Magic Quadrant for Digital Commerce

Published 10 August 2022 - ID G00758308 - 56 min read

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Initiatives: Digital Commerce and CRM Sales Technologies

The digital commerce platform market's revenue grew by a record 22% in 2021. This Magic Quadrant evaluates 18 vendors of digital commerce platforms to help application leaders make informed decisions.

This Magic Quadrant is related to other research:

View All Magic Quadrants and Critical Capabilities

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 2024, 15% of B2B organizations will use digital commerce platforms to support both 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, the IT costs of managing SaaS operations will be halved as a result of the adoption of composable application architectures.

By 2025, organizations offering a unified commerce experience by frictionlessly moving customers through journeys will see at least a 20% uplift in total revenue.

Market Definition/Description

Gartner's view of the digital commerce market focuses on transformational technologies that help organizations deliver great buying experiences for their customers.

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

To qualify for evaluation in this Magic Quadrant, vendors' platforms had to have out-of-the-box capability to provide, or APIs to support, a self-service, interactive commerce experience that includes storefront, product catalog navigation, product pages, shopping cart, check-out and customer account. Out of the box, platforms also had to support the ability to search for a product, add products to a cart, and fully price an order inclusive of product-, customer- and order-level discounts or promotions. In some B2B scenarios, this may involve assistance from sales personnel. Additionally, the platforms had to support interoperability with customer, product, content and order functionality, and with data via APIs.

Several vendors covered in this Magic Quadrant are evolving to become providers of 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, 2022.

Magic Quadrant

Figure 1: Magic Quadrant for Digital Commerce

Source: Gartner (August 2022)

Vendor Strengths and Cautions

Adobe

Adobe is a Leader in this Magic Quadrant with its Adobe Commerce platform. Adobe Business Intelligence and Adobe Payment Services can be added at additional cost. Adobe Commerce can also be bundled with Adobe Experience Manager (AEM), which includes Adobe's content management and digital asset management (DAM) solutions. The Adobe Commerce platform can be deployed on-premises, on public clouds, or on public clouds with Adobe's managed services. Cloud versions are available globally on Amazon Web Services (AWS) and Microsoft Azure. Adobe serves a wide range of industries, including manufacturing, retail, life sciences and healthcare. The vast majority of Adobe's customers have online sales of less than $50 million in annual gross merchandise value (GMV), although larger clients also use its platform. Existing Adobe customers should consider using Adobe Commerce, due to its synergy with AEM and other Adobe products. Midsize and large organizations desiring more control over their digital commerce endeavors should also consider Adobe Commerce.

Strengths

- **Commerce breadth:** Adobe Commerce is rich in functionality, including capabilities for B2C, B2B and B2B2C. Native functionality within the platform includes a page builder that works with Adobe's PWA Studio, workflows, segmentation and personalization, loyalty and rewards, recommendations, self-service multisite setup, and a manufacturing accelerator for dealer-based models. Adobe is supported by an extensive, global application ecosystem and a network of system integrator (SI) partners, which is strengthened further by compatibility with other Adobe products.

- **Embedded AI:** AI is incorporated into Adobe Commerce to provide data-driven insights that continuously monitor the customer experience (CX) and commerce business. It automatically flags areas that need attention, such as increases in abandonment, site drop-offs, check-out issues and decreases in inventory velocity, thus ensuring that sites are performing optimally.

- **Cross-channel personalization:** Adobe Commerce natively supports personalized promotions, emails and dynamic product recommendations. Additional capabilities are available in Adobe Target via the Adobe Experience Platform Data Connector, which makes it simple to customize cross-channel personalization.

Cautions

- **Upgrade processes**: Although Adobe has released an Upgrade Compatibility Tool that can automatically identify places where conflicts might occur between a company's current implementation and a newly released version, Adobe otherwise provides only a detailed project plan for upgrading, with recommended actions. Adobe customers are still required to perform the upgrades. Most Gartner clients report that they are running two or three versions behind the most recently released version.

- **B2B functionality:** Although Adobe continues to upgrade its B2B offering, some functionality is still missing. Examples are the ability to prevent order quantity from exceeding customer budget allocation, the ability for order approvers to combine multiple requests to achieve volume discounts, and a native configure, price and quote (CPQ) offering.

- **Use of multiple Adobe products by large enterprises**: Adobe has fewer customers that generate more than $250 million in annual GMV than other Leaders in this Magic Quadrant. Companies with GMV in excess of that figure should seek applicable reference clients, especially if they plan to use multiple Adobe products.

BigCommerce

BigCommerce is a Challenger in this Magic Quadrant with its multitenant SaaS digital commerce platform. The platform is deployed primarily in North America, but continues to gain traction in other regions, especially EMEA and Asia/Pacific. BigCommerce has clients in almost every industry, but retailers, providers of business and consumer services, manufacturers, sellers of high tech and media companies are its most common customers. BigCommerce is attracting larger clients, some of which achieve sales of over $250 million in annual GMV, but a big majority of its clients average annual GMV of less than $50 million. Companies desiring speed to market (especially those selling direct to consumers) and midsize organizations requiring both B2B and B2C functionality on the same platform should consider BigCommerce, especially if cloud-native, multitenant SaaS and API extensibility are valued requirements. BigCommerce has made three acquisitions since June 2021: Feedonomics (in July 2021), for its channel integration application; B2B Ninja (in February 2022), for its quote creation and management; and BundleB2B (in April 2022), for its B2B account management, sales team support, quoting, invoicing and payments.

Strengths

- **Flexibility:** BigCommerce offers a cloud-native platform with GraphQL and REST APIs and a modular architecture. Its modern architecture is headless and fully decoupled from the storefront. Commerce functionality is available via APIs, with a few exceptions related to security.

- **Service and support:** Gartner Peer Insights reviewers have given BigCommerce high marks for service and support. They repeatedly describe their experience with BigCommerce using terms such as "easy."

- **Application ecosystem:** BigCommerce has many application ecosystem partners and at least one native integration for most types of relevant applications. Additionally, many BigCommerce partners have created their own adapters, so BigCommerce clients have many options.

Cautions
- **Geographic reach:** While BigCommerce is growing its global presence, especially in EMEA, global clients wishing to pursue digital commerce should check what support is available and ask for reference customers with similar geographic reach.

- **Support for large enterprises:** Although BigCommerce has obtained some large customers, only a small number achieve annual GMV of over $50 million. Large companies should ask for reference customers of similar size and estimated revenue.

- **Native functionality:** Some common functionality requires partner integrations. For B2C clients, this includes functionality to enable "buy online, pickup in store" (BOPIS) (also known as "click and collect"), store inventory availability and clienteling. BOPIS functionality is currently in beta testing. Multisite support was released only recently. For B2B clients, missing functionality includes catalog segmentation, spending limits and budgets by role.

commercetools

Commercetools is a Leader in this Magic Quadrant. It offers a modular, API-first, multitenant SaaS platform, which is primarily available on Google Cloud Platform and AWS. Customers can run their frontends on any major cloud infrastructure provider. In 2021, commercetools acquired Frontastic — now called commercetools Frontend — which is sold either as part of the commercetools for Growth offering or independently. Commercetools has traditionally had a strong presence in Europe, and its presence in North America continues to grow steadily. Commercetools has relatively few customers in Asia/Pacific. Commercetools serves customers in a wide range of industries, but most of its newly acquired customers in 2021 were in the retail industry. Commercetools targets large global organizations, with a good portion of its customers having over $250 million in annual GMV. Large organizations with complex requirements seeking an API-based platform should consider commercetools.

Strengths

- **MACH influence:** Commercetools has emerged as a leading influencer in the composable commerce space with its SaaS-based "microservices, API-first, cloud-native, headless" (MACH) architectural principles. Commercetools' key go-to-market strategy has been aggressive promotion of these principles, primarily through the MACH Alliance that it initiated with Contentstack, Amplience, EPAM and Valtech in 2020. Commercetools is suitable for companies interested in building a best-of-breed ecosystem of capabilities, instead of buying a single-vendor suite.

- **Free trials:** Commercetools offers prospective customers a free production trial version of its full commerce solution for internal use and validation. Once these customers are ready to move ahead commercially, their trial project is flagged and then converted into a production instance.

- **Storefront and page builder:** Commercetools Frontend offers a decoupled storefront creator with the ability to preview real-time edits via a QR code across devices, which is a unique capability among front end as a service (FEaaS) providers. Apart from a slick business user interface, commercetools Frontend provides APIs to connect to other headless content management system (CMS)/digital experience platform (DXP) offerings. In prior Magic Quadrants, commercetools was criticized for lacking a storefront and page builder capabilities to accompany its composable commerce offering. With the introduction of commercetools Frontend, these capabilities are now differentiators for this vendor.

Cautions

- **B2B functionality:** Although it continues to make improvements, commercetools still lags behind its direct competitors in terms of its efforts to offer a more complete B2B solution. Lack of a B2B storefront (there is a B2C storefront) and limited business user capabilities for sales associates are among its shortcomings.

- **Native personalization and analytics:** Commercetools provides few native personalization and analytics capabilities. It does, however, provide prebuilt connectors to third-party providers.

- **Technological complexity:** Gartner clients report that commercetools' technology is complex, expensive to implement and most commonly suited to enterprises with large, technically savvy commerce teams.

Elastic Path

Elastic Path is a Visionary in this Magic Quadrant. It offers two commerce platforms: Elastic Path Commerce and Elastic Path Commerce Cloud. Elastic Path Commerce is available for self-hosting by customers, either on-premises or on their chosen cloud environment. Elastic Path Commerce Cloud (based on the acquisition of Moltin), a multitenant SaaS platform, is Elastic Path's primary commerce offering. Elastic Path Commerce Cloud grew more in the past year than Elastic Path Commerce. Elastic Path's clients are primarily based in North America. The vendor is represented across various industries, but the majority of its clients are in retail and manufacturing. Traditionally, most of Elastic Path's clients use their solution for B2C business, but recently Elastic Path has acquired B2B and B2B2C clients for Elastic Path Commerce Cloud. Midsize organizations with unique product merchandising requirements and technology stacks, and those that want to innovate quickly by taking advantage of a modular platform, should consider Elastic Path Commerce Cloud.

Strengths

- **Modular pricing:** Elastic Path provides an option for customers to buy specific modules. This gives them the flexibility to choose business capabilities that meet specific requirements.

- **Product merchandising:** Elastic Path's EP Product Experience Manager (PXM) is its strongest feature and central to Elastic Path Commerce Cloud. The product is especially useful for customers that have complex catalog management and merchandising requirements related to product pricing and dynamic attribution for multiple touchpoints.

- **Support for customer success:** Elastic Path offers Composable Commerce XA (Experience Assurance) for an additional fee — a support service designed to reduce the risk of managing a multivendor solution landscape. It includes solution architecture blueprinting, readiness assessments and monitoring of integration performance.

Cautions

- **Default storefronts:** Elastic Path does not provide a native front-end experience, but does provide a progressive web app (PWA) reference store in ReactJS, a Gatsby reference store and a Vue accelerator. For companies that want to start a new storefront, this could slow the process. Clients can, however, use third-party front-end providers (there are integrations with Builder.io and Vue Storefront, among others) or build their own storefronts.

- **Customer count and regional span:** Elastic Path has fewer customers than most other vendors in this Magic Quadrant, even though its revenue growth rate is steady. Most of Elastic Path's clients are headquartered in North America.

- **Personalization:** Elastic Path's commerce offerings lack basic capabilities for personalization. The vendor relies on third-party partners to provide this functionality.

HCL Software

HCL Software is a Challenger in this Magic Quadrant. HCL Commerce is a hybrid single- and multitenant-hosted platform, with single-tenant components managed by HCL or HCL clients on all major cloud platforms. In addition to an order-line-based pricing model, HCL provides an option to purchase a single perpetual license — the kind of option that is now rarely offered by commerce platform vendors. HCL continues to attract large companies with annual GMV of over $250 million in North America and Europe, across a wide range of industries, but particularly retail, manufacturing and telecommunications. HCL should be considered for complex use cases and scalability for high traffic and transaction volumes associated with B2B, B2C and B2B2X business models.

Strengths

- **Support for large, complex companies:** HCL has many large, multinational customers, and its core platform capabilities reflect this. Sophisticated multisite capabilities are available out of the box, and there is a strong promotions engine and a scalable core solution, now with autoscaling and a cloud-native data tier.

- **Pricing and support for customer success:** HCL has one of the simplest pricing models of the vendors in this Magic Quadrant. This, combined with free proofs of concepts available via the Innovation Factory (a bundled consultancy offer) and limited strategic customer support via the CX Studio program (a free onboarding advisory service), provides an easier path to launch for new customers.

- **Product discovery:** Having shifted to the Elasticsearch search engine in 2020 and continued to invest in search capabilities, HCL now has one of the strongest product discovery capability sets of the vendors in this Magic Quadrant. It includes natural language processing (NLP), zero results management and visual merchandising.

Cautions

- **Complex administration UIs:** HCL's mature and sophisticated commerce platform has complex administration UIs that are less user-friendly than those of other vendors in this Magic Quadrant. It may be difficult to navigate and use its platform efficiently without training.

- **Composability:** Although it now supports "headless" delivery via React frameworks, plus a new customer data platform (CDP), HCL Commerce remains largely monolithic. Bundled with it is the low-code Volt MX multiexperience development platform (MXDP), but most uses of this platform have been for mobile-specific deployments.

- **Complex technology:** Although the comprehensiveness of HCL's technology may be necessary for large organizations with complex requirements, for midsize or regional organizations and those with simpler requirements it might not be the best fit.

Infosys Equinox

Infosys Equinox is a Niche Player in this Magic Quadrant. Its Infosys Equinox platform (a product formerly called Skava Commerce) is a modular, API-first platform with 20 independently deployable modules. It is offered as a multitenant SaaS, single-tenant-hosted or on-premises offering. Add-on options, available at additional cost, include Infosys Equinox Studio (a low-code page builder application), Conversational Commerce, a simplified business administration tool for small and midsize businesses, and managed hosting services. The Infosys Equinox platform is usually sold to enterprise-class B2C companies with complex digital commerce use cases across a variety of industries. It is suitable for companies that already use Infosys services or are interested in using Infosys as their primary SI for digital commerce.

Strengths

- **MACH architecture:** The Infosys Equinox platform is built on a MACH architecture that enables each microservice to be scaled, upgraded and extended in the same container. The platform also provides its own React-based headless front end and a fully decoupled back-office UI. Additionally, customers can buy any of 20 packaged business capabilities (PBCs) individually.

- **Comprehensive features and access control:** The Infosys Equinox platform has a comprehensive set of features for managing promotions, pricing rules and loyalty points. It also has a native ratings and reviews application. Additionally, Infosys Equinox provides back-end tool capabilities for each of its modules (if purchased individually) as part of its enterprise package, each with its own access control. This provides better governance for organizations with large numbers of users.

- **Headless CMS:** The Infosys Equinox platform is one of the few commerce platforms that has a native CMS tool for managing headless content and metadata. It also has a low-code/no-code page builder application called Infosys Equinox Studio, which is API-enabled to connect external headless touchpoints.

Cautions

- **Partner ecosystem:** The Infosys Equinox platform is almost always packaged with solution integration services from Infosys. Organizations looking to use an existing or different SI should evaluate their chosen SI's familiarity and experience with Infosys Equinox.

- **Business tool:** IT support is required to configure the Infosys Equinox platform and set up certain capabilities, such as when setting up new user roles or creating segmentation and personalization rules. In some areas, the business user administration tool is less user-friendly than some of the tools of competitors in this Magic Quadrant.

- **B2B support:** Most of Infosys Equinox's customers are in the B2C sector. The Infosys Equinox platform lacks some B2B capabilities, such as support for requests for quotation (RFQs) and workflow management. It offers limited management of B2B roles and permissions.

Kibo

Kibo is a Visionary in this Magic Quadrant. The Kibo Unified Commerce Platform is a multitenant SaaS solution that includes B2C, B2B, order management system (OMS), personalization and point-of-sale (POS) capabilities — all of which can be purchased for one price, individually per module, or via precomposed bundles. The platform includes a reporting dashboard (supplied via an OEM relationship with Looker) and an integration platform (via an OEM relationship with Tray.io). Kibo's platform is deployed primarily in North America and EMEA. It caters largely to retailers but also serves clients in distribution, life sciences, manufacturing and wholesale, albeit in substantially smaller numbers. Kibo has customers of all sizes, but the majority have annual GMV of between $50 million and $250 million. Companies in the retail industry, or requiring native personalization and OMS capabilities, or seeking a more unified commerce experience for their customers, should consider Kibo.

Strengths

- **Modern architecture:** Kibo offers a unified commerce platform that includes 10 PBCs: product information management (PIM) with DAM, inventory visibility, order routing, recommendations, product discovery, subscriptions, testing and targeting, universal cart and check-out, pricing, and promotions. Kibo also includes a prebuilt integration to a decoupled storefront, all for one price.

- **Content management with workflow and scheduling:** Kibo's platform includes a native API-based CMS that enables clients to create page templates and layouts, custom content, and managed assets. The CMS can extend to other headless storefronts, mobile apps (both shopper and in-store devices) and custom mobile experiences. The CMS includes workflow and scheduling functionality for managing the creation, approval and publication of content.

- **Personalization:** Kibo's personalization suite, which includes A/B testing, machine learning, product recommendations and search capabilities, is included with the commerce platform license. Personalization is available for product recommendations, content recommendations, site search, type-ahead predictive search, category pages, layout recommendations and customer audience discovery.

Cautions

- **Geographic reach:** Kibo's sales employees, revenues and supporting SIs are predominantly in North America, with significantly fewer in Western Europe. There is also support in Japan. Availability for hosting is limited to the U.S., Ireland and Japan. Global clients wishing to pursue digital commerce worldwide should confirm the availability of support and ask for reference customers of similar geographic reach.

- **Supporting partners:** Kibo offers sporadic support for digital commerce application ecosystems, with fewer integrations than are available from most other vendors in this Magic Quadrant. Kibo has no prebuilt integrations or partners in some key areas, including CPQ, FEaaS, live commerce, price optimization, punchout, translation services and visual product configuration. However, Kibo does offer additional integrations through Tray.io. Additionally, Kibo has fewer SI partners than most of the other vendors evaluated.

- **B2B limitations:** Although Kibo's B2B functionality continues to improve, some expected functionality is still missing, such as the ability to prevent order quantity from exceeding customer budget allocation, identification of punchout buyers, support for EDI integration and CPQ integration.

Optimizely

Optimizely is a Niche Player in this Magic Quadrant. It sells two products: Optimizely Commerce Cloud for B2C and Optimizely Commerce Cloud for B2B. The latter is its main offering and is the only Optimizely product evaluated for this Magic Quadrant. The platform is available as single-tenant SaaS deployed on AWS or Microsoft Azure; its other components, such as PIM, content optimization and analytics, are multitenant. Optimizely customers are mostly in EMEA and North America. They come from a wide range of industries, and are primarily midmarket and smaller B2B companies (with $50 million to $250 million in annual GMV). Alongside its core commerce platform, Optimizely sells a broad CX suite, including products for personalization and testing, a DXP and a CDP. Optimizely is suitable for businesses looking for a broad suite of digital experience and commerce capabilities from a single vendor. In 2021, Optimizely entered into a definitive agreement to acquire Welcome, to add a content marketing platform to its wider CX suite.

Strengths

- **Experience management:** By introducing Optimizely Content Cloud integration and native CDP integration in 2021, Optimizely has improved its digital experience management capabilities for experience-driven commerce and customer portal use cases. The native integration with a DXP product is a differentiator for Optimizely.

- **B2B capabilities:** Optimizely provides a strong set of B2B features for the midmarket, including B2B-oriented product search, good RFQ workflow with in-platform communications, and role-based budget control.

- **Rule engine:** Optimizely Commerce Cloud for B2B has a no-code rule engine at its core. It enables rule-based approaches to personalization, promotions and other workflows.

Cautions

- **Monolithic core:** Although search capability was decoupled in 2021, Optimizely's core B2B platform remains monolithic. The solution remains versioned, with monthly releases. Single tenancy gives customers some flexibility in the timing of upgrades, but this approach does not take advantage of the versionless, continual upgrades offered by some vendors' SaaS products. Optimizely's roadmap includes a shift to a SaaS-based platform with customer customizations in a separate container and the core platform controlled by Optimizely.

- **Suite-based proposition:** Although some customers may prefer a single-vendor solution, the trend is toward best-of-breed, modular, composable approaches. Optimizely's broad suite looks inward, not outward to a wider ecosystem of partners.

- **Storefront limitations:** Optimizely's new React-based CMS and decoupled storefront has limited flexibility and is not yet mature. Recent integration with Optimizely Content Cloud has brought a fuller DXP integration to the B2B commerce platform, but this integration does not include a React (or other front-end framework) solution. Therefore, for a customer to use the DXP, decoupled front ends must be custom-built.

Oro

Oro is a Visionary in this Magic Quadrant. OroCommerce is bundled with OroCRM and sold together with the OroPlatform. OroCommerce is a single-tenant digital commerce platform that can be deployed on OroCloud, public clouds, private clouds and on-premises. Oro focuses on B2B businesses, but can also support B2C businesses. Although Oro has some large enterprise customers, the majority of its clients are midsize B2B organizations (with $10 million to $250 million in annual GMV) in Europe and North America. B2B digital commerce organizations should consider Oro, especially if they value a tightly integrated CRM system to support omnichannel CX and sales activities.

Strengths

- **Catalog management:** Oro has robust PIM capabilities that enable users to control visibility by customer group and account, and to manage multiple catalogs, channels, attributes and variants. Catalog management works with Oro's DAM solution and page builder to enable business users to manage the look and feel of a catalog. The catalog can be previewed with easy visibility controls before publishing.

- **Workflow management:** Oro's workflow engine supports visualization, so business users can easily define states, conditions and events without creating additional roles or rules. It can be used for many processes, including product approval, RFQ, check-out, lead management, fulfillment and delivery.

- **Multisite and multiregion support:** OroCommerce can host multiple sites for B2B, B2C, B2B2X and marketplaces on a single instance, with granular control of catalog, content, customers, warehouse, check-out, payments and tax. Out of the box, it also has multicurrency and multilanguage capabilities.

Cautions

- **Modularity:** Although OroCommerce has comprehensive capabilities, including PIM, DAM, workflow engines, a CMS and a marketplace, customers rarely choose to implement individual modules autonomously. Instead, they generally use the full platform.

- **Pricing:** Although Oro offers GMV- and order-based pricing, other factors, such as the number of users, SKUs, storage and deployment model, also contribute to the licensing cost. This makes Oro's pricing model quite complex, relative to those of other vendors in this Magic Quadrant.

- **Ecosystem and geographic presence:** Oro has relatively few service partners, compared with other vendors in this Magic Quadrant. Also, most of its partners and customers are in Europe and North America.

Salesforce

Salesforce is a Leader in this Magic Quadrant. Salesforce offers three commerce platforms: B2C Commerce, for companies with complex requirements that need a high level of scalability; B2B Commerce, for B2B companies; and B2B2C Commerce, for B2B Commerce customers who also want to sell directly to consumers. Salesforce also offers separate products, at additional cost, for order management, customer portals and payments. Salesforce has digital commerce customers in many geographies and industries, and serves clients ranging from midsize organizations to large enterprises. Existing Salesforce customers and other organizations seeking a broad range of capabilities and an extensive application ecosystem should consider using a Salesforce digital commerce platform. In February 2022, Salesforce signed a definitive agreement to acquire Atonit, a Brazilian technology company that offers a marketplace operation application and professional services.

Strengths

- **Shared Lightning services:** Salesforce invests in building what it calls "shared services" on its Lightning development platform, which can be used by any of its commerce platforms (examples are an inventory service, product recommendations and a native payments integration). To date, there are five shared services that can be used by each of the commerce platforms, and more are on Salesforce's roadmap.

- **Industry offerings:** Salesforce offers industry-specific solutions that combine multiple Salesforce products to provide industry-specific data models and workflows. Salesforce's breadth of offerings enables it to make these combinations and provide industry-specific solutions that many other vendors cannot.

- **Multisite functionality:** Salesforce's B2C- and B2B-focused platforms excel at self-service multisite setup and administration. They include functionality for managing localization preferences such as language, currency and taxation method.

Cautions

- **B2C architectural transition:** Both established and new B2C Commerce customers use a core commerce technology stack that was not built on the Salesforce Lightning platform (for functional areas such as catalog, promotions, pricing, cart and check-out). As Salesforce builds more shared services on its Lightning platform, B2C customers will need to assess these services' scalability for large-scale transaction volumes and decide whether or when to move to the new services.

- **Need for additional functionality:** Salesforce requires clients to purchase additional components for some basic commerce functions. For example, the OMS module is required for some physical-store connection functionality, such as product picking for BOPIS orders. Additionally, B2B customers seeking the ability to respond to quotes need to purchase Salesforce Sales Cloud.

- **B2B pricing:** Salesforce B2B Commerce customers must purchase user licenses for buyers on the platform, in addition to paying for the platform on a per order or GMV percentage basis. This is a pricing lever not used by most B2B-focused vendors in this Magic Quadrant.

Sana Commerce

Sana Commerce is a Niche Player in this Magic Quadrant. It offers a platform called Sana Commerce Cloud, which is most frequently deployed as a single-tenant application on Microsoft Azure infrastructure. Customers also have the option of self-hosting it on their choice of public cloud, although few choose this option. Sana targets B2B distributors, wholesalers and manufacturers with either Microsoft or SAP ERP implementations. The vast majority of Sana's clients are in North America or Europe. B2B companies seeking to enable digital commerce by extending their SAP or Microsoft ERP implementations should consider Sana.

Strengths

- **ERP integration:** Sana uses the data in SAP and Microsoft ERP systems for almost all commerce activities. Sana offers native integration with almost all versions of ERP applications offered by SAP and Microsoft, including older versions predating 2010. Sana pulls data in real time from the ERP system, where necessary, and therefore does not replicate data in the digital commerce platform.

- **Total cost of ownership:** Because of the prebuilt integrations with ERP systems, Sana clients experience lower initial setup and launch costs, relative to platforms that require custom integration work or payment for third-party integration work.

- **Commerce-related insights:** Out of the box, Sana includes a data and analytics offering, Sana Commerce Insights, which uses online and offline data to inform strategic decision making. Sana Commerce Insights combines clickstream data with data pulled from an ERP system to help commerce practitioners evaluate the success of commerce sites in the broader context of their company's performance. Business users can customize the interface and embedded dashboards, and the functionality is more robust than that of most vendors in this Magic Quadrant.

Cautions

- **ERP reliance:** Although Sana's ERP integration capabilities are beneficial for many B2B companies, companies that use other applications (for example, CRM systems) for workflows and systems of record will require custom integrations to derive the same value from Sana's approach.

- **SI availability:** Sana typically performs its own professional services work for customers. Although third-party SIs are available, they are not as prevalent as they are for many of the other vendors in this Magic Quadrant, especially in North America.

- **Commerce ecosystem integrations:** Sana lacks prebuilt integrations with several types of applications, including digital commerce search, CRM, DXP and punchout applications. Sana offers relatively few integrations for other areas, including CPQ and PIM.

SAP

SAP is a Leader in this Magic Quadrant. It offers SAP Commerce Cloud, a hybrid multitenant SaaS and single-tenant hosted platform with platform as a service (PaaS) capabilities that uses Microsoft Azure infrastructure. It includes Intelligent Selling Services — a set of decoupled multitenant modules to enable personalization, commerce search, product recommendations and merchandising — as part of SAP's journey toward a modular architecture. SAP has customers in many geographies and industries, with the most common being retail, consumer products and goods, distribution, and wholesale. SAP's platform is commonly deployed in B2B scenarios at companies where SAP's ERP solutions are also deployed. Companies with large product catalogs and/or complex use cases should consider SAP.

Strengths

- **Content management:** SAP's Product Content Management application is included in SAP Commerce Cloud licenses. It provides more complete functionality than the product management capabilities of most other commerce platforms assessed in this Magic Quadrant. It includes collaboration functionality, product workflows, data quality indicators and alerting. SAP also offers product syndication and channel integration through a partnership with Productsup.

- **Decoupled storefront editor:** The SAP Commerce SmartEdit application is included in the SAP Commerce Cloud license. It enables business users to create and edit pages in SAP's decoupled front-end single-page application, Spartacus. This functionality can be used for B2C or B2B clients. It includes functionality for editing pages, viewing pages in different viewports and adding page components.

- **Enterprise support and autoscaling:** SAP supports large, global companies with a great deal of SKUs, traffic and revenue running through the platform. The platform autoscales on Microsoft Azure by automatically detecting traffic spikes and scaling resources accordingly.

Cautions

- **Modularity:** SAP's platform is still on a path toward modularity, with only specific components decoupled into separate modules (search, product recommendations and Intelligent Selling Services). Companies seeking more extensively modular architectures should explore other platforms.

- **Lightweight B2C solution:** In 2022, SAP discontinued its Upscale Commerce platform, which was positioned for midmarket B2C companies. Although SAP has launched a Quick Start offering with a fixed scope and fixed cost for companies that want to go live quickly, Gartner clients generally report longer implementation times. Companies primarily looking for quick launches, especially for B2C, should therefore explore other options.

- **Pricing and contract negotiation:** Gartner clients report (through inquiries and Peer Insights reviews) difficulties with understanding SAP's pricing and negotiation process. SAP therefore scores relatively low in this Magic Quadrant for ease of evaluation and contract negotiation.

SCAYLE

SCAYLE is a Niche Player in this Magic Quadrant. SCAYLE has a single-tenant SaaS offering called SCAYLE Commerce Technology, with functionality for marketplace operations and order management. It is deployed on AWS infrastructure, uses containerization, and supports mainly B2C/direct to consumer (D2C) and marketplace (operations and integration) use cases. Most of SCAYLE's clients are in Europe, but its customer base in North America is growing. SCAYLE, which focuses on brands and retail customers, serves the fashion, home and living, sports, and beauty and personal care sectors. It has a broad range of customers, ranging from midsize to large enterprises (annual GMV of $50 million to $1 billion). Organizations desiring a SaaS solution that includes PIM, OMS, in-store capabilities, syndication and marketplace technology for multicountry rollouts should consider SCAYLE's. SCAYLE is owned by ABOUT YOU, which issued an initial public offering in May 2021.

Strengths

- **Headless commerce:** SCAYLE's offering is fully headless and front-end-agnostic, which makes it well-suited to organizations that want to maintain their own storefronts and other interaction points.

- **Marketplace operations and integration:** SCAYLE offers native marketplace operation functionality. Its offering also includes a product syndication platform for integration with third-party marketplaces.

- **Unified retail commerce:** A native distributed order management (DOM) system, native in-store apps, and a basic native customer service and communications "suite" make SCAYLE's offering well-suited to offline-to-online use cases, though POS integration requires customization.

Cautions

- **Industry focus:** SCAYLE focuses on sectors such as fashion, sports, home and living, and beauty and personal care, plus customers with a marketplace operations business model. Organizations that compete in other sectors or that do not require marketplace operations technology may want to look elsewhere.

- **Geographic reach:** The vast majority of SCAYLE's clients are in Europe, though the company also has a foothold in the U.S. and is expanding there. SCAYLE's offering is not currently available in other markets, and overall market awareness of SCAYLE remains low.

- ■ **Partial solution:** SCAYLE has no CMS (but does have partnerships with headless CMS vendors), lacks advanced merchandising capabilities, and has only basic personalization and analytics capabilities out of the box. SCAYLE can suit customers looking for a composable approach to commerce, but those wanting a more sophisticated set of capabilities out of the box should look elsewhere or seek appropriate integrations.

Shopify

Shopify is a Challenger in this Magic Quadrant. It has a broad product portfolio and different plans with different levels of complexity. Shopify Plus, the offering reviewed in this Magic Quadrant, is a multitenant SaaS platform aimed at midsize to large businesses, predominantly for B2C sales. Shopify has a global reach, but most of its customers are in North America. Shopify Plus has gained the attention of large merchants with simple selling requirements, for which time to market is a clear differentiator. Although the majority of Shopify's customers are relatively small, larger businesses should also evaluate Shopify Plus, especially when testing a new product line, entering a new geography or testing digital commerce as a business strategy. In July 2021, Shopify acquired Donde Fashion, a provider of a visual search application. In July 2022, Shopify acquired Deliverr, a fulfillment technology provider.

Shopify did not respond to requests for supplementary information for this Magic Quadrant. Gartner's analysis is therefore based on other credible, public sources.

Strengths

- ■ **Growth and expansion beyond core commerce:** Shopify's software revenue grew by 48% in 2021 (compared with 2020) and its market share growth was the fastest of the vendors in this Magic Quadrant. The Shopify Plus customer base grew to 14,000, a 40% increase (Shopify also has over 2 million merchants using other versions of its platform). To foster growth, Shopify surrounds its core commerce platform with a broad product portfolio, including Shopify Payments, Shopify POS, Shopify Shipping, Shopify Email, Shopify Markets, Shopify Fulfillment Network, Shopify Capital, Shop Pay Installments and Shopify Balance.

- **Support for complex use cases**: Shopify's newly launched Online Store 2.0 provides a notable upgrade for customization and business-user-friendly editing. Hydrogen, which was offered in developer preview form in November 2021 and officially launched in June 2022, is a front-end web development framework and SDK that provides more flexibility for merchants wanting to build custom Shopify storefronts. Shopify also offers Shopify Flow, a platform to automate tasks and processes within stores and across apps. These added capabilities improve Shopify's ability to meet the complex requirements of large businesses.

- **Ecosystem**: Shopify's growth is supported by a broad ecosystem that includes over 40,000 SI partners, 8,000 marketplace applications (a 30% rise in 2021, compared with 2020) and its Global ERP Program for ERP integrations.

Cautions

- **B2B commerce**: Shopify enables merchants to set up wholesale channels, but its suitability for B2B digital commerce use cases remains untested. Merchants and other businesses looking for more complex B2B functionality should explore other vendors. Shopify launched a B2B offering in June 2022, which was not evaluated for this Magic Quadrant.

- **Multisite capabilities**: Additional costs and customizations are involved when setting up additional stores. Companies looking for more sophisticated customizable storefront management should consider other vendors.

- **Lack of large-enterprise customers**: Most of Shopify's merchants are very small businesses with subscription plans that cost less than $50 a month. The Shopify Plus customer base accounts for less than 1% of Shopify's total merchants. Enterprise buyers with annual GMVs larger than $50 million, especially in nonretail industries, should seek references from customers of similar size.

Shopware

Shopware is a Niche Player in this Magic Quadrant. The latest version of its digital commerce platform, Shopware 6 Commerce Cloud, is based on the PHP Symfony framework. It is commercially licensed for on-premises and commerce cloud deployments, as either SaaS or PaaS (the latter launched in 2021). There is also an open-source community version. The 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 Asia/Pacific. Shopware's target segments are small and midsize B2C retail and branded manufacturers and wholesale B2B companies.

Strengths

- **Flow Builder:** Shopware provides a native no-code visual workflow builder that enables business users to customize prebuilt capabilities such as personalization, customer segmentation, promotions, loyalty point calculation and B2B workflows. This is a key differentiator for Shopware.

- **Multisite and new sales channel integrations:** Shopware enables customers to quickly launch new sales channels, including multiple storefronts, using prebuilt integrations. It also offers extensions for business users to enable sales on external channels such as Zettle, Facebook Ads, Google Shopping and Amazon Marketplace. Configurations provided for site properties are granular, and users have the flexibility to manage specific business rules for each capability and integration, which is a strong multisite feature.

- **Guided selling:** Shopware provides extensive guided-selling capabilities, which are specifically useful for B2B sales associates. Associates can set up a presentation mode and decide whether customers have full ability to browse and navigate through the product portfolio themselves or access a co-browsing mode. This enables sales teams to engage with customers on a live basis, either individually or as a group, using a parallel webchat component.

Cautions

- **Vue.js storefront:** Shopware's progressive web app (PWA) storefront is built only on Vue.js, whereas other digital commerce vendors that offer a headless storefront also provide options on other widely used front-end frameworks, such as React and Angular. This could adversely affect Shopware clients, as they might need to acquire specific development resources to customize and maintain Shopware storefronts.

- **Geographic coverage:** Most of Shopware's employees, customers and SI partners are based in the DACH region. Shopware is, however, making investments to establish presence in North America and Asia/Pacific.

- **Midmarket focus:** The majority of Shopware's customers have less than $50 million in annual GMV and focus on B2C selling. Only a small percentage of Shopware's customers are large enterprises with over $250 million in annual GMV.

Spryker

Spryker is a Visionary in this Magic Quadrant. Spryker Cloud Commerce OS is a multitenant platform offering a SaaS core, with extensibility via a single-tenant PaaS environment. Spryker Cloud Commerce OS is deployed on AWS infrastructure and supports Microsoft Azure and Google Cloud Platform as options. Spryker also offers a front-end development tool (the Frontend Enablement Service [FES]), a hub for preintegrated applications (App Composition Platform [ACP]) and a marketplace operation application (Spryker Marketplace) as multitenant SaaS applications, at additional cost. Spryker has global operations and customers in all major regions. Spryker targets midsize and large organizations with annual GMV over $100 million. Most of its customers are in the manufacturing, life sciences and retail sectors. Spryker supports B2B, B2C and marketplace business models. Organizations that need a modular commerce platform with extensibility should consider Spryker.

Strengths

- **Architecture:** Spryker Cloud Commerce OS is built on a modular, cloud-native architecture that features over 40 independent modules. Each module can be made available in a PaaS environment for customization using Spryker's PaaS tools, thereby facilitating upgradability of the modules.

- **Extensibility:** Spryker offers several add-ons, such as FES, ACP and Spryker Marketplace, that enable customers to extend the front-end experience, core commerce capabilities and business models.

- **Growth:** Of the vendors in this Magic Quadrant, Spryker was among the fastest-growing in terms of customer and revenue growth in 2021. It has presence in all major regions and in more than 12 industries.

Cautions

- **Out-of-the-box functionality:** Some of Spryker's native functionalities are not as strong as those of Leaders in this Magic Quadrant. For example, although several user roles are available out of the box in the administration console, control over role permissions is not as granular as that of the Leaders. Predefined workflows can be configured, but the process of creating new ones is less intuitive. Sophisticated catalog management, search capabilities and personalization require third-party extensions.

- **Business UI:** Although Spryker supports data ingestion and feature enrichment from integrated third-party applications, users have to be very familiar with those applications to locate the needed functions, and sometimes need to "cut and paste" code to achieve the desired effect.

- **Geographic presence:** Although Spryker does have global SI partners, the majority are based in Europe. Customers in other regions may not find as many potential implementation partners.

Unilog

Unilog is a Niche Player in this Magic Quadrant. Its digital commerce solution, CIMM2, is a single-tenant platform hosted on Google Cloud Platform. Unilog is undertaking a multiyear product development project for its new multitenant digital commerce product suite, CX1, which is progressing as individual CX1 products are completed and become generally available to customers. Unilog also offers content subscription, syndication and enrichment services at additional cost. Unilog's customers are primarily small and midsize B2B organizations in the U.S. distribution, wholesale, retail and manufacturing sectors. Most of its customers have an annual GMV of less than $10 million. Small and midsize B2B organizations that require both a digital commerce platform and strong product content functionality should consider Unilog.

Strengths

- **Catalog management:** Unilog's product content solutions have rich functionality to create catalogs and manage product content and associations. Unilog also has a visualized taxonomy to enable users to easily view the catalog structure and move items across nodes.

- **Content management:** Unilog's natively integrated CMS has a page builder that can create and manage responsive pages for websites and mobile devices. Unilog also offers a mobile SDK (at additional cost) for building native apps.

- **Midmarket focus and bundling:** Unilog's digital commerce platform is suitable primarily for midmarket B2B customers looking for a commerce platform with bundled PIM and CMS solutions.

Cautions

- **Limited advanced functionality:** Unilog lacks some functionality that large-enterprise customers might expect to be included, such as self-service multisite setup, multiregion capabilities and workflows. Customers who need multiple sites have to ask Unilog to set them up on their behalf. Multiregion operation is not supported on a single-instance deployment of the platform. Approval workflows are available out of the box, but other capabilities, such as support RFQ, require third-party integrations.

- **Ecosystem:** Unilog has very few third-party integrations, except for ERP and payments. It relies on its own offerings to cover most commerce functionality.

- **Geographic presence:** Most of Unilog's customers are based in the U.S., although some have global operations. Its service partners are also primarily in the U.S., so prospective customers outside the U.S. may have difficulty finding partners in their region.

VTEX

VTEX is a Visionary in this Magic Quadrant. The VTEX Commerce Platform is a multitenant SaaS offering with more than 100 independent modules, including functionality for marketplace operations and order management. It is deployed on AWS infrastructure and supports both B2B and B2C use cases. Most of VTEX's operations and clients are in Latin America, but its customer bases in North America and EMEA are growing. VTEX has customers in multiple industries, the largest being retail. It serves many small organizations (those with annual GMV of less than $50 million), but has increased its focus on, and traction with, larger enterprises. Organizations seeking a modular offering that includes marketplace operations and an OMS solution should consider VTEX, especially if they have a strong retail focus and operations mainly in Latin America. VTEX made three acquisitions in 2021: Suiteshare, a social selling platform provider (in June 2021); Workarea, a North American digital commerce platform provider (in February 2021); and Guava, a software development studio in Brazil (in August 2021). VTEX had an initial public offering in July 2021.

Strengths

- **Comprehensive platform:** VTEX offers a suite solution for commerce that includes marketplace operations, OMS, search and personalization components, a headless CMS, and a low-code development platform (VTEX IO). All these components are included in the commerce platform license, with a few exceptions for small-customer offerings. This enables fast speed to market. VTEX received high scores from Peer Insights reviewers for integration and development.

- **Ecosystem:** VTEX has a large network of implementation partners, most of which are based in Latin America, although representation in North America is growing. VTEX also has a large ecosystem of technology partners, compared with other vendors in this Magic Quadrant. Notable areas in which it has technology partners include channel integrations, shipping and fulfillment, payment gateways and marketing automation.

- **Innovation:** VTEX has enhanced its administration functionality to manage multiple channels, launched a Live Shopping app and conversational commerce, and added new features and capabilities, such as a marketplace seller network and in-store selling of third-party products and fulfillment.

Cautions

- **Focus on Latin America:** Ninety percent of VTEX's revenue, and a large majority of its employees, partners and customers are in Latin America. VTEX's geographic expansion has focused on growing its presence within Latin America outside Brazil, although it does continue to invest in the U.S. and Europe.

- **Multistore support and localization:** VTEX lacks a self-service business user interface for setting up new stores — a task that requires assistance from VTEX's support team. VTEX plans to address this on its roadmap, however. There are also limitations in terms of managing store-level catalogs, and many configurations have to be made at the product level.

- **Cloud options:** The VTEX Commerce Platform is available only on AWS infrastructure, which may deter organizations operating in non-Amazon cloud environments.

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

- Infosys Equinox

- Sana Commerce

- SCAYLE

Dropped

- Intershop

- Oracle

Inclusion and Exclusion Criteria

The inclusion criteria represent the specific attributes that Gartner analysts deemed it necessary for vendors to satisfy in order to appear in this Magic Quadrant. To be included, each vendor had to satisfy the following inclusion criteria, defined by Gartner, as of 31 March 2022:

- The vendor had to offer for sale at least one digital commerce platform that matched Gartner's digital commerce platform product description and requirements for digital commerce platform product functionality (for which, see below).

- The digital commerce platform had to support over 60 production customers.

- The digital commerce platform had to serve customers in more than one unique industry. Additionally, the platform had to have at least 5% of its production customers in those industries.

- The digital commerce platform had to be used by paying customers in more than one region. Additionally, the platform had to generate at least 5% of its digital commerce revenue from those regions.

- The digital commerce platform customers could not consist of more than one customer that represented more than 10% of the annual recognized digital commerce software revenue.

Additionally, vendors had to satisfy one of the following three scenarios 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 2021: More than five

- Annual recognized digital commerce software revenue in 2021: Equal to or greater than $20 million

- Growth in annual recognized digital commerce software revenue from 2020 to 2021: Greater than 20%

Scenario 2:

- Net new customers in 2021: More than five

- Revenue in 2021: Equal to or greater than $50 million

- Revenue growth from 2020 to 2021: Greater than 10%

Scenario 3:

- Net new customers in 2021: More than five

- Revenue in 2021: Equal to or greater than $70 million

The following Gartner definitions inform the preceding inclusion criteria:

- **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 usually self-service experience. The platform provides the necessary information for customers to make buying decisions, and uses rules and data to present fully priced orders for payment.

- **Digital commerce platform product functionality:** The platform must have out-of-the-box capability to provide, or APIs to support, a self-service, interactive commerce experience that includes storefront, product catalog navigation, product pages, shopping cart, check-out and customer account. Out of the box, the platform must have the 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. In some B2B scenarios, this may involve assistance from sales personnel. The platform must support interoperability with customer, product, content and order functionality, and with data via APIs.

- **Production customer**: A production customer is an organization that has purchased the digital commerce platform, has a corresponding contract with that platform's vendor in the name of the buying organization, is live and transactional on the platform, and pays for use of the platform (that is, one production customer equals one production contract).

- **New digital commerce platform customers**: This is the number of new digital commerce platform customers who signed a contract during 2021. It is not a year-over-year growth number, but a new customer count number.

- **Annual recognized digital commerce software revenue**: This is defined as total revenue exclusively from the sale of licensed software (regardless of deployment model, whether on-premises, SaaS or another model) that can be reported for a specific year according to generally accepted accounting principles (GAAP). For the purposes of this document, annual recognized digital commerce revenue excludes revenue generated by supporting ecosystem applications and services such as web content management (WCM), digital experience platform (DXP), distributed order management (DOM), product information management (PIM), configure, price and quote (CPQ), merchant of record (MoR) services, and payment services. Also excluded is revenue from a parent organization or another business entity within the same parent organization.

Honorable Mentions

Gartner tracks more than 140 vendors in this market. Eighteen vendors met the inclusion criteria for this Magic Quadrant, but a vendor's exclusion does not necessarily mean that it or its products lack viability.

The following three vendors met several, but not all, of the inclusion criteria (each vendor failed to achieve the required combination of year-over-year customer growth and total license revenue for their digital commerce platform):

- **Intershop**: The Intershop Commerce Platform is available as a single-tenant hosted or multitenant SaaS offering. It offers both B2C and B2B functionality. It is primarily used by customers in Europe who require a flexible platform that offers many prebuilt integrations with digital commerce ecosystem applications. Intershop also offers an Angular-based PWA accelerator kit for companies that require a modern, decoupled storefront.

- **Microsoft**: Microsoft is relatively new to the digital commerce platform market. In 2020, it launched the Microsoft Dynamics 365 Commerce platform, which addresses B2C customer needs and is built on top of Microsoft Dynamics 365 Retail. In 2021, Microsoft added B2B capabilities. Microsoft Dynamics 365 Commerce includes native functionality for ratings and reviews, curbside pickups, loyalty accounts, intelligent product reviews, DOM and several other capabilities. It also includes a native CMS with DAM features at no additional cost.

- **Virto Commerce**: Virto offers a Microsoft .NET platform that can be deployed as a single-tenant hosted or multitenant SaaS platform — both options offer PaaS capabilities. It is aimed at midsize and large wholesalers and manufacturers. The platform is open-source, modular and API-first, and includes APIs for the business user administration console and storefronts. It comes with individual modules for digital catalog, pricing, cart, order, promotion, digital experience and other capabilities. In 2021, Virto released Virto Marketplace, a marketplace operation application. Virto Marketplace is a stand-alone, platform-agnostic solution, but is natively connected to the Virto platform. In February 2022, Virto released a natively connected B2B storefront.

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 and geographic focus, and the type of CX they wish to deliver. Therefore, breadth of product or service functionality, overall viability, sales execution/pricing, market responsiveness/record, and customer experience remain highly weighted criteria.

Table 1: Ability to Execute Evaluation Criteria

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

Source: Gartner (August 2022)

Completeness of Vision

Digital commerce platform vendors must understand not only the market's evolution, but also their clients' specific needs when it comes to strategy and evolving business models. Innovation is also 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.

The weighting of the geographic strategy criterion has dropped from medium to low this year. As more companies adopt work-from-home processes, the need for local employees is less important than it was last year.

Table 2: Completeness of Vision Evaluation Criteria

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

Source: Gartner (August 2022)

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.

- 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 measure 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 research and development resources, access to investment, profits and market reputation to grow quickly or attract a new kind of customer.

Challengers often:

- Focus on a perceived high-growth sector of the market.

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

- Have robust feature sets for the customers they serve.

Visionaries

Visionaries demonstrate the ability to disrupt established commerce markets through innovation. They may incorporate new technologies 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.

- 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 things. They frequently provide cost-effective solutions. They often target smaller or emerging-market opportunities, or smaller end-user companies.

Niche Players often:

- Lack geographical or transactional scale.

- Attract a significantly smaller range of technology, implementation or service partners.

- Offer more narrowly focused products, focusing either on B2C or B2B, but not both equally.

- Lack the financial viability of Leaders and Challengers, although they 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 as in previous years, the inclusion criteria for vendors in this Magic Quadrant emphasize annual digital commerce revenue and customer growth. Vendors' financial performance remains important, but we also consider the size of the customer base on which the growth is based. Digital commerce remains a lucrative area for many commerce platform and ecosystem application vendors. Double-digit revenue growth percentages were not uncommon for the vendors in this report, with more than half the vendors achieving year-over-year license revenue growth rates of more than 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 CX through these platforms across many channels.

While they may pursue this goal in different ways, buyers are all seeking more flexible and nimble implementations and postimplementation extensions that enable accelerated time to market, reduce the total cost of ownership 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).

Ultimately, however, 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

The digital commerce market reached $8.96 billion in software revenue in 2021, buoyed by record growth of 22% (up from 17.1% in 2020). This 22% growth is almost eight percentage points higher than the 14% growth of the overall enterprise application software market. Despite the restarting of many physical and offline activities, which moderated digital commerce growth in the second half of 2021, digital commerce growth for 2021 as a whole was still higher than in 2019. Gartner expects the strong growth of the digital commerce market to moderate in 2022, at 15.3% in U.S. dollars or 18% in constant currency.

The CX and CRM sector, of which digital commerce is part, is forecast by Gartner to achieve a compound annual growth rate (CAGR) of 14.3% in constant currency for the period 2021 through 2026 (see Forecast: Enterprise Application Software, Worldwide, 2020-2026, 2Q22 Update). Gartner forecasts a CAGR of 16% in constant currency for digital commerce revenue over the same period.

Inquiries from Gartner clients about digital commerce strategies, trends, platforms and ecosystem applications have been consistently high for several years, and this trend has continued into 2022. Growth in B2B digital commerce continues to outpace growth in B2C digital commerce as clients think about solutions that are not used solely for simple transactions but also for complex B2B sales that sometimes involve other systems (such as CPQ and sales force automation systems). Despite the need to integrate digital commerce platforms with many other applications, prebuilt integrations from commerce platform vendors are frequently lacking, which causes companies to seek the assistance of SIs, or to attempt to integrate applications themselves. The pandemic has prompted many organizations to embark on digital business quickly and with less investment upfront. According to the Gartner State of the Union for Digital Commerce Survey, adoption of digital commerce SaaS increased from 17% in 2019 to 40% in 2021.

Acronym Key and Glossary Terms

API	application programming interface
AWS	Amazon Web Services
B2B	business to business
B2C	business to consumer
B2B2C	business to business to consumer
B2B2X	business to business to X, where X could be consumers, other businesses, franchises, partners, suppliers or any other entity
BOPIS	buy online, pickup in store
CDP	customer data platform
CMS	content management system
CPQ	configure, price and quote
CX	customer experience
D2C	direct to consumer
DAM	digital asset management
DOM	distributed order management
DXP	digital experience platform
FEaaS	front end as a service
GMV	gross merchandise value
MACH	microservices, API-first, cloud-native, headless
MXDP	multiexperience development platform
NLP	natural language processing
OMS	order management system
PaaS	platform as a service
PBC	packaged business capability
PIM	product information management

POS	point of sale
PWA	progressive web app
RFQ	request for quotation
SaaS	software as a service
SI	system integrator

Evidence

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

- Gartner Peer Insights reviews for "Digital Commerce" posted from 23 April 2021 to 11 April 2022.

- Other sources:

    - Forecast: Enterprise Application Software, Worldwide, 2020-2026, 2Q22 Update.

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

    - Feedback about vendors and their products captured during thousands of conversations and other interactions with users of Gartner's client inquiry service in 2021 and the first five months of 2022.

    - Generally available sources of information.

- The Gartner State of the Union for Digital Commerce Survey, an online survey conducted in 2017, 2019 and 2021 across multiple regions and industries.

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.

Document Revision History

Magic Quadrant for Digital Commerce - 31 August 2021

Magic Quadrant for Digital Commerce - 25 August 2020

Magic Quadrant for Digital Commerce - 22 August 2019

Magic Quadrant for Digital Commerce - 5 June 2018

Magic Quadrant for Digital Commerce - 24 April 2017

Magic Quadrant for Digital Commerce - 9 March 2016

Magic Quadrant for Digital Commerce - 29 September 2014

Magic Quadrant for E-Commerce - 8 May 2013

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Tool: Digital Commerce Vendor Guide, 2022

Hype Cycle for Digital Commerce, 2022

Table 1: Ability to Execute Evaluation Criteria

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

Source: Gartner (August 2022)

Table 2: Completeness of Vision Evaluation Criteria

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

Source: Gartner (August 2022)