

- **Inquire about vendors' support programs** and validate their quality by contacting reference customers. They should obtain pricing for everything needed in the next three years. They must make informed decisions about technical assistance for implementations, SLA upgrades and site-ready assessments, and negotiate every line item.

Evidence

[1] **2025 Gartner CMO Spend Survey:** This survey explored top-line marketing budgets with the goal of understanding how changing customer journeys, pressures from the C-suite and cost challenges affect marketing's spending priorities and channel effectiveness. Conducted online from January through March 2025, the research included 402 respondents from North America (n = 202), the United Kingdom (n = 97) and Europe (n = 103; including France, Germany, Belgium, Denmark, Finland, Netherlands, Norway and Sweden). Participants were required to be involved in decisions related to setting or influencing marketing strategies/planning, aligning marketing budgets/resources, or leading cross-functional programs and strategies with marketing. Seventy-seven percent of the respondents represented organizations with annual revenue of $1 billion or more. The respondents came from a diverse range of industries: manufacturing (n = 52), financial services (n = 50), insurance (n = 43), consumer products (n = 43), healthcare (n = 42), travel and hospitality (n = 37), IT and business services (n = 36), retail (n = 36), pharma (n = 32), and media (n = 31). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[2] **2024 Gartner CMO Spend Survey:** This survey looked at top-line marketing budgets and aimed to identify how evolving customer journeys, C-suite pressures and cost challenges impact marketing's spending priorities and channel effectiveness. The research was conducted online from February through March 2024 among 395 respondents in North America (n = 200) and Europe (n = 195). Respondents were required to be involved in decisions pertaining to setting or influencing marketing strategy/planning and to aligning marketing budget/resources, and/or they were required to lead cross-functional programs and strategies with marketing. Seventy-four percent of the respondents came from organizations with $1 billion or more in annual revenue. Respondents came from a variety of industries: financial services (n = 46), insurance (n = 35), manufacturing (n = 48), consumer products (n = 32), media (n = 35), retail (n = 38), healthcare (n = 47), pharma (n = 37), IT and business services (n = 41), and travel and hospitality (n =36). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

Acronym Key and Glossary Terms

CDP	Customer data platform
ERP	Enterprise resource planning
PIM	Product information management
PXM	Product experience management
RFQ	Request for quote

Note 1: Gartner Evaluation Tools for Vendor and Platform Selection

Gartner has several tools that can provide assistance in vendor shortlisting and selection:

- Magic Quadrant for Digital Commerce — This tool aims to assess the viability of digital commerce platform vendors. It identifies the vendors that address most of the overall market. These are typically the largest vendors in the market. Vendors must also meet specific inclusion criteria (e.g., viability, product functionality and geographic reach), which may change annually. Specific inclusion criteria can be found in the Magic Quadrant. (Note: This tool should not be used exclusively for vendor selection but for overall market evaluation.)
- Critical Capabilities for Digital Commerce — This companion to the Magic Quadrant evaluates vendors' products based on key use cases. The criteria are weighted and can be adjusted to match clients' needs. Digital commerce platforms are assessed based on four use cases:
  - B2C
  - B2B
  - B2C and B2B on the same platform
  - Composable commerce
  - Complex business models

- Digital Commerce Reviews and Ratings — These Gartner Peer Insights compile end users' reviews of digital commerce solutions. Reviews cover all stages of the buying process, product functionality and vendor satisfaction, and they are thoroughly vetted for authenticity.
- Tool: Digital Commerce Technology Vendor Guide, 2024 — This tool includes a list of digital commerce platform vendors that did not qualify for the Magic Quadrant and those that did. It may be particularly useful for clients seeking a smaller vendor.

Note: When using any of these tools, clients must conduct their own independent assessments.

Note 2: Key Functionality Considerations for Organizations

Depending on an organization's business and industry, some functions may be more crucial than initially perceived. The list below represents the items commonly arising in client discussions as potential requirements.

Broad business support:

- **Multiple product types** — For example, physical, digital, complex services, bundled, customized and complex configurable.
- **Multiple business models** — For example, B2B2X, enterprise marketplace and subscriptions. Variations of B2B self-service are broad, and use of the platform as an assisted sales tool is increasingly popular. The convergence of digital commerce and B2B sales tools is becoming more important as sales teams adopt digital commerce platforms as their preferred sales support tool.
- **Multiple types of user roles** — For example, customer (direct and indirect), employee (sales, customer service, marketing, operations and supply chain), partner and distributor.

- **Multiple sites** — Multiple storefronts natively joined as a single brand or brand family for scalability and cost-effectiveness. Store sites share common items (e.g., product catalog, content assets, inventory, price list). Customer roles or storefronts can segment this data natively on the platform. Typical use cases are:
  - Large companies operating in multiple countries (or regions) that need different tax categories, third-party logistics, promotions and campaigns.
  - B2B companies with different business units having different catalogs and buying processes, and therefore needing to segment their product catalog by customer account or wanting to extend their storefronts to their customers' customers (i.e., B2B2X).

Customer experience:

- Intelligent search (with AI-driven recommendations and semantic search)
- One-to-one personalization with customer data platform capabilities for commerce

B2B

- Visual configuration
- A multipurpose, configurable workflow engine (e.g., client purchase approvals, seller discount approvals or digital store content management).
- "PunchOut," a two-way integration between digital commerce and procurement platforms, increases usability for organizations selling to procurement-oriented customers. Integrations enable customer access directly to the suppliers' digital commerce platform, alleviating double data entry for ordering and providing access to product content and inventory information. Integrations may also enable better search capabilities, product recommendations, improved order accuracy and increased speed of process order processing.
- Support for the sales team (e.g., order on behalf of clients and preorders)

Technology:

- Multipurpose low-code functionality or low-code tools for manipulating a decoupled storefront (e.g., progressive web apps or a single-page app)

- GraphQL coverage across the entire commerce platform
- GenAI with multiple use cases (e.g., creating product descriptions, campaigns, customer segments, search synonyms)

Productized or one-click integrations:

- Configure, price and quote
- ERP
- Payments
- Price optimization
- CMS or DXP

Industry:

- Industry-specific storefronts, data models and functionality modules — for example, for education, finance, government, healthcare, insurance, manufacturing, retail or telecommunications

Note 3: GMV-Based Platform Pricing

Where pricing is based on clients' GMV forecasts, the forecasts represent a volume commitment for the contract duration. Clients are charged based on the GMV commitment regardless of actual incurred GMV. An overage fee may apply for any GMV that exceeds the original forecast during the contract term.

This approach to pricing makes accurate forecasting critical. It is also important to align forecasts to specific time periods within the contract to better align costs to potential revenue. For example, rather than prorating GMV equally across the contract term, new contracts should prorate it in such a way to allow for implementation and volume ramp-up.

On the other hand, where pricing is based on actual GMV, vendors may request sales forecasts and charge accordingly, but they will adjust fees in trailing 12-month intervals to align previously charged fees with actual GMV sales.

Note 4: SLAs

Based on the vendors in the MQ, the two most common SLAs offered are platform uptime or system availability and incident response time. The contract should well-define all SLA-related terms.

- Platform uptime or system availability SLAs can range from 99.5% to 99.99%. Some vendors will compensate for missed SLAs in the form of credits. Credits can range from 2% to 50%, contingent on the severity of the outage. In some cases, credits are specifically spelled out in the contract, whereas in other cases, vendors report "credits are available upon request." Some vendors report online platform availability in real time.
- Incident response time SLAs are based on the severity of the reported issue, with the most critical issues having the shortest response times. In some cases, response times may be contingent on business hours (i.e., response time excludes nights and weekends). Ranges can vary as indicated below
  - Severity 1 response times ranged from 15 to 60 minutes
  - Severity 2 response times ranged from 1 hour to 4 hours
  - Severity 3 response time ranged from 4 hours to 72 hours

In isolated cases, other SLAs may be offered based on

- Functionality (i.e., check-out, storefront availability, payment and admin functionality).
- Resolution time (for the incident reported) is based on the level of severity reported.
- API call response time, or in some cases, vendors have target response times for API calls. Target times ranged from 100ms to 500ms.

A few vendors offer credits for missing incident SLA response times, based on the number of misses. In this case, a credit is issued based on the severity level of the missed SLAs and the number of times the SLA was missed.

Document Revision History

Use 4 Key Criteria to Evaluate Digital Commerce Platforms - 18 October 2022

Recommended by the Author

Some documents may not be available as part of your current Gartner subscription.

How to Develop a Digital Commerce Strategy

Quick Answer: What Are Deployment Model Options for Digital Commerce Platforms?

10 Attributes to Guide Your Digital Commerce Implementation Provider Selection

Table 1: Digital Commerce Platform Deployment Models

Model	*Description*	*Cost considerations*
Multitenant SaaS	The vendor selects the hosting location and owns, manages and delivers application code. Customizations are achieved via configuration or extension, typically through exposed APIs.	■ Pricing typically includes both hosting and maintenance costs ■ Often versionless, allowing customers to use or ignore regular functionality updates ■ May restrict customizability and extensibility
Single-tenant SaaS	Similar to multitenant SaaS but with only one tenant per deployed instance. The vendor updates each client individually, ensuring each client has its own instance of the datastore.	■ May require additional costs for hosting or maintenance — or both ■ Often versionless, allowing customers to use or ignore regular functionality updates ■ May restrict customizability and extensibility
Single-tenant hosted	The vendor hosts the platform in a private data center or on a public cloud, with varying service levels. The client may access the core commerce application code. Upgrades are performed by the vendor, client or solution integrator. (Sometimes referred to as PaaS when the customer can access the code for extensions and customization.)	■ May require additional costs for hosting or maintenance, or both ■ Additional services (at additional cost) may include application monitoring, autoscaling, and managed upgrades.

Model	*Description*	*Cost considerations*
On-premises or self-hosted	The client installs the platform on its chosen infrastructure without vendor involvement. Upgrades must be performed by the client or a solution integrator.	■ Requires additional costs for hosting. ■ May require additional cost for maintenance. ■ Requires additional costs for application monitoring, scaling and security.

Source: Gartner

Table 2: Digital Commerce Platform Architectures

Architecture ↓	*Advantages* ↓	*Limitations* ↓
Commerce-led (or monolithic) uses a single primary commerce platform. A modern version can be used in either the cloud or a SaaS capacity instead of on-premises, while retaining a feature-rich, quick-to-market approach.	■ Convenience of a "single source solution" ■ Availability of prebuilt APIs ■ Reduces dependency on large IT teams or external vendors ■ Can be deployed quickly with minimal integration effort and upfront cost	■ Limited sophistication of features such as layout management, personalization, content testing and analytics ■ Restricted platform customizability ■ Often very slow to change (e.g., one or two upgrades per year) ■ "Head on" server-side front ends that may limit performance
Experience-led has a separate digital experience layer that integrates with a "headless" commerce platform and other capabilities as necessary.	■ Flexible digital customer experience across multiple sales channels or brands (especially for narrative-led brand or lifestyle approaches that move beyond "the catalog") ■ Opportunities for continuous customer experience improvement and innovation ■ Reduced build-and-deploy timelines	■ More reliance on IT teams and unique skill sets ■ Larger upfront investment ■ Additional overheads for operating and maintaining multiple solutions

Architecture ↓	*Advantages* ↓	*Limitations* ↓
Modular (API-first) decomposes the typical monolithic platform capabilities to increase agility and decrease interdependencies during deployment. It is a stepping stone to composable commerce.	■ Improves organizational (and vendor) agility by "productizing" capabilities ■ Enables mixing and matching of the most-suited technical stack ■ Reduces dependencies across the platform	■ Possible scarcity of technical skill sets ■ Requires maintenance for multiple applications and platforms ■ Requires a decoupled front end, which may put presentation or journey management back on the front-end developers
Composable requires loosely coupled back-end application capabilities, which are used to compose new commerce functionality and custom experiences.	■ Greater ability to move quickly in response to customer demand or market changes ■ Tools and frameworks for an innovation-centric business, which enable mixing and matching of the most-suited capabilities ■ Reduced dependencies on vendor roadmaps and greater flexibility to focus on differentiating capabilities ■ Supports organizations with complex business needs and distributed development by individual teams	■ Requires higher upfront investment, significant digital maturity and longer implementation timelines ■ Longer time to achieve business value ■ Requires coordination across multiple teams and stakeholders, as well as new ways of working ■ Lock-in can move from a commerce vendor to a service provider providing the platform composition

Source: Gartner