IDC MarketScape

IDC MarketScape: Worldwide B2B Digital Commerce Platforms 2020 Vendor Assessment

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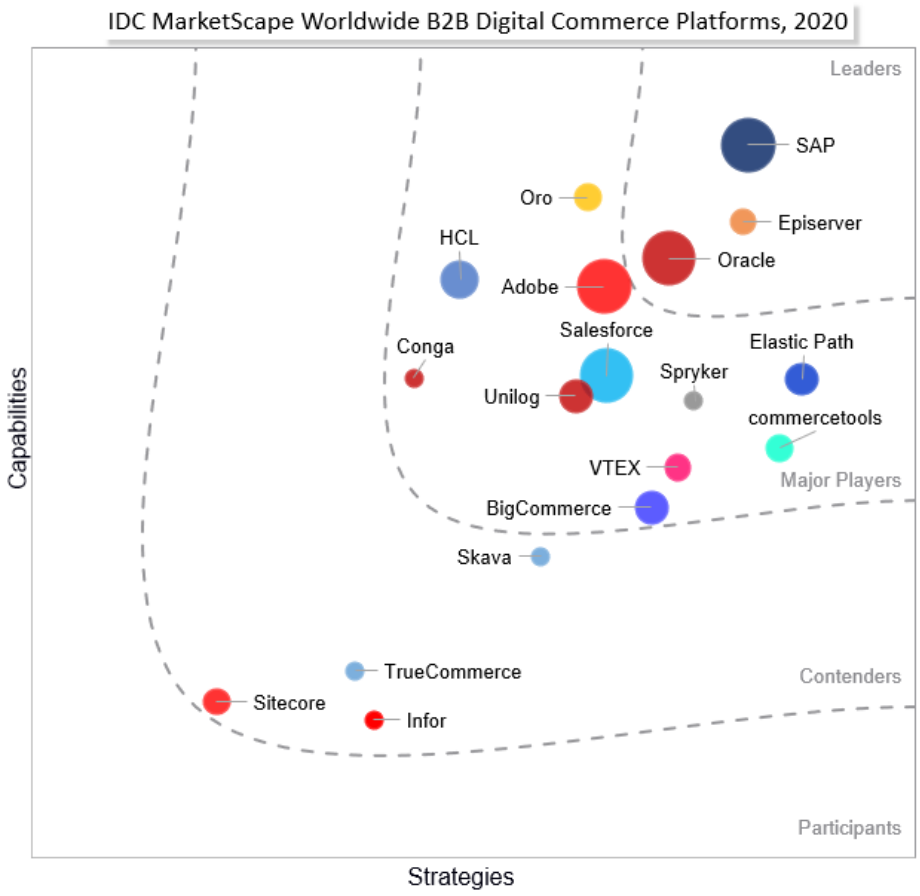
THIS IDC MARKETSCAPE EXCERPT FEATURES SAP

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide B2B Digital Commerce Platforms Vendor Assessment



Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

September 2020, IDC #US45741520e

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide B2B Digital Commerce Platforms 2020 Vendor Assessment (Doc # US45741520). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendor list for this evaluation consists of 18 vendors and was selected to depict the vendors that are most representative of any given B2B digital commerce platform buyer's selection shortlist. Inclusion criteria include:

- The vendor has an active customer base and is reported as seen in deals by other B2B digital commerce platform vendors.
- The vendor meets IDC's definition for a B2B digital commerce platform in terms of functionality supported, such as shopping cart, order management, and catalog management (see the Market Definition section and refer to Figure 3).
- The vendor's B2B digital platform is qualified as "SaaS or cloud enabled."
- The vendor is tracked in IDC's Software Tracker.
- The vendor goes to market as a B2B digital commerce platform, specifically seeking out B2B organizations such as manufacturers, wholesalers, distributors, and B2B2C.

ADVICE FOR TECHNOLOGY BUYERS

While making purchasing decisions on B2B digital commerce platforms, organizations should seek out the following:

- A vendor that supports your organization's specific area of differentiation (see the Areas of Differentiation for B2B Sellers section)
- A strong cloud strategy and road map (Cloud-ready solutions deliver greater business value, faster innovation, and quicker time to market.)
- A modern, API-first, microservices-based architecture to ensure performance and ease of integration
- An innovation track record and a demonstrated ability to deliver enhancements on a regular cadence in a seamless manner
- Out-of-the-box integrations to adjacent applications such as ERP, CRM, order management, product information management (PIM), web content management (WCM), and payments to minimize custom code required
- Support for global commerce for organizations doing business in multiple geographies (support for multiple languages, currencies, regulations, etc.)
- A vendor with an innovation-rich product road map, with focus on areas such as artificial intelligence, mobile commerce, and future business models (i.e., subscriptions)

- Financial stability and ability to support future digital commerce applications for commerce requirements
- A strong partner ecosystem for implementation and support

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

SAP

After a thorough evaluation of SAP's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2020 IDC MarketScape for B2B digital commerce platforms.

SAP is a publicly held vendor of enterprise applications and services founded in 1972 and is headquartered in Walldorf, Germany. The company's B2B digital commerce product, SAP Commerce Cloud, is a B2B and B2C digital commerce platform that was originally acquired by SAP with the acquisition of hybris in 2013. SAP launched a new multitenant SaaS and microservices-based digital commerce application in June 2019 called SAP Upscale Commerce; however, this product was not considered for this evaluation. Quick facts about SAP include:

- **Employees:** Over 100,000
- **Global reach:** Digital commerce customers with headquarters in over 150 countries
- **B2B industry focus:** Branded manufacturing, high tech, industrial manufacturing, wholesale and distribution, financial services, automotive, public sector, telco, CPG, and life sciences
- **Ideal customer size:** Upper midmarket to large enterprise
- **Cloud:** Multitenant at the infrastructure layer and single tenant (partially multitenant) at the database and application layers and available on Azure
- **Pricing model:** Either annual GMV or annual number of orders flowing through the platform
- **Largest customer:** Largest B2B digital commerce customers process over 20 million orders annually on SAP Commerce Cloud.
- **Partner ecosystem:** Has over 280 implementation partners and over 96 technology partners for B2B digital commerce
- **Interesting fact:** SAP has a diverse team working on its commerce platform, with over 50 nationalities represented.

Strengths

- **CX portfolio:** SAP offers a broad and deep portfolio of customer experience applications, including CRM, marketing, CPQ, and service. A few other vendors support this breadth of front-end applications in addition to SAP's back-office applications.
- **Built for the future:** Customers we interviewed rated SAP above average when asked whether SAP Commerce Cloud is "built for the future." One customer commented, "This is where SAP is really good. They were a bit late to market here but have gotten ahead."
- **Personalization:** SAP's context-driven services provide deep personalization capabilities to tailor commerce experiences based on a customer's current session and A/B testing to continuously improve results.

Challenges

- **Not fully multitenant:** SAP Commerce Cloud can be deployed in the cloud, but it is not yet fully multitenant SaaS. While SAP still sees demand for its offering, IDC firmly believes the future of B2B digital commerce is multitenant SaaS.
- **Implementation experience:** Customers we interviewed rated SAP well below average for ease of implementation.
- **Level of value delivered:** Customers we interviewed rated SAP well below average for the level of value delivered relative to cost.

Consider SAP When

Consider SAP if you are an enterprise looking for an all-in-one digital commerce platform that can handle complex enterprise requirements and can support both B2B and B2C business models or you use SAP for other CX applications. Consider it if your organization is primarily focused on differentiating by building a unique and highly customized commerce experience with a platform offering deep functionality.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

For this IDC MarketScape, vendor size was determined by IDC's 2020 Software Tracker and estimates for each vendor's revenue specifically for B2B digital commerce application sales. B2B revenue did not count toward vendors' marker size. For more details on digital commerce applications market shares, see *Worldwide Digital Commerce Applications Market Shares, 2019: Headless Commerce Goes Mainstream* (IDC #US45243220, June 2020).

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

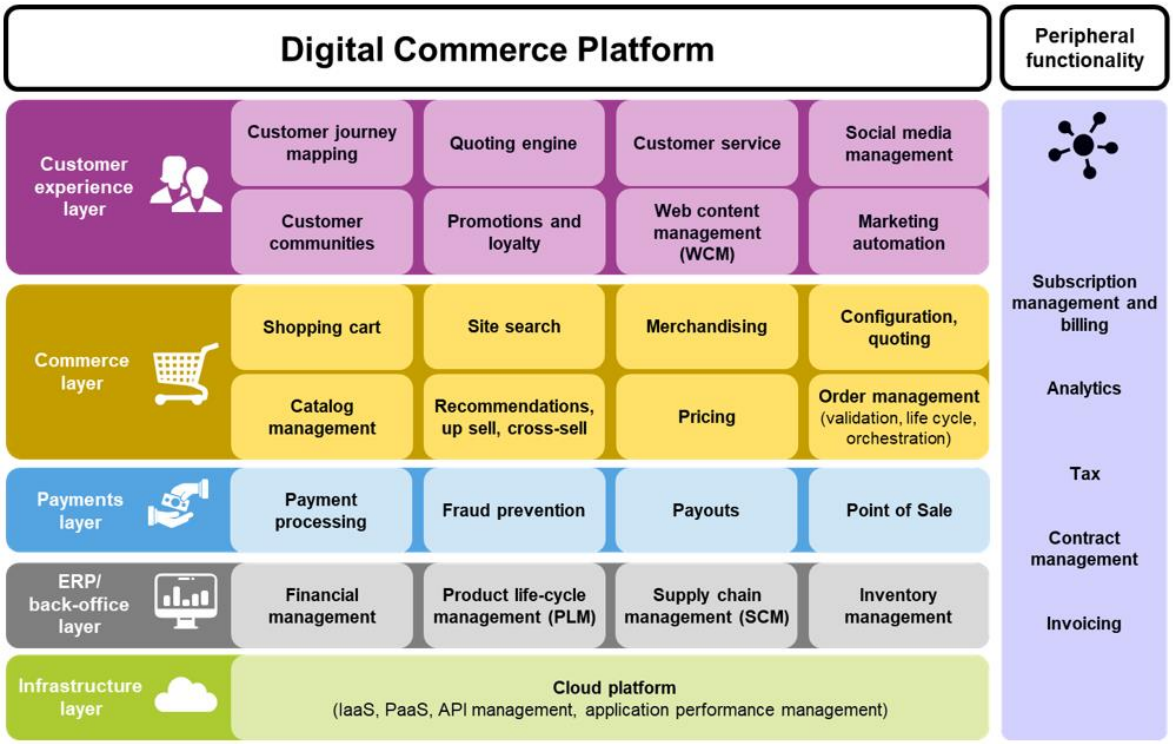
Market Definition

IDC defines digital commerce platforms as software systems that enable businesses to create an online "store" for selling products and services. The key role of digital commerce applications is to embed commerce functions across numerous digital channels, help customers find products and services, and manage orders from the time a transaction is placed through order fulfillment. Specific functions that digital commerce applications provide include catalog management, lightweight product information management, pricing, merchandising, transaction processing, order life-cycle management, digital fulfillment, and site search.

Figure 3 depicts the functionality that a comprehensive digital commerce platform must have. This IDC MarketScape looks primarily at the commerce layer, but most organizations need a comprehensive platform to perform in the digital economy.

FIGURE 3

IDC's Vision of a Comprehensive Digital Commerce Platform



Note: Functionalities represented in in the figure are not exclusive to a single "layer."

Source: IDC, 2020

Digital Commerce Customer Size Segment Definitions

For the purposes of this IDC MarketScape, IDC uses the organization size definitions mentioned in Table 1.

TABLE 1

B2B Digital Commerce Customer Organization Size Segments

Segment	Revenue
SMB	Under $100 million
Lower midmarket	$100 million to $499 million
Upper midmarket	$500 million to $1 billion
Enterprise	Over $1 billion

Source: IDC, 2020

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide B2C Digital Commerce Platforms 2020 Vendor Assessment* (IDC #US45741420, forthcoming)
- *Worldwide Digital Commerce Applications Forecast, 2020-2024* (IDC #US45243320, June 2020)
- *Worldwide Digital Commerce Applications Market Shares, 2019: Headless Commerce Goes Mainstream* (IDC #US45243220, June 2020)
- *IDC Market Glance: Digital Commerce Software, 1Q20* (IDC #US46151020, March 2020)
- *The Future of Commerce Is Autonomous* (IDC #US45687019, December 2019)
- *Market Analysis Perspective: Worldwide Digital Commerce Software, 2019* (IDC #US44644419, September 2019)

Synopsis

This IDC study provides an assessment of the principal B2B digital commerce platforms and discusses what criteria are most important for companies to consider when selecting a digital commerce platform system.

"Selecting the right cloud B2B digital commerce platform can be extremely hard; there isn't a one-size-fits-all vendor, and the market is evolving extremely fast," says Jordan Jewell, research manager, Digital Commerce program at IDC. "With each passing year, digital commerce makes up a bigger share of all transactions and technology buyers need to envision what they want their commerce operations to look like in five-plus years and design the digital commerce platform backward from there. The right B2B digital commerce software vendor must provide you with a competitive advantage in areas including business agility, customizability, experience management (content), and technology agility while also supporting sales across many geographies and industries. The platform must also be architected to support substantial commerce business model changes in the years to come."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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