Magic Quadrant for Search and Product Discovery

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Innovations in search and product discovery can be adopted without rebuilding entire digital commerce platforms. Digital commerce leaders can use this research to understand the commerce search market and support related product discovery initiatives.

Strategic Planning Assumption

By 2026, at least one new generative AI (GenAI)-based conversational UI pattern in search and product discovery (S&PD) will disrupt traditional search and browse UIs, penetrating at least 5% of the market.

Market Definition/Description

This document was revised on 17 May 2024. The document you are viewing is the corrected version. For more information, see the **Corrections** *page on gartner.com.*

This Magic Quadrant for Search and Product Discovery is the first version of this Magic Quadrant. It replaces the **Market Guide for Digital Commerce Search**.

Gartner defines Search and Product Discovery as applications that augment digital commerce solutions to facilitate navigation, filtering, comparisons, and ultimately selection of products. They provide search (keyword, natural language and visual), merchandising (automation, configuration, and curation of business rules to make a product discoverable based on business needs), product recommendations, catalog navigation (and SEO keyword automation), personalization and analytics capabilities through SaaS to enable customers

(B2C and B2B) to transact. They also enable providers (merchandisers, content managers, and search specialists) to support customer experiences. With the emergence of generative AI, conversational search interfaces are now appearing.

Search and Product Discovery applications use product data to facilitate navigation, filtering, comparisons and ultimately product selection. Search results can be highly visual, using engaging layouts and multimedia. Content other than product information, such as educational information, compliance materials and related news may also be included in search results to engage customers and further support buying decisions.

Must-Have Capabilities

The must-have capabilities for this market include:

- Product search

- Merchandising

- Catalog navigation (browse), including facets and filters, replacing a static taxonomy up to (but not including) product detail pages (PDPs)

Standard Capabilities

The standard capabilities for this market include:

- Type-ahead/rich autocomplete

- Support for semantic search via natural language technologies, vector embeddings and/or graphs to understand query intent and map products to that intent

- Results personalization

- Search analytics

- Productized integrations to digital commerce platforms

Optional Capabilities

The optional capabilities for this market include:

- Product recommendations (contextual, product substitution, complementary, etc.)

- Content search and other content types integrated with product search

- Optimization: A/B and multivariate testing (MVT) of ranking rules and merchandising

- Vector search: understanding intent and converting unstructured data to vectors

- Visual search

Magic Quadrant

Figure 1: Magic Quadrant for Search and Product Discovery

Source: Gartner (May 2024)

Vendor Strengths and Cautions

Algolia

Algolia is a Leader in this Magic Quadrant. Its multitenant SaaS solution runs on Amazon Web Services (AWS) and Microsoft Azure, plus Google Cloud Platform (GCP) for AI modeling and analytics. Algolia is an API-first product, comprising AI Search, AI Browse, AI Recommendations, Merchandising Studio and Analytics. It also offers site and enterprise search. Algolia's product requires front-end and API development skills to use and has an extensive developer hub. Pricing is usage-based and tiered. Use of its APIs is free for up to 1 million records. The company is headquartered in Palo Alto, California, with a strong presence in Europe and North America and a growing presence in Asia/Pacific and Latin America. It serves a range of industries, targeting midtier to large enterprises. In January 2024, it launched a GenAI suite called Generative Shopping Experiences.

Strengths

- **Global reach and awareness:** Algolia has customers around the world and is the most recognized vendor. Its product supports 70 languages out of the box, which is valuable for customers planning global rollouts across multiple language domains.

- **Competent beyond commerce:** Approximately 50% of customers use Algolia for use cases beyond digital commerce. Content and other types of search are both mature and seamlessly integrated into commerce results.

- **Focus on speed and scalability:** Algolia's marketing is focused on speed from the first letter typed and scalability regardless of search traffic scale or geographic region. Algolia delivers on this promise.

Cautions

- **Limited pricing scalability:** Although the consumption-based pricing is tiered to provide volume discounting, some prospects have found that the product pricing becomes less competitive as search volume increases.

- **Semantic search integration:** The two search types underlying Algolia — matching and meaning (i.e., keyword and vector) — were integrated during 2023. The resulting hybrid search solution is less tested than those of some competitors.

- **Basic natural language features:** Only limited natural language processing (NLP) and named entity recognition (NER) are available, with a partial solution, the new Query

Categorization algorithm, to detect intent at category level. Semantic or long-tail search is instead solved through the vector component of AI Search.

Algonomy

Algonomy (formerly Manthan-RichRelevance) is a Niche Player in this Magic Quadrant. Its multitenant SaaS solution runs on Algonomy's private cloud and AWS. Modules include Find (search), Discover, Catalog Enrichment and Recommend. S&PD works both stand-alone and as a component of a wider personalization suite. Pricing structure depends on the modules used as well as API calls, number of SKUs and page views. The company is headquartered in San Francisco, California and Bangalore, India, and it has a global presence (excluding China). It serves a range of industries, primarily targeting midsize and large retail organizations. Its large language model (LLM)-based conversational commerce tool, Ask Algonomy, was in beta in early 2024.

Strengths

- **End-to-end personalization:** The native and integrated personalization capabilities make this solution a good match for organizations requiring multichannel personalization.

- **Breadth of client scale:** Customers range from small and midsize businesses to large enterprises, showing that the solution can scale up and down in complexity as required.

- **Ease of use:** The solution has an intuitive administrative console, especially for visual merchandising, and for providing product and gift finders with a visual builder for guided selling.

Cautions

- **Nascent semantic search:** Adoption of semantic search is relatively new, has not been adopted by all clients and lacks the maturity of some competitors' offerings — in a world where more customers expect natural language queries to be understood.

- **Limited for B2B:** Vendor vision is focused on B2C, and capabilities supporting B2B use cases are limited compared to those of some competitors, specifically for SKU search and complex pricing management.

- **Limited deployment of AI:** Use of AI overall within the product is weak outside the Recommendations module, though LLMs are now being used for query expansion (similar phrase search).

Bloomreach

Bloomreach is a Leader in this Magic Quadrant. Its multitenant SaaS product, Bloomreach Discovery, is primarily on AWS but also GCP. It is modularly priced, comprising search and merchandising, Loomi (AI platform), recommendations, real-time segments and SEO. It also sells content search and professional services. It offers a customer data platform (CDP) as an add-on. Headquartered in Mountain View, California, it is primarily present in North America, with a solid base in EMEA but little presence in other regions. It mostly serves midsize to large B2C organizations in the retail industry but also has customers in B2B manufacturing and distribution verticals. Clarity, a GenAI-powered "product expert," was introduced in late 2023.

Strengths

- **Significant retail presence:** Bloomreach has a significant retail customer base in North America and EMEA and is well-known for both its S&PD offering and the wider digital experience platform (DXP).

- **Sophisticated merchandising:** It offers granular configurations combining product attributes, customer behavior and business goals as well as control at various levels, such as site, category, locale, global and local. Results can be optimized across various touchpoints.

- **Strong personalization capabilities:** AI and machine learning fuel various features such as semantic search, merchandising, recommendations and personalization. It also supports segment-based and one-on-one personalization.

Cautions

- **Narrow market focus:** Although Bloomreach has some B2B customers, it primarily serves B2C retail. Some B2B features such as product finder and product grouping are available to build via APIs but not as out-of-the-box options. Entitlement management and units of measurement conversion are also limited.

- **Steep learning curve:** Many merchandising features are available, but there is a learning curve to build familiarity. Manual configurations are often used in addition to AI, especially in ranking, recommendations, personalization and local market settings.

- **Limited autoscaling:** Customers with large deployments and peak seasons must give prior notification so the company can allocate sufficient resources to ensure site performance.

Constructor

Constructor is a Visionary in this Magic Quadrant. Its multitenant SaaS platform runs primarily on AWS but can use other public clouds. Modules include Search and Autosuggest, Browse, Recommendations, Attribute Enrichment and Quizzes (product finders), and AI Shopping Assistant. Pricing is determined during a POC approach called "Proof Schedule" and driven by catalog size, number of indexes, API calls, data complexity and customization needs. Headquartered in San Francisco, California, it has a strong presence in North America, growing in Europe and small bases in Asia/Pacific (excluding China/Japan) and Latin America. It mostly serves retail and targets large global organizations, but it also has customers in manufacturing, wholesale and distribution, including midsize enterprises.

Strengths

- **Technology innovation:** The core search is cloud-native, using proprietary technology based on transformers (machine learning algorithms similar to those used in LLMs) to rely on natural language intent-driven search rather than traditional keyword indexes. Constructor also provides its own data lake with large volumes of clickstream data, which drives relevancy ranking.

- **Strong customer growth:** Constructor showed one of the highest growth rates among vendors in 2023, quickly acquiring major enterprise retailers as clients.

- **Extensive ecosystem ISV connectors:** Constructor provides an extensive set of prebuilt connectors for product information management (PIM), DXP, digital commerce platforms and CDPs.

Cautions

- **Lack of midmarket focus:** Constructor primarily focuses on large enterprise customers. This is evident in its clickstream approach where a large amount of clickstream data is required to train the relevance AI model, which works well for customers with high-volume traffic. For smaller operations or lower activity, more general LLMs are used,

which may prove less effective in automating merchandising, requiring merchants to default to using manual rules.

- **Narrow industry focus:** Most customers are in the B2C retail vertical. Presence in other verticals is limited.

- **Limited global coverage:** Customers and service provider partners are primarily based in North America, with a growing presence in Europe. Experienced resources and implementation partners may not be available in all geographies.

Coveo

Coveo is a Leader in this Magic Quadrant. The multitenant SaaS Coveo Platform includes semantic search (with its Merchandising Hub), AI recommendations, Coveo Relevance Generative Answering and unified personalization. Coveo runs a developer hub and drives innovation via Coveo Labs. It's used outside digital commerce for site search, customer service and support, and digital workplace needs. Pricing is driven by API consumption, results badging and number of items indexed. Generative Answering is priced independently. Headquartered in Quebec, Canada, it has a strong presence in North America, and some in EMEA and Asia/Pacific. It serves a range of B2C and B2B industries and targets larger enterprises and midsize regional organizations.

Strengths

- **Large-enterprise focus:** A large enterprise mindset and partnerships with Salesforce, SAP and Adobe equip Coveo to align with the needs of large B2C and B2B enterprises using leading CX suites and digital commerce platforms.

- **Good AI vision:** Coveo has a differentiating vision with its use of AI. Many algorithms are available across different components of the product, which customers can select and configure easily.

- **Rich functionality:** It offers focused personalized search, sophisticated AI tuning and attribute weightings, a customizable query pipeline and ample configurability for B2C and B2B, while remaining a SaaS product.

Cautions

- **Limited regional focus:** Most customers are in North America, and it is less well-known globally but growing in EMEA. It is capable of multilingual and multiregional use, but

geographies.

- **Configuration complexity:** Partly due to the rich functionality on offer, advanced configurations such as a B2B partial-SKU search and vector search administration require developer skills.

- **Partial product integration:** Recommendations, product finders, and campaigns and optimization are from the 2021 Qubit acquisition, and the administrative UIs are not fully integrated yet.

Crownpeak

Crownpeak is a Niche Player in this Magic Quadrant. Its multitenant SaaS solution, Fredhopper, runs on AWS. The company is primarily a DXP vendor; in 2022, it acquired Attraqt, which had previously acquired Fredhopper. It bundles Experience Orchestrator for recommendations and personalization. Pricing structure is driven primarily by search queries and API calls, the number of languages used and regions deployed to. Headquartered in Denver, Colorado, Crownpeak has a strong presence in EMEA, with small bases in North America and Australia. It serves a range of industries, primarily retail, and targets midsize enterprises and global B2C organizations.

Strengths

- **Multisite and global operations:** The Scope system allows international merchants with multiple domains, brands, languages and countries to manage multiple search and merchandising experiences from a single dashboard. This centralized functionality permits users to create rules that allow catalog and language management across multiple storefronts.

- **Visual merchandising:** The UI is visually differentiating, offering a merchandising studio for comprehensive rules setup, either manually or with AI assistance. This gives merchandisers fine control in creating a visual impact to enhance the shopping experience.

- **Comprehensive personalization:** Strong data-driven personalization capabilities are available based on user profile, location and history, blending manual and AI-driven recommendations through a simple UI to manage product discovery. It is well-suited to those looking at search as part of a wider DXP.

- **Fragmented product portfolio:** Due to the recent acquisitions, modules remain separate, with a lack of integration and unity among the personalization engine (Experience Orchestrator), the search engine (Fredhopper) and the rest. This reduces overall flexibility, which could impede the creation and management of a personalized CX.

- **Limited global presence:** The product is regionally concentrated, restricted to mostly Europe, North America and Australia. Experienced resources and implementation partners may not be available in all geographies.

- **Basic B2B support:** Advanced B2B capabilities, such as SKU variant search, measurement unit conversion, and catalog and pricing segmentation, are unavailable. Prospects looking for rich B2B functionality may have to look elsewhere.

FactFinder

FactFinder is a Niche Player in this Magic Quadrant. It offers a hybrid single-tenant and multitenant SaaS platform with modules including product discovery, navigation, merchandising, personalization and recommendations, with add-ons Geo (geolocation search), Customer-Specific Info and Predictive Basket. Pricing is driven by unique initial searches per month and the number of channels and add-ons. The company acquired Loop54 in 2021, gaining the vector and neural mapping search Atlas AI. Headquartered in Pforzheim, Germany, it has a strong presence in Europe and small bases in North America and Asia/Pacific. It serves a range of industries, primarily B2B construction, home goods, fashion and sporting goods. It targets midsize to enterprise businesses.

Strengths

- **Multinational business fit:** The product delivers consistent search results regardless of language. For example, a user could search for an English term on a Swedish site. It thus suits multinational businesses and is used in countries with multiple languages.

- **Strong market understanding:** The vendor has an accurate view of current market trends and an innovation roadmap aligned to it, including vector search, guided selling and dynamic segmentation.

- **Intuitive product finder:** Product finder capability is native; at the category level, merchants can use a structured Q&A to narrow down the recommendations. This tool is

easy to use for both administrative and end users. Business users can easily make changes and optimize.

Cautions

- **Limited semantic search functionalities:** While actively exploring integration and having NLP, the current product does not currently support vector or conversational search capabilities. Visual search is also not supported.

- **Low awareness outside core region:** Outside its core region of DACH within EMEA, it is less well-known and rarely appears in vendor shortlists. Experienced resources and implementation partners may not be available in all geographies.

- **Basic reporting and analytics:** Report creation and distribution are simple and manual, but optimizations and next best actions are poorly incorporated, with a focus on information delivery rather than actionability for improved performance. Analytics and reporting lack AI support.

Google

Google is a Visionary in this Magic Quadrant. Its Vertex AI Search for retail, a set of multitenant SaaS APIs, runs on Google Cloud as part of its larger AI portfolio. It is split into search, browse and recommendations, which share one API, and visual search on a separate API. It leverages other parts of Google, including LLMs developed from Google Shopping and product-centric knowledge graphs. Uniquely in this research, pricing is retrospective, billed monthly based on actual query usage (API calls) with volume discounts. Google is headquartered in Mountain View, California, and it has a global presence. Uniquely, it sells its retail search solution both directly to customers and as a search engine powering other vendors' products. It currently targets large retail companies.

Strengths

- **Global retail search expertise:** Powered by technology and data from the world's most popular web search engine, the solution takes learnings from a vast dataset and benefits from Google's AI/ML research and innovations. In addition, it is language-agnostic out of the box, which is helpful for global brands operating in multiple countries.

- **Google Shopping data usage:** Search relevance is powered by data from Google Shopping, providing truly big data to determine relevance and inference based on global

use. This "wisdom of the largest crowd possible" should provide usable intent detection without training.

- **Semantic search:** Semantic search is available out of the box, with a sophisticated catalog enhancement pipeline and Google Shopping data to power intent detection and a deep understanding of products. Thus, natural language and other "long tail" searches should return accurate results, even when the catalog attributes are sparsely populated.

Cautions

- **Enterprise retail focus:** This solution is currently marketed to larger retailers only, as a set of consumable APIs. Interested smaller or less digitally mature retailers should look at vendors providing low- or no-code solutions "powered by" Google.

- **Technical implementation:** This API-first solution is essentially a set of APIs and is not packaged for ease of implementation. It remains highly technical and well-suited to organizations with in-house or partner expertise.

- **Lack of visual merchandising:** Visual, curated merchandising is not available, since Google offers an AI-first solution, which automates this for most common use cases. Manual interventions can be configured should a specific business need arise. Many organizations prefer the control of curated visual merchandising, especially on category landing pages.

GroupBy

GroupBy is a Challenger in this Magic Quadrant. It has multitenant and single-tenant options, which run on GCP. It comprises search AI and browse, recommendations AI, enrichment, merchandising, and analytics and reporting. Its core product, content and visual search capabilities, are powered by Google's Vertex AI Search for Retail. It also supports B2B customers without Google support. Pricing is based on the number of API queries, with costs for Enrich based on SKU count. Headquartered in Toronto, Canada, it has a strong presence in North America with smaller bases in Europe, Asia/Pacific and Latin America. It serves multiple industries, but mostly retail, wholesale, distribution and marketplaces. It primarily targets enterprise regional and multicountry organizations.

Strengths

- **Industry coverage:** GroupBy has a decent spread of customers across retail, wholesale, manufacturing and distribution — evidence of its support for a wide range of use cases.

- **B2B use-case coverage:** It has almost an even spread of B2C and B2B customers along with a broad set of B2B capabilities. This makes GroupBy a good fit for customers looking for search capabilities scaling across their digital commerce business models.

- **Google Shopping and technology insights:** The core search algorithm (Google Cloud's Vertex AI Search for Retail) uses Google Shopping data and query trends to drive many relevance, personalization and product recommendation strategies automatically. AI-led optimization eliminates the need for search rule creation, significantly reducing manual merchandising.

Cautions

- **Roadmap dependency on Google:** Google's roadmap and release cycles are essential for the core search technology and infrastructure, which may limit innovation primarily to the business tools. GroupBy's ongoing expertise in B2B may be impacted by Google's retail focus.

- **Limited focus in merchandising:** Most of the innovation and roadmap has been around improving customer facing search. However, the merchandising tool lacks AI capabilities for optimizing experiments, next best actions, dynamic merchandising and segmentation.

- **Lack of partners:** Connectors and prebuilt integrations with independent software vendors are not available natively. Customers are expected to create custom plug-ins or use GroupBy SDKs to integrate into their application ecosystems.

HawkSearch

HawkSearch is a Challenger in this Magic Quadrant. The single-tenant SaaS solution was acquired by Bridgeline Digital in 2021, but HawkSearch remains an independent brand. Modules include Smart Search, Merchandising and an array of industry accelerators. Pricing is available in three publicly available tiers — Core, Premium and Enterprise — based on API calls and SKU count, but not on breadth of functionality used. Implementation cost is included. Headquartered in Rosemont, Illinois, it has a strong presence in North America, a solid base in EMEA and smaller bases in Latin America and Asia/Pacific (excluding China). It serves a range of industries, with the majority in B2B manufacturing and wholesale. It targets customers of all sizes, primarily midsize.

Strengths

- **Simple pricing:** Three packages are available for different levels of usage and some differences in features. Vendor-driven implementation is also included in the pricing.

- **Differentiating for B2B use cases:** A granular set of accelerators is available for B2B verticals, as well as comprehensive unit-of-measurement conversion, SKU search, product grouping with multilayer drill-downs and child variant management. Entitlement is also highly flexible.

- **Comprehensive rule engine:** A clear UI is available for most cases where rule engines are needed, with many conditions and trigger combinations to cover a variety of scenarios. The effect of rules can be shown in results.

Cautions

- **Lagging in some technologies:** Advanced NLU and vector search for semantic and visual search are unavailable, as is A/B testing — though these are being developed. Product finders are also missing.

- **Midmarket, regional focus:** Enterprise package usage is relatively low for large enterprises. Most customers are in the midsize tier and generally regional. Though HawkSearch has customers in EMEA, it rarely appears in vendor shortlists.

- **Manual administration:** Manual rule configuration is required for many settings, including relevancy tuning, landing pages, facets and recommendations. This makes the UI complex.

Klevu

Klevu is a Niche Player in this Magic Quadrant. Its multitenant SaaS solution includes modules for search, category merchandising and recommendations, with an add-on Enhanced Analytics module. It has four pricing tiers, with the enterprise-oriented tier starting at a flat cost and scaling based on the modules used, number of SKUs, expected usage and number of channels or sites. Klevu offers a limited free trial, which is rare in this market. Headquartered in Helsinki, Finland, it has presence in EMEA and North America with a small base in Asia/Pacific. It serves a range of industries, mostly B2C. It targets enterprise customers, though its current base is mostly midsize. Its GenAI-based conversational commerce tool, Klevu Moi, is in beta.

Strengths

- **Strong market understanding:** Klevu understands the current B2C market and client demands, and innovation is focused on current market concerns such as business-KPI-driven analytics.

- **Good for multicountry businesses:** Klevu implements multicountry solutions across EMEA and Asia/Pacific. Multilingual semantic search is available out of the box, making Klevu a good solution for these types of deployments.

- **Easy optimization:** A/B testing and optimization across search, merchandising and recommendations are comprehensive, well-integrated and easy to use, which is likely to encourage their successful use in a deployment.

Cautions

- **Midsize client base:** The current client base comprises midsize, mainly B2C, organizations. It may not meet the needs of more complex and larger enterprises.

- **Limited vertical coverage:** Klevu mostly targets retail clients. Though it has some wholesale clients, B2B is not as well-represented among clients.

- **Limited personalization:** Personalization is available, focused on clickstream and other zero-party data. Traditional, rule-based segmentation is only achievable via third-party integrations.

Lucidworks

Lucidworks is a Leader in this Magic Quadrant. Its multitenant and single-tenant SaaS solution, Fusion, runs primarily on GCP. All modules are included in the core license, with separate bundled solutions for knowledge and workspace and for service and support. Tiered pricing is driven by API call volume and index size. Add-on services include advanced support, premium connectors, language packs and additional environments. Headquartered in San Francisco, California, it has a strong presence in North America and small bases in Europe and Asia/Pacific. It serves a range of industries, with the majority in retail, manufacturing and high-tech. It primarily targets large global organizations but has some midsize enterprise customers.

Strengths

- **Broad industry focus:** Lucidworks supports clients across several industry verticals such as retail, manufacturing and professional services.

- **Enterprise-ready:** Clients are usually large or very large enterprise customers with large catalogs and complex merchandising requirements. Lucidworks' product has the sophistication required for this scale of operation.

- **Modernization investments:** Lucidworks ranked high on its funding for innovating and modernizing its tech stack, which included new AI capabilities and partnerships and analytics capabilities in 2023.

Cautions

- **Few prebuilt integrations:** Few third-party connectors and prebuilt integrations exist. Lucidworks' product lacks prebuilt integrations for analytics and business intelligence tools, CDPs, personalization engines and PIM platforms, relying instead on pipeline configuration and API integrations.

- **Limited global presence:** Clients are primarily based in North America, so support and system integration partnerships with considerable vendor experience may be limited in other regions.

- **Limited innovation:** Although Lucidworks' vision focus has been more toward modernizing its AI offerings, some capabilities are basic, such as those for B2B, and more advanced functionality requires customization.

Netcore Unbxd

Netcore Unbxd is a Leader in this Magic Quadrant. Netcore Unbxd, its multitenant SaaS solution acquired through Netcore's acquisition of Unbxd in 2022, runs on multiple public clouds. Modules include search and browse (with merchandising, analytics and optimization, and conversational AI) and recommendations. Pricing is based on the modules purchased and the number of API calls and SKUs. Headquartered in San Mateo, California, most of Netcore Unbxd's headcount is in India. It has a strong presence in North America and small bases in Europe and Asia/Pacific (excluding China and Japan). Most of its customers are in retail, but it also serves wholesale, automotive and publishing. It primarily targets large global enterprises but also serves small and midsize business.

Strengths

- **Deep B2C vertical focus:** Having AI models for nine retail verticals is unique among the vendors in this research. These models include the capabilities that are most relevant to each vertical, which the merchants can activate or extend to create custom models.

- **Wide AI strategy:** AI is embedded into core customer-facing capabilities, such as relevance personalization, recommendations and fitment selection, as well as merchant operations such as catalog enrichment, predictive merchandising and updating synonyms. Customers can also bring their own AI models to the product.

- **Future-proof product strategy:** A composable or MACH architecture with more than 30 independently scalable and deployable services makes the product easy to innovate on. An in-house distributed indexing system improves the performance for indexing and querying large amounts of data.

Cautions

- **B2C-focused vision:** Advanced B2B capabilities are not available for verticals such as manufacturing, wholesale and distribution. Prospects in these verticals should look closely at the required capabilities.

- **Complex business operability:** Though powerful AI capabilities and tools manage them, a given set of actions and steps is complex to operate. The learning curve could be steep depending on how many operations the user is expected to manage.

- **Low awareness:** Existing customer references and contacts are the primary source of new customers. Overall market awareness is weak compared to that of competitors, especially in North America.

Nosto

Nosto is a Niche Player in this Magic Quadrant. Its multitenant SaaS solution, Product Experience Cloud, runs on AWS as part of the Nosto Commerce Experience Platform (CXP). Modules include personalized search, category merchandising, product recommendations and dynamic bundles. Nosto acquired SearchNode and Findologic in 2022 and integrated their respective capabilities into its product. Pricing is driven by gross merchandising volume or annual visits and AI training data, the modules used and support services. Headquartered in Helsinki, Finland, it has a strong presence in Europe and North America and a growing base in Asia/Pacific. It serves a range of industries, with the majority in brands and/or retail. It targets midsize B2C organizations.

Strengths

- **Personalized discovery:** AI-driven personalized experiences, based on real-time signals from consumer behaviors, can be refined by selecting performance attributes to tailor

and enhance the consumer experience. Continually training AI based on consumer behavioral data allows for optimal predictive models that drive relevancy.

- **Multicountry and multiregion support:** Having 24 languages supported out of the box, and more than 100 in total, helps regional brands address challenges with product discovery that come with international expansion.

- **Embedded segmentation:** AI-powered tools segment audiences based on several aspects (such as affinities, category, brand and gender) to offer a more relevant experience throughout the buying journey. The resulting insights into consumer behavior allow merchandisers to generate robust commerce strategies.

Cautions

- **Heavy focus on a single partner:** Integration with Shopify drives considerable business for Nosto but could lead to less focus on other potential partners and use cases.

- **Potential technology overlap:** The core product relies on all data flowing through experience.AI, Nosto's core platform with personalization engine capabilities. Customers that already have a personalization engine will therefore have duplicate functionality.

- **Limited enterprise customers:** Because Nosto focuses on small and midsize business and midtier organizations (especially the Shopify ecosystem) and helps them go multicountry, it may not meet the needs of larger enterprises.

Searchspring

Searchspring is a Niche Player in this Magic Quadrant. Its multitenant SaaS solution runs on AWS. Core modules include Site Search, Merchandising, Personalization, and Reporting and Insights, with optional B2B support, navigation, recommendations and optimization. Acquisition of Increasingly in 2023 improved AI-based recommendations. The three product tiers are Essential, Advanced and Expert. Pricing of these combines a fixed fee and usage; details are publicly available. Headquartered in San Antonio, Texas, Searchspring has a strong presence in North America and Asia/Pacific (primarily Australia). It mostly serves the small-tier and midtier segments, primarily in retail, but it also has a presence in automotive, healthcare and high tech.

Strengths

- **Midmarket/SMB focus:** The solution is simple, broad and retail-centric, with a quick implementation timeline, which will suit organizations looking for quick ROI for

straightforward use cases.

- **Simple pricing model:** All capabilities are packaged in three tiers, which is ideal for customers who don't have a large SKU count or complex site operational requirements.

- **System integration partners:** The system integration partner ecosystem is largest among its peers analyzed in this research. Prospects in core regions should readily find implementation patterns.

Cautions

- **Limited global presence:** Geographic coverage remains low outside North America and parts of Asia/Pacific, but it is expanding in Europe.

- **Few ISV partnerships:** Other than digital commerce platforms, Searchspring lacks productized integrations for third-party DXP, CDP, PIM and personalization platforms.

- **Narrow industry focus:** The customer base primarily comprises SMBs or midtier brands in the retail vertical. The company has limited presence in other industry verticals and is best-suited to B2C brands and retailers.

Sitecore

Sitecore is a Challenger in this Magic Quadrant. It acquired Reflektion in 2021, which became its core product search and discovery product. It offers two multitenant SaaS products on AWS: Sitecore Search (the content search product) and Sitecore Discover (optimized for digital commerce, with additional capabilities for merchandising, personalization and recommendations). Headquartered in San Francisco, California, its search business is predominantly present in the U.S., with a small presence in Europe and Asia/Pacific. It sells to both B2C and B2B organizations and primarily targets midsize to large organizations.

Strengths

- **Comprehensive search analytics:** The search dashboard offers comprehensive reporting and analysis for each attributable object — including pages, URLs, widgets, keywords, products and customers — as well as real-time A/B test tracking. Users can not only view overall trends reports but also build custom reports.

- **Supports a wider DXP strategy:** Sitecore's content management system (CMS), DXP and digital asset management offerings are integrated, as well as solutions for personalization,

CDP and digital commerce. Search and discovery are often bundled with these products to power a wide range of use cases in both content and commerce.

- **Wide industry presence:** Customers are spread across a number of industries, including retail, manufacturing, hospitality, high tech and professional services.

Cautions

- **Search as a secondary offering:** DXP solutions are the primary focus for Sitecore, focusing on their core content management capabilities. However, the S&PD product is available and often sold as a stand-alone solution.

- **Complex pricing:** Four price packages are available across 17 tiers. Each tier has thresholds for number of visits, API calls, documents, maximum requests per minute and indexing capabilities. There is no modular purchase option for individual components such as merchandising or recommendations; customers pay one rate for the whole platform.

- **Clumsy administrative UI:** Configuration relies heavily on the use of widgets and rules, which requires the user to understand the various types available or create their own. Basic merchandising capabilities, such as item boost and bury and facet reordering, require burdensome click paths.

Yext

Yext is a Niche Player in this Magic Quadrant. It is best known for Listings, its hyperlocalization capability. Yext Search is a multitenant SaaS solution with multicloud deployment, part of a wider platform including CMS, content generation, conversational AI and SEO, plus additional GenAI capabilities. Pricing is driven by API calls and index size. Also available are "pilot contracts," short-term deals to show value. Headquartered in New York City, it has a strong presence in North America and Europe and a small base in Asia/Pacific. It serves a range of industries, mostly financial services, healthcare and retail. It targets large global organizations, with some SMBs and midmarket enterprises.

Strengths

- **Good for complex requirements:** Due to the all-in-one offering that includes conversational (chat), content and SEO, Yext is suited to customers with complex requirements that go beyond typical digital commerce product discovery.

- **Broad revenue segments:** Yext Search's customers are evenly spread across all revenue segments from SMB to enterprise, showing that the solution can scale to different levels of requirement.

- **CMS included:** A headless CMS is included with purchase of any Yext product, including Search. No other vendor in this research offers this.

Cautions

- **Few system integration partners:** The system integration ecosystem is one of the lowest among its peers analyzed in this research.

- **Limited geographical presence:** The majority of Yext's customers are based in North America, with limited presence in Europe and Asia/Pacific.

- **Narrow capability focus:** The majority of recent enhancements have been focused on content and conversational (chat), with a lack of innovation in digital commerce S&PD capabilities.

Zoovu

Zoovu is a Niche Player in this Magic Quadrant. Its multitenant SaaS S&PD solution includes Search Studio and Conversation Studio modules, and it is built on the Zoovu Data Platform. It sells additional tools for product detail pages, making it more product-data-centric than most peers. It originally specialized in intelligent product finders and had a conversational commerce solution before LLMs emerged. Pricing is tiered, modular and driven by usage, the number of SKUs, engagement and searches. Headquartered in Boston, Massachusetts, Zoovu has offices in Europe and a presence in Latin America. It targets enterprise brands, retailers and B2B distributors and best matches large enterprises' complex needs.

Strengths

- **Targeted innovation:** Zoovu has a healthy roadmap to enhance its current differentiators around semantic search, with natural language understanding and conversational UIs filling some of the gaps in its product.

- **Clear and scalable pricing:** The vendor provides a clear and modular pricing structure that works for a wide demographic of smaller to very large client organizations.

- **Intelligent guided selling:** Zoovu has advanced capabilities for dynamic and guided selling, product finders and conversational commerce use cases, often at the product

category level.

Cautions

- **Limited regional coverage:** Most customers are in EMEA, with the remainder in North America. Global support may not be available.

- **Limited awareness and presence:** Zoovu is rarely seen in client shortlists, and although it targets larger enterprises, it has few service provider partners and low general market presence. Finding support for Zoovu implementations may prove challenging outside of its specific partner ecosystems.

- **Limited core search configurability:** A product-centric view of the space has resulted in good tools for enrichment and product catalog, but the core search lacks depth in its configurability compared to leading vendors.

Inclusion and Exclusion Criteria

Magic Quadrant and Critical Capabilities research identifies and analyzes the most relevant providers within a market, and their products. By default, Gartner uses an upper limit of 20 providers to support the identification of those most relevant to the market. On some occasions, the upper limit may be extended where the intended research value to our clients might otherwise be diminished. The inclusion criteria represent the specific requirements deemed necessary for vendors to satisfy in order to appear in this Magic Quadrant.

To be included, each vendor had to satisfy the following, as of 31 October 2023:

- The vendor must actively offer for sale a minimum of one SaaS digital commerce search and discovery product that meets the Market Definition and stated functionality.

- The digital commerce search and discovery product must support over 50 current production customers.

- Vendors must have onboarded more than five customers to the search and discovery product in 2022.

- The search and discovery product must serve customers in more than one unique industry vertical within the digital commerce space. To qualify as serving customers in an

industry, the product must have a minimum of 5% of production customers in that industry.

- The digital commerce search and discovery product must be used by paying customers in more than one geographic region.

- Vendors must have ARR software revenue from their digital commerce search and discovery product of more than $9 million.

- ARR software revenue and customer numbers declared for this research must relate to use primarily for digital commerce search and discovery as defined by the Market Definition. Revenue and customers must not be included for deployments unrelated to commerce search and product discovery deployments, such as general site search only or personalized recommendations only.

Honorable Mentions

Elastic

Elastic sells Elastic Search, based on Elasticsearch, one of the most dominant search engine platforms currently available. Indeed, several of the vendors in this research use the platform to power their product. Elastic has developed this beyond keyword search (e.g., to include support for vector search). Elastic provides robust ingestion tools to discover, extract and index website content, as well as out-of-the-box relevance tools to manage search results. Via its acquisition of Swiftype, Elastic gained an S&PD product built on Elasticsearch, now integrated into the core platform. Elastic has some digital commerce customers but is currently not as focused on this market as are most vendors in the Magic Quadrant. Elastic was not included as at the time of inclusion decisions, it did not provide a SaaS product.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate providers on the quality and efficacy of the processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation within Gartner's view of the market.

- **Product or service:** The core goods and services that compete in and/or serve the defined market. This includes current product and service capabilities, quality, feature sets and skills. This can be offered natively or through OEM agreements and partnerships as defined in the Market Definition and detailed in the subcriteria. Representative analysis components include:

  - Demonstration of product capabilities

  - RFI responses on the product or service

  - API scope and usage by customers

  - Peer Insights data

- **Overall viability (of the business unit, finances, strategy and organization) and financials:** Viability includes an assessment of the organization's overall financial health as well as the financial and practical success of the business unit. It weighs the likelihood of the organization to continue to offer and invest in the product as well as the product's position in the vendor's current portfolio. Representative analysis components include:

  - Corporate growth trends in revenue and profitability

  - Digital commerce search and discovery product growth trends in revenue and profitability

  - Customer growth trends

  - Global customer presence

- **Sales execution and pricing:** The organization'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. Representative analysis components include:

  - Gross merchandise value segmentation

  - Average deal size

  - Pricing approach, flexibility and simplicity

- **Market responsiveness and track record:** The 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 provider's history of responsiveness to changing market demands. Representative analysis components include:

- Product enhancements delivered due to customer request

- Frequency of enhancements

- **Market execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand, increase awareness of products and establish a positive identification in customers' minds. This "mind share" can be driven by a combination of publicity, promotional activity, thought leadership, social media, referrals and sales activities.

- **Customer experience:** The products and services and/or programs that enable customers to achieve the anticipated results with the products evaluated. Specifically, this includes quality supplier-buyer interactions, technical support and account support. This may also include ancillary tools, customer support programs, availability of user groups and service-level agreements. Representative analysis components include:

  - Peer Insights data

  - The availability and quality of support and online training

  - The scope of customer success programs

- **Operations:** The organization's ability to meet goals and commitments. Factors include the quality of the organizational structure, skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently.

Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High

Evaluation Criteria	Weighting
Market Responsiveness/Record	High
Marketing Execution	Low
Customer Experience	High
Operations	NotRated

Source: Gartner (May 2024)

Completeness of Vision

Gartner analysts evaluate providers on their ability to convincingly articulate logical statements. This includes current and future market direction, innovation, customer needs, competitive forces and how well they map to Gartner's view of the market.

- **Market understanding:** The ability to understand customer needs and translate them into products and services. Vendors show a clear vision of their market — that listen, understand customer demands, and can shape or enhance market changes with their added vision. Representative analysis components include:

  - The scope of the digital commerce search and discovery offering

  - Track record of meaningful enhancements

- **Marketing strategy:** Clear, differentiated messaging consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements.

- **Sales strategy:** A sound strategy for selling that uses the appropriate networks, including direct and indirect sales, marketing, service and communication. This includes partners that extend the scope and depth of the vendor's market reach, expertise, technologies, services and customer base. Representative analysis components include:

  - Partner strategy

- Locations and span of sales team

- **Offering (product) strategy:** An approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements. Representative analysis components include:

  - The product roadmap vision

  - Product roadmap details

  - Differentiation of the digital commerce search and discovery vision

- **Business model:** The design, logic and execution of the organization's business proposition to achieve continued success.

- **Vertical or industry strategy:** The strategy to direct resources (sales, product, development), skills and products to meet the specific needs of individual market segments, including verticals. Representative analysis components include:

  - The scope of current industry-specific functionality

  - The scope of planned industry-specific functionality

  - The span of customers across industry verticals

- **Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes. Representative analysis components include:

  - Planned capital investment in digital commerce search and discovery technology

  - The ability to leverage cloud-native capabilities

  - The use of emerging technology

  - Following or plans to adhere to modern architectural paradigms

- **Geographic strategies:** The provider'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. Representative analysis components include:

  - The span of geographic locations

- The span of partner network

- Revenue across geographies

Completeness of Vision Evaluation Criteria

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

Source: Gartner (May 2024)

Quadrant Descriptions

Leaders

Leaders demonstrate the ability to provide a depth and breadth of functionality. They deliver capabilities across multiple industries and business models that can scale up to support large search volumes. They provide sales and support services both directly and through an ecosystem of application, service and integration partners. They innovate, typically by means of technology updates, new products and product functionality, investments inside

and outside core S&PD, and programs that improve customers' ability to succeed. Leaders also have financial, technical and organizational viability, and consistently feature in Gartner clients' evaluations of vendors. They often set the competitive benchmark against which other vendors measure themselves.

Challengers

Challengers provide functionality that may have a narrower scope than Leaders in relation to serving the total addressable market. Challengers may focus on fewer industries, geographies or business models. These vendors are often highly respected. They invest in 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 and execute well to those customers. Challengers often focus on a perceived high-growth sector of the market. They often invest heavily in technology to meet the needs of their target customers, and they have robust feature sets for the customers they serve.

Visionaries

Visionaries demonstrate the ability to disrupt through innovation. They may incorporate new technologies or architectural approaches into their products, 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 but have yet to win large numbers of customers, and they often lack resources compared with larger companies. They also often have smaller partner networks and act as fast movers. Visionaries are often funded by venture capital or private equity companies, which provide the capital that enables them to invest in technology, sales and marketing resources for continued progress.

Niche Players

Niche Players address a narrow band of the market, defined by industry, digital gross merchandise value (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; and offer more narrowly focused products (e.g.,

focusing either on B2C or B2B, but not both equally). They lack the financial viability of Leaders and Challengers, although they still meet the inclusion criteria. Like Visionaries, 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

Buyers of S&PD products are looking to use these platforms to deliver and support a unique, compelling and consistent CX 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.

"Headless" options — that is, decoupled front ends or architectural approaches that put them on a path to composable commerce (see **Quick Answer: What Are the Steps to Prepare for Composable Commerce?**) — are often preferred. The continuing shift toward composable commerce is based on the potential business agility of the resulting solution, despite its more complex architecture and, often, contractual relationships.

Our inclusion criteria for vendors in this Magic Quadrant emphasize annual revenue and customer growth as indicators of the vendor's strength and stability. Vendors' financial performance remains important, but we also considered the size and distribution of the customer base to help buyers interpret the likely extent of a vendor's support offerings.

The evaluation criteria emphasize the requirements for future success, architectural vision, innovation and breadth of capabilities — all of which provide essential context for a buyer determining the best-fit vendor for their needs.

Ultimately, however, each buyer's requirements are different. Organizations should match their own requirements for functionality, industry expertise, technology and cost to the vendors' offerings. They should use the companion Critical Capabilities to rank vendors' products for each use case by particular functional and nonfunctional criteria.

Market Overview

This is the first version of this Magic Quadrant, replacing the Market Guide for Digital Commerce Search. S&PD has evolved over many years, with a generation of past innovators and open-source solutions that have now made way for a new generation of tools. Demand for differentiating S&PD continues to grow, as it is often seen as a relatively cost-effective way to provide optimal experiences in the path to purchase — without fully replacing an incumbent digital commerce or DXP.

S&PD helps organizations meet the demands of today's B2B and B2C buyers. For many years, the key to a site or app search was relevance. However, good relevance has become highly commoditized and is not enough on its own. The minimum expected today is personalized relevance, using customer behavioral data in aggregate (sometimes called "wisdom of the crowd") and/or one-to-one (i.e., using clickstream in real time).

In addition, keyword search (keyword matching) has been the dominant search technology, but more recently, semantic search has become more widely used. Semantic search is a catch-all phrase for technologies that support meaning-based search — that is, capturing the meaning of a query, especially multiword and natural language queries, and returning accurate, contextual responses. Natural language understanding (NLU) is a core technology for this. NLU provides the ability to gather intent from multiword queries, which reduces the chances of receiving zero results, and return not only relevant products but also next best questions, dynamic filters and signposting. The introduction of graph-based inference and vector search (mathematically derived closeness of products to query intent) have further improved semantic search.

Building on these developments is the new expectation that LLMs and GenAI will provide conversational and narrative-driven ways to discover products. This experience is emerging, and several vendors already have GenAI-based S&PD products generally available or in public beta. Although adoption remains low, with some challenges remaining, the eventual emergence of fundamentally new hybrid conversational UIs for S&PD is inevitable.

Other key market shifts contributing to the growth of S&PD include:

- **The shift from relevance to ROI KPIs —** Perhaps as a reflection of buyers transitioning technology ownership from IT to the business (e.g., digital marketing), there is an increasing focus on KPIs such as conversion rates, revenue uplifts and engagement, instead of relevance.

- **The automation of merchandising —** Historically, merchandising and promotions required sophisticated rules creation with stacking, boosting and burying, and exceptions — plus visual curation. While many organizations still demand these features, some vendors and end users have shifted to let AI run merchandising from customer behavior data, with curation performed by exception for events that cannot not be predicted, such as clearance sales.

- **B2B digital commerce —** The total available market for B2B digital commerce is larger than that for B2C, so although penetration of digital commerce remains lower in B2B, demand is increasing. Support for B2B digital commerce includes some aspects common to B2C, but also many others less well-supported by vendors — for example, product catalog enrichment, SKU search and partial SKU matching, multilevel product grouping and variants, catalog access by customer and pricing integration per customer.

- **Ease of interoperability —** With the rise of modular and composable architectures and the need for a best-of-breed ecosystem, organizations are now looking for advanced S&PD capabilities, which is pulling them away from their digital commerce platforms' default capabilities. Consequently, SP&D applications are expected to be API-first and connect to any legacy or modern commerce application. Now expected are prebuilt connectors or low-code configurable modules that enable quick connectivity to incumbent digital commerce platforms, PIM and DXP/CMS.

- **Disruption of the underlying technology —** For many years, and despite a few popular proprietary systems, most search engines have been based on the Apache Lucene index, with either Solr or Elasticsearch for keyword search query and result management. Though these engines power several vendors in this research, we are seeing more proprietary engines; the use of graph databases, vector and other transformer-based engines; and the return of Google to the S&PD market as both engine and product. LLMs and GenAI are currently creating the next wave of disruption.

Acronym Key and Glossary Terms

API	application programming interface
AWS	Amazon Web Services

B2B	business to business
B2C	business to consumer
CDP	customer data platform
CMS	content management system
CX	customer experience
DACH	Germany, Austria and Switzerland
DXP	digital experience platform
GMV	gross merchandise value
GCP	Google Cloud Platform
ISV	independent software vendor
LLM	large language model
MACH	"microservices, API-first, cloud-native SaaS, headless" — the tagline of the MACH Alliance, an industry body dedicated to promoting this approach
NER	named entity recognition
NLP	natural language processing
PIM	product information management
POC	proof of concept

S&PD	search and product discovery
SaaS	software as a service
SMB	small and midsize business
UI	user interface

⊕ Evidence

⊕ Evaluation Criteria Definitions