

October 21, 2010 | Updated: October 22, 2010

# The Forrester Wave™: B2C eCommerce Platforms, Q4 2010

by Brian K. Walker  
for eBusiness & Channel Strategy Professionals



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## The Forrester Wave™: B2C eCommerce Platforms, Q4 2010

IBM, Hybris, ATG, Demandware, And iCongo Lead, With Many Others Close Behind

by **Brian K. Walker**

with Carrie Johnson and Benjamin Zeidler

### EXECUTIVE SUMMARY

In Forrester's 111-criteria evaluation of the top 12 global enterprise-class eCommerce platform vendors, we found that IBM, hybris, Art Technology Group (ATG), Demandware, and iCongo led the pack with their comprehensive eCommerce features, overall effective business tools, and flexibility to meet today's eCommerce and multichannel business needs. Fry, Intershop, and Elastic Path Software represent strong solutions with varying models, vertical specialties, and key differentiators. Escalate Retail, Venda, MarketLive, and Microsoft represent unique solutions at different stages of maturity and evolution, with solutions largely focused on midtier eCommerce retailers. Each of these solutions represents a fit for some segment of the global business-to-consumer (B2C) enterprise eCommerce platform market. With this detailed evaluation and report, we evaluate these solutions to help eBusiness executives and technology leaders determine the best fit for their organizations as they grow, mature, and scale their online businesses.

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### NOTES & RESOURCES

Forrester conducted lab-based evaluations in February 2010 and interviewed 12 vendor companies: Art Technology Group (ATG), Demandware, Elastic Path Software, Escalate Retail, Fry, hybris, IBM, iCongo, Intershop, MarketLive, Microsoft, and Venda. Forrester also interviewed a number of client companies of these solutions for this report.

#### **Related Research Documents**

"What Every Exec Needs To Know About The Future Of eCommerce Technology"

August 27, 2010

"Market Overview: SMB eCommerce Solutions"

July 26, 2010

"2010 US Online Retail Technology Investment Outlook"

January 14, 2010

## eCOMMERCE ORGANIZATIONS CONTINUE TO INVEST IN THEIR eCOMMERCE TECHNOLOGY

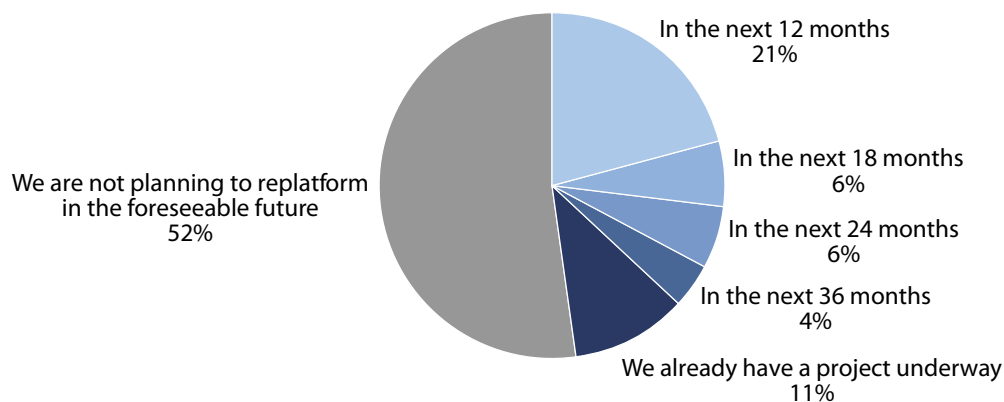
Despite the effects of a sluggish — at best — economy on the retail and B2C-focused businesses globally, eCommerce technology investment remains strong, with 57% of online retailers having increased their eCommerce technology spending in 2010 (see Figure 1).<sup>1</sup> Why? eCommerce platforms have a relatively low cost but high return on investment (ROI) in the spectrum of enterprise IT projects and support a new or maturing revenue stream that meets the needs of a changing consumer. The most conservative of replatforming pitches can be attractive even — or even more so — in tough economic times.<sup>2</sup> As a result, many eCommerce platform providers have had record, or very strong, years. Additional key drivers for the investment in eCommerce technology include the need for eBusiness executives to:

- **Drive the customer experience forward quickly.** A new platform can help leapfrog many of the barriers associated with improving the customer experience. Consumers' expectations are set by best-of-breed eCommerce sites: Shoppers quickly transfer their expectations from these sites to all of the sites they shop and expect similarly robust, rich, informative, responsive, and personalized experiences. Businesses looking to drive their online channel forward in a brand-supportive way end up with a laundry list of customer experience needs that can end up as a two- to three-year road map of projects and integrations if they are running older platform technology or supporting a homegrown platform.
- **Develop improved business management tools.** A platform refresh, with services-based or software-as-a-service (SaaS) solution implementations in particular, can ease the burden on internal IT staff while providing the business with the tools that eBusiness teams need to drive channel growth and profitability. Many maturing eCommerce organizations struggle with managing content, refreshing Web sites, targeting consumers with relevant and even personalized offers, and measuring and optimizing sites that their internal IT departments can't handle for a variety of reasons. Internal IT organizations are under stress to service these needs with shrinking budgets and resources — along with other corporate priorities — and they end up juggling emergencies and various evolving needs to just “keep the lights on.”
- **Improve system and business process integration.** As the Web evolves from a standalone satellite of the business to a central hub for marketing to, transacting with, and servicing customers, the requirements to integrate a highly functional eCommerce platform with the enterprise technology environment will continue to increase. Consumers expect a consistent and relevant experience across all of a company's channels, which encompass the Web site, store personnel, in-store kiosks, mobile Web and applications, call centers, and even marketing channels. Businesses are challenged to meet these expectations if they don't have a well-integrated, robust eCommerce solution tied into customer relationship management (CRM) solutions, business intelligence (BI) solutions, and centralized order management systems (OMS) — some or all of which may be a requirement when replatforming.
- **Meet more complex multichannel requirements.** Today, a majority of eCommerce platform projects are still focused on the Web channel, but in the next few years, Forrester expects the

trend to shift toward multichannel requirements, with the eCommerce platform central to the solution. More companies are leveraging their eCommerce system to power multichannel commerce today than ever before. It is now common for an eCommerce system to power call-center-based ordering, mobile Web and applications, marketing channels such as Amazon.com or eBay, and now increasingly in-store applications like Web-based point-of-sale (POS) and line skipping.<sup>3</sup> And as these requirements become more evident, they will become critical requirements and scenarios that the eCommerce platforms must support, making for an ever-stronger, if more complex, case for eCommerce platform upgrades or replatforming efforts.

**Figure 1** eCommerce Platform Investment Activity Remains Strong

**“When, if at all, are you planning to change your eCommerce platform technology solution?”**



Base: 291 US online retail professionals

Source: Q4 2009 US Retail Executive Online Survey

57837

Source: Forrester Research, Inc.

## B2C eCOMMERCE PLATFORM EVALUATION OVERVIEW

To assess how well the B2C eCommerce platform vendors meet the evolving needs of the market and to determine how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top B2C eCommerce platform vendors across a range of business and technology criteria.

### The Focus Of Our B2C eCommerce Forrester Wave

We have focused our Forrester Wave report on the requirements and needs of the direct-to-consumer online retail business (see Figure 2). We have placed a principal focus on products that enable:

- **Direct-to-consumer eCommerce shopping and customer experiences.** These capabilities include search/browse, rich shopping cart functionality, product comparison, promotions,

personalization, cross-sells, wish lists, registries, multichannel ordering, rich Internet application (RIA) support, customer data management, marketing tools, and customer self-service.

- **Site management, content management, and business optimization.** These tools include product content management, Web content management (WCM), online marketing, analytics and testing, security, order management, and customer service.
- **Common integration needs of online retailers.** These include integration to enterprise resource planning (ERP) systems, merchandise planning systems, content management systems, customer service and CRM systems, inventory management, finance, and BI solutions.

**Figure 2** Evaluated Vendors: Vendor Information And Selection Criteria

Vendor	Product version evaluated
ATG	9.1
Demandware	SaaS
Elastic Path Software	6.2
Escalate Retail	10.1
Fry	3.3
hybris	4.1
IBM	7.0
iCongo	8.0
Intershop	6.4
MarketLive	5.8
Microsoft	CS 2009
Venda	SaaS

**Vendor selection criteria**

- The vendor’s product was generally available at the time of data collection, with at least three references available for contact.
- The vendor has a focused product offering for, an established customer base in, and an ongoing commitment to B2C eCommerce clients.
- The vendor generates at least \$10 million in annual eCommerce platform software and services sales, is profitable or is approaching profitability, and has at least 50 clients with positive sales momentum.
- The vendor demonstrates the ability to support enterprise-class organizations with the product evaluated.

Source: Forrester Research, Inc.

## How We Have Evolved Our View Of The Requirements For B2C eCommerce Organizations

We have taken a hard look at the requirements of our B2C eCommerce clients to understand how the Forrester Wave evaluation must evolve this year. We made a number of changes, which have affected the criteria, scoring, and weighting within the Forrester Wave since our evaluation of B2C eCommerce platforms in Q1 2009, including:

- **An increased emphasis on order management.** Order management was less of an issue when eCommerce businesses were focused on one channel, one site, and one pool of inventory. But increasingly today, our clients are looking to solve for all direct orders via the eCommerce system, including Web, phone, and mobile, as well as to support orders initiated or fulfilled in stores. And that solution must also span multiple sites and possibly even geographies while supporting some inventory being pulled from a central distribution center, some being drop-shipped by vendors, and some being pulled from an overflow warehouse managed by a third party. Even relatively simple, small eCommerce businesses require order management tools and look to their eCommerce platform to see what it can provide first before exploring how third-party order management tools, their back-office ERP system, or warehouse management system can support their requirements.
- **An increased emphasis on product content management and WCM.** Product content management and WCM capabilities are not new requirements for most eCommerce platforms, but the stakes and the solutions have increased as the sources of product content — editorial, vendor-supplied, syndicated, and user-generated — have grown. eBusinesses are increasingly seeking tools to improve workflow, efficiency, and their ability to leverage product content across channels and user experiences. Similarly, the challenges of managing Web content have grown significantly in recent years as eCommerce businesses grow their international business and must localize content, focus on search engine optimization (SEO), and support additional channels such as mobile and kiosks through their eCommerce platform. eBusiness pros will look to their commerce platform and WCM solutions to both leverage the use of their content through many touchpoints and harness the vastness of those efforts.
- **A change in what we look for in product strategy.** When evaluating the strength of a vendor's product strategy, we looked for a number of leading-edge strategic capabilities that we expect to become increasingly important, including cross-channel/multichannel capabilities, mobile commerce, suite integration across critical modules for merchandising, site and content management, and improved reference store (application) or SaaS solutions. We also looked at how well these vendors understand their clients and their clients' business problems and how they work to build and refine their product strategy as a result.

## A Range Of Solution Types — From Licensed To SaaS — Are Represented In Our Evaluation

In this evaluation, Forrester focused on the leading eCommerce platforms for direct-to-consumer online retailing — or B2C eCommerce. Evaluated solutions include those from a variety of delivery models or vendors that offer their solutions across these delivery models, including:

- **On-premises licensed software platforms.** These applications can be implemented and run in-house by internal IT resources or may be supported in various outsource models on a client's behalf. Typically, these platforms will offer the most flexibility over time. Often, systems integrators (SIs) implement and support these solutions.
- **Hosted/managed platforms.** Close cousins of licensed software applications, the vendors that offer hosted/managed platforms typically implement and run applications on behalf of a client, reducing the internal IT resources required to a near minimum. A few hosted/managed application vendors also allow clients to install and run applications internally via a license model.
- **SaaS platforms.** SaaS solutions rely on a multi-instance application where many clients use the same technology and hosting environment. These solutions typically cost less to run, offer the benefits of shared development and support, and may be implemented more efficiently for clients. Downsides in the past have been a lack of flexibility and control and a sense that the development needs of an individual client may be subject to the needs of the vendor or its larger clients. This concern appears to be lessening as SaaS solutions continue to mature.

### How The Criteria Are Organized

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against more than 100 criteria, which we grouped into three high-level buckets:

- **Current offering.** Forrester's criteria to assess the strength of companies' current offerings are weighted heavily toward business user tools — a requirement that eCommerce executives have told Forrester is critical as marketing and merchandising take the front seat in eCommerce strategies. We evaluated each offering against 14 groups of criteria: solution architecture; technology architecture; site management; catalog, product content, and site content management; eCommerce features; marketing tools; customer management; customer management and service; order management; reporting and analytics; security; community and social commerce; globalization/internationalization; and professional services.
- **Strategy.** We compared the strategies of each company with the needs of eCommerce executives, industry trends, and Forrester's forward-looking vision of the eCommerce market to assess how well each vendor is positioned for future success. We examined product strategy, company strategy, product focus, and cost.
- **Market presence.** Many firms support online businesses on technology that was orphaned by vendor evaporation. eCommerce and IT executives must look for vendors with a strong and stable installed base, steady growth, and a network of partners and resellers. To determine current market presence for our evaluation, we combined information about each vendor's installed base, recent sales momentum, revenues, and financial resources to support the strategy and product development.

## EVALUATED B2C ENTERPRISE eCOMMERCE PLATFORMS REPRESENT THE BEST OF THE BEST

Forrester included 12 vendors in this assessment: ATG, Demandware, Elastic Path Software, Escalate Retail, Fry, hybris, IBM, iCongo, Intershop, MarketLive, Microsoft, and Venda. While we considered a large number of companies offering eCommerce solutions for this assessment, each of these included vendors has:

- **A significant focus on B2C eCommerce solutions.** Although many of the vendors included in this assessment serve clients in other market segments such as business-to-business (B2B), business-to-government (B2G), and business-to-employee (B2E), each has a focused product offering for, an established customer base in, and an ongoing to commitment to B2C eCommerce clients.
- **The ability to support enterprise-class eCommerce clients across multiple B2C verticals.** Forrester defines enterprise-class eCommerce as Web sites transacting more than \$100 million in online sales annually. Many clients of the assessed vendors may be transacting less than this, but these solutions are running one or more sites at this level and have demonstrated this capability across clients in multiple B2C verticals. Vendors that primarily serve clients in one specific vertical, such as software or media, were not included in this report.<sup>4</sup>
- **A profitable or stable business with at least \$10 million in revenues — and client momentum.** To ensure that the vendors we evaluated will remain viable in this evolving market, Forrester limited its analysis to companies that have the resources and momentum to sustain themselves through variable market conditions. Each of these companies has a minimum of \$10 million in annual eCommerce solution product sales, is profitable or indicates it is approaching profitability, and has at least 50 existing clients with positive sales momentum.

Forrester did not include companies in this assessment with a primary focus in other related market segments such as:

- **B2B-focused solutions with limited current B2C eCommerce capabilities.** We may consider companies like Oracle, SAP, and Sterling Commerce in the future as their B2C eCommerce capabilities evolve. Research is available for B2B eCommerce solutions.<sup>5</sup>
- **eCommerce solutions focused on small and medium-size businesses (SMBs).** This includes solutions from companies such as Amazon.com (WebStore by Amazon), eBay's ProStores, Infopia, Volusion, Shopify, and Yahoo! (Yahoo! Merchant Solutions). Research is available for SMB eCommerce solutions in North America and Europe.<sup>6</sup>
- **Full-service solutions aimed at providing a suite of capabilities for eCommerce companies.** We have written separate research on and an overview of capabilities of full-service solutions like Amazon, Digital River, EDS (a Hewlett-Packard company), eFashionSolutions, GSI Commerce, PFSweb, and Speed FC.<sup>7</sup>

- **Digital- or media-focused solutions.** We have written separate research on vendors that specialize in the unique requirements of digital goods selling, such as software, media, and games, including Digital River, cleverbridge, ExtendMedia, and asknet.<sup>8</sup>

## B2C ENTERPRISE eCOMMERCE SOLUTIONS EVALUATION

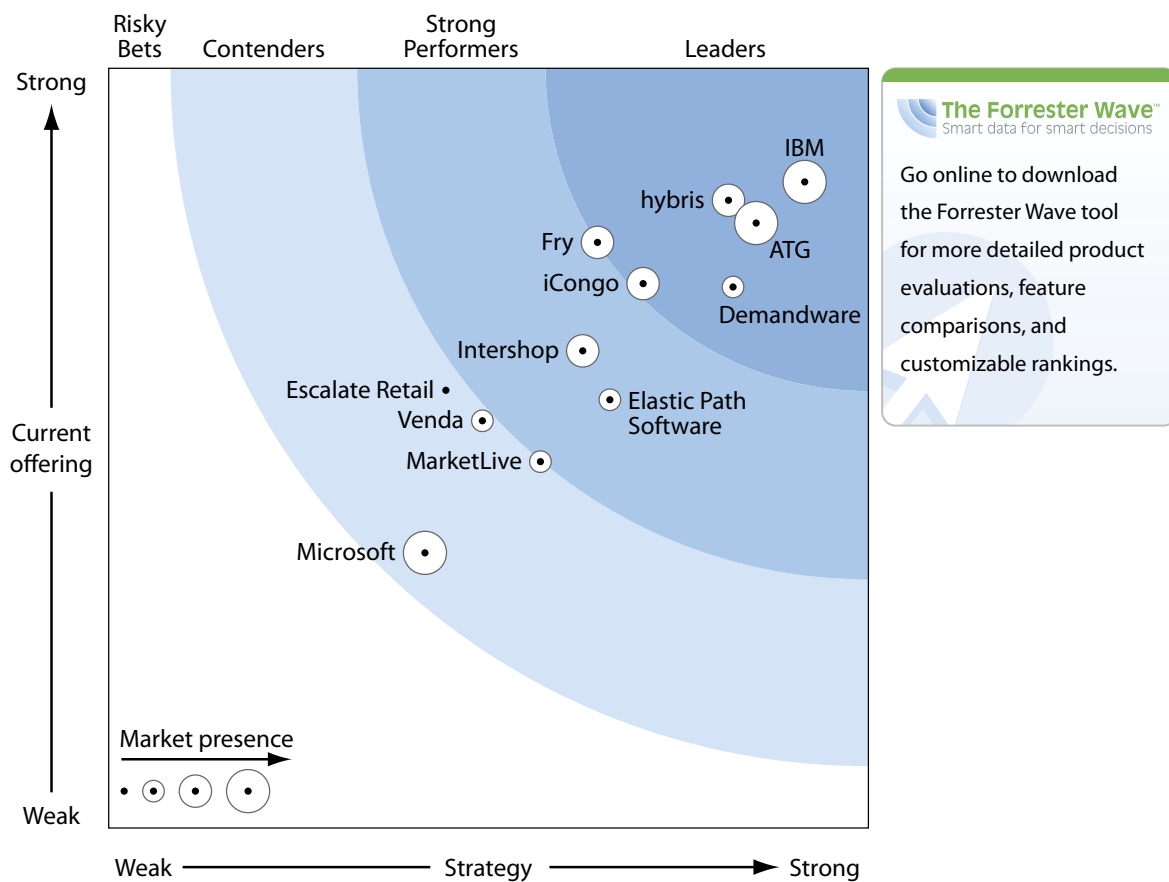
Since our last evaluation in 2009, we have seen the welcome evolution of many eCommerce platforms as they focus on eBusiness and cross-channel business enablement. Business and technology leaders who last evaluated eCommerce platforms years ago — maybe before they built an in-house system or selected their current platform — will see substantial changes in product content management, merchandising and WCM, order management, promotions management, and service tools. Just in the time since our last detailed Forrester Wave evaluation, we have seen dramatic improvements. As a group, eCommerce systems are poised to support their clients as they increasingly move into cross-channel commerce and support the next generation of customer shopping and research touchpoints. However, important differentiators and models are represented in our Forrester Wave this year. Our evaluation uncovered a diverse market in which (see Figure 3):

- **IBM, hybris, and ATG lead the pack.** Each of these vendors offers solid eCommerce capabilities, an ability to scale, and strong or very strong business management tools. ATG, IBM, and hybris offer traditional software application licensing models but have also worked to add flexibility that utilizes third-party hosted/managed or SaaS models, with ATG also offering it directly.<sup>9</sup>
- **Demandware, iCongo, and Fry offer compelling solutions with unique characteristics.** Each of these vendors offers strong eCommerce and cross-channel capabilities largely geared at smaller enterprise or midmarket clients. Demandware offers a SaaS solution with strong multisite and effective merchandising tools but is lacking in order management. iCongo offers a well-rounded but largely straightforward solution with competencies in order management, customer service, and efficient integration. Fry offers strong merchandising tools, differentiated testing, and effective site and content management tools.
- **Intershop, Elastic Path, and MarketLive offer competitive options to specific markets.** These vendors represent a strong set of competitors with various strengths and various models. Each offers strong to moderate eCommerce features and moderately effective business management tools, but the vendors vary considerably in areas such as product catalog management, WCM, order management, and globalization/internationalization. Each of these vendors serves a somewhat-unique market reflective of verticals it focuses on.
- **Escalate Retail, Venda, and Microsoft lag behind.** These three vendors can offer well-placed solutions for the right client, but as total eCommerce platform solutions for the enterprise B2C eCommerce client, they lag behind the competitive set. Escalate Retail offers strong order management tools but lags behind in merchandising, content, promotions, and testing tools.

Venda offers a straightforward set of tools and features well suited to mid-sized clients looking for a SaaS solution, but with simplified requirements around content, order management, and service. Microsoft offers a tool set that can be a strong fit for a Microsoft-centric IT environment where there is a desire to leverage in-house resources with Microsoft skill sets, but as a complete eCommerce platform product, it does not measure up well.

This evaluation of the B2C eCommerce platform market is intended to be a starting point only. We encourage readers to view the detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

**Figure 3** Forrester Wave™: B2C eCommerce Platforms, Q4 '10



Source: Forrester Research, Inc.

**Figure 3** Forrester Wave™: B2C eCommerce Platforms, Q4 '10 (Cont.)

	Forrester's Weighting	ATG	Demandware	Elastic Path Software	Escalate Retail	Fry	hybris	IBM	iCongo	Intershop	MarketLive	Microsoft	Venda
<b>CURRENT OFFERING</b>	50%	3.98	3.56	2.82	2.88	3.85	4.13	4.25	3.58	3.14	2.41	1.81	2.68
Solution architecture	5%	4.00	2.50	3.50	3.00	4.00	4.50	4.50	3.50	3.50	2.50	2.50	2.00
Technology architecture	5%	4.60	3.40	3.90	2.30	3.60	4.00	4.50	3.20	3.30	2.70	2.80	2.10
Site management	10%	4.00	4.00	3.00	2.00	4.00	4.50	4.50	3.00	3.00	3.00	1.50	2.00
Catalog, product content, and site content management	15%	3.76	3.44	2.54	2.42	4.30	4.62	3.54	3.02	2.76	2.26	1.36	1.92
eCommerce features	10%	4.15	3.47	2.84	3.06	4.36	4.28	4.39	3.78	3.07	2.67	2.13	2.44
Marketing tools	5%	4.00	3.02	2.33	3.20	3.74	4.35	4.52	3.69	3.70	3.48	2.08	3.14
Customer management	5%	5.00	4.00	3.00	3.00	4.30	4.00	4.00	3.70	3.30	3.00	3.00	3.00
Customer management and service	5%	5.00	3.18	2.95	3.53	3.30	3.25	4.23	3.93	3.18	1.45	2.25	3.00
Order management	15%	3.68	3.39	2.49	3.88	3.70	4.20	4.12	4.41	3.36	2.11	1.74	3.06
Reporting and analytics	3%	4.00	3.70	1.90	1.90	4.60	3.30	4.10	2.60	2.50	3.10	1.90	1.80
Security	8%	3.00	5.00	2.00	3.00	4.25	2.75	5.00	4.25	2.00	2.75	0.50	4.50
Community and social commerce	2%	3.70	2.60	2.00	1.40	2.90	3.60	3.40	3.30	3.30	1.40	1.10	2.40
Globalization/internationalization	9%	4.25	3.40	3.60	2.95	2.40	4.65	4.55	3.45	4.15	1.15	1.70	3.45
Professional services	3%	3.40	3.80	4.00	2.80	3.80	3.80	4.20	3.00	3.20	3.00	2.80	2.00
<b>STRATEGY</b>	50%	4.26	4.11	3.30	2.22	3.22	4.08	4.58	3.52	3.12	2.84	2.08	2.46
Product strategy	60%	4.30	4.00	3.30	2.30	3.30	4.00	4.70	4.00	3.00	3.00	2.00	2.30
Company strategy	28%	4.30	4.40	3.00	1.70	2.70	4.30	5.00	2.70	3.00	2.00	2.30	1.70
Product focus	12%	4.00	4.00	4.00	3.00	4.00	4.00	3.00	3.00	4.00	4.00	2.00	5.00
Cost	0%	3.20	2.75	3.65	2.60	2.45	3.85	2.90	3.35	3.95	3.95	2.80	3.45
<b>MARKET PRESENCE</b>	0%	4.60	3.00	2.70	1.45	3.85	3.90	4.55	3.25	3.50	2.45	4.50	2.45
Installed base	50%	5.00	3.00	2.00	2.50	3.50	4.00	4.50	3.50	4.00	2.00	5.00	2.50
Revenue	20%	5.00	3.00	3.00	0.00	5.00	4.00	5.00	3.00	3.00	2.00	5.00	2.00
Revenue growth	10%	3.00	5.00	5.00	0.00	3.00	5.00	3.00	3.00	3.00	4.00	0.00	4.00
Financial resources	20%	4.00	2.00	3.00	1.00	4.00	3.00	5.00	3.00	3.00	2.00	5.00	2.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

## VENDOR PROFILES

### Leaders Provide Robust And Flexible eCommerce Capabilities With Solid Management Tools

- **IBM.** IBM's WebSphere Commerce represents a highly flexible and scalable enterprise B2C eCommerce solution, with significant adoption within the top tier of eCommerce retailers, and it continues to have successful growth. IBM combines a rich set of eCommerce capabilities with a flexible service-oriented architecture (SOA) and integration capability, enabling the product

to be extended and customized. Business user tools such as the IBM Management Center have been evolved and, in some cases, are industry-leading. IBM has a rich product strategy focused on core product enhancements as well as building out a comprehensive suite of multichannel capabilities leveraging its recent acquisitions of Sterling Commerce, Coremetrics, and Unica. It also has a number of visionary eCommerce capabilities — some through its tight integration with Coremetrics. However, the flexibility of the IBM product must be carefully leveraged to avoid the risk of increased total cost of ownership (TCO). A SaaS offering — such as the one that IBM has recently developed in China — offers a packaged eCommerce-oriented solution that can help to solve this. It remains to be seen how a SaaS offering may complicate IBM's relationship with its large group of SIs and solution providers.

- **Hybris.** Hybris has had a very strong year and a half since our last comprehensive evaluation, with significant updates to the management tools and scalability. Hybris has also formed a close key partnership with Endeca to combine the Endeca search and navigation products with Hybris' commerce capabilities and has developed strong SIs to support clients in North America in addition to Europe. Hybris' key differentiators are in strong product content management tools, catalog management, enterprise integration, and globalization/internationalization capabilities. eCommerce features are well represented, and there is a well-defined ability to extend the product and customize it to develop differentiated eCommerce sites across a variety of verticals. Hybris is a young company that is growing quickly, raising the potential for overcommitment to clients by Hybris or partners.
- **ATG.** ATG continues to be a leader in B2C eCommerce platform solutions, as evidenced by the addition of more than 125 new customers in the past 12 months. ATG combines a strong and well-rounded eCommerce feature set with an array of targeting, personalization, and customer interaction tools. ATG has a strong ability to integrate into the enterprise and provides strong multichannel capabilities, including its Live Help products that include click to call, click to chat, and email response. ATG maintains a strong vision for the product and a focus on the B2C eCommerce customer needs, pushing its product forward in a consistent manner. ATG has improved the hosted/managed and SaaS offerings but must continue to drive stable, repeatable, quality implementations through its reference stores and SI-program development. ATG has the opportunity to deliver rich multichannel capabilities to clients but will need to improve product content management and order management components of its solutions to complete that vision. In September 2010, ATG announced availability of ATG Commerce 10. These capabilities were not included in our evaluation.
- **Demandware.** Demandware continues to mature as a platform with improved business management tools and enablement of customized sites through its SaaS platform. Demandware has a strong vision for the platform, which, if executed, will position it well in the future as firms enable eCommerce through an evermore diverse set of customer touchpoints. Demandware's LINK program has also been an innovation enabling third-party point solution providers to

integrate once to its platform, from which Demandware clients can implement these solutions on their sites with no integration costs. Look for Demandware to continue to improve the business management tools and the sophistication of its integration capabilities. The vendor must also address order management and customer service tools to round out the platform, which it is investing in. Demandware is close to achieving consistent profitability, and recent customer traction has been strong.

- **iCongo.** iCongo presents a very holistic platform solution with some straightforward but effective capabilities throughout and a number of core competencies such as order management, enterprise system integration, and multichannel ordering capabilities. This makes iCongo a potential good fit for multichannel retailers with basic storefront management requirements. iCongo is poised for growth: As it adds partners to support integration, matures the licensing model in addition to providing the services to clients, and matures the business tools, the product will gain further traction in the midsize- and smaller-enterprise B2C eCommerce market. iCongo also represents an interesting solution for companies with B2B eCommerce needs, particularly in the branded manufacturing sector.

### Strong Performers Blend Different Strengths Important To A Variety Of Models And Teams

- **Fry.** Fry continues to offer a strong eCommerce platform and is working to complete integration into parent Micros Systems. Once that integration is complete, Fry will pair its strong merchandising tools, differentiated testing, and effective site and content management tools with a strong order management solution. Fry is also now licensing its applications, bringing on systems integration partners and enabling clients to run and manage their applications in-house if desired. These steps look to strengthen the Fry solution moving forward and may make it significantly more competitive in multichannel commerce client scenarios. However, the integration of Fry into Micros has been a significant effort and has taken away from a focus on the core eCommerce package in the interim.
- **Intershop.** Intershop has recently seen a significant investment from GSI Commerce, with GSI now retaining a controlling interest in the firm. This relationship looks to strengthen Intershop's resources and help gain access to more opportunities outside of central Europe. Intershop has also made a substantial pivot to becoming more business-user-centric by focusing on its merchandising, site, and marketing tools, which continues to bear fruit in core application improvements. Intershop offers a solid eCommerce capability with differentiation in globalization/localization capabilities. Concerns over legacy technology architecture and cost of ownership are areas that need focus. Intershop continues to have solid traction with B2B clients that have a combination of strong enterprise system integration and straightforward sites.
- **Elastic Path Software.** Elastic Path represents a strong eCommerce solution but with a specific vertical focus. Elastic Path is now largely focused on industries such as software and media with online business primarily in digital goods or online services. These industries have a subset of

eCommerce requirements that differ from those of other B2C eCommerce verticals. As a result, areas such as WCM, product content management, and order management receive much less focus or will require third-party solutions. Verticals such as telecom or clients looking for a highly customizable solution upon which to build an eCommerce platform may also find Elastic Path compelling. Uniquely, Elastic Path ships source code with its application and leverages many common open source frameworks and products enabling developers to often pick up the product quickly. However, solutions are typically delivered through Elastic Path's professional services organization, but may also be implemented internally by clients or through SIs.

### Contenders Have Unique Opportunities For Some Companies To Leverage

- **MarketLive.** MarketLive offers a competent product aimed at the midmarket eCommerce retailer. eCommerce capabilities and business user tools have improved since our last evaluation but lack the depth of other enterprise solutions. However, for the smaller online retail operation, MarketLive can be a very good option, with a solid eCommerce retail capability set and maturing services to support marketing, analytics, and site optimization.
- **Venda.** Venda offers a straightforward set of tools and features well suited to midsized clients looking for a SaaS solution, but with simplified requirements around content, order management, and service. Venda has found a solid niche with branded manufacturers or midsize retailers and has focused on their specific needs. Larger enterprises looking to launch eCommerce for a division or smaller brand may also find Venda compelling. With a unique model combining flat-rate subscriptions per site with transaction fees, Venda can be a cost-effective alternative for many businesses. Maturation around content, merchandising, and order management will be needed to solve for more complex client needs.
- **Escalate Retail.** Escalate Retail is a collection of four formerly distinct companies: Blue Martini, Ecometry, GERS, and ADS Retail. On paper, this combination makes for a dynamic capability set able to meet the eCommerce, OMS, and CRM requirements of retailers looking to embrace multichannel retailing. However, Escalate Retail's Blue Martini Commerce Suite product has not kept pace with competitors in the market, with old and largely difficult-to-use merchandising, marketing, and testing tools. Escalate Retail has signaled that it will significantly overhaul the product and focus on eCommerce business enablement, which will be important for future clients. Escalate Retail offers strong order management tools, which can position it well if the core commerce engine and business tools can improve to meet today's business needs.
- **Microsoft.** Microsoft's Commerce Server (CS) 2009 product is unique within this evaluation and represents a bit of an apples-to-oranges comparison. As an analogy, think of the other products in our B2C enterprise eCommerce platform evaluation as various kinds of cars, whereas CS 2009 may best be seen as an engine that, when combined with other Microsoft products, can be made into a car, a boat, or a tank. As a result, basic eCommerce business tools are underdeveloped or absent and rely heavily on other Microsoft products such as SharePoint

and BizTalk, or they require customization — which is significant in some cases. Likewise, core eCommerce features must result from extension and adaptation of core capabilities within CS 2009 with the skilled development support of SIs or trained internal IT staff. Microsoft CS 2009 will be best utilized within an already heavily integrated Microsoft IT environment where SharePoint is being effectively used and where internal development is preferred and can be used to adapt, customize, and support the product over time.

### Some Additional Emerging Players To Watch

- **Magento.** Magento continues to gain steam in the midmarket and enterprise market as a B2C eCommerce platform. Magento now offers a very cost-effective enterprise license and has built out a stable of SIs and agencies that are well positioned to serve midmarket or enterprise clients — such as Optaros or Lyons Consulting. Enterprise-level eCommerce organizations should, however, walk into a Magento project with an understanding of the customization, additional products, and services that may be required to support a Magento project over time. Professional services fees may be significant around integration, scalability, and completion of the tools required to meet business requirements — minimizing the cost advantages of Magento's business model. But for clients that want or require a platform they can really make their own by customizing and adapting to their needs, Magento will be compelling. Forrester continues to track Magento's progress closely.
- **CDC Software, which acquired Truition in late 2009.** By combining CDC cloud-based and app solutions for ERP, order management, and warehouse management, the CDC solution will be one to watch for midmarket and B2B clients looking to add direct-to-consumer solutions. CDC's global footprint may also lead to eCommerce platform offerings well suited to global firms or firms interested in China's eCommerce operations.
- **Amazon.** Amazon's eCommerce platform offerings have a well-known checkered past. Most of Amazon's marquee retail clients have left the platform or soon will complete their transitions — such as Target. However, in 2010, Amazon relaunched its WebStore solution and made significant improvements, making it a compelling small-business solution and attracting some larger businesses along with it. Amazon has many capabilities, which, if brought together in an integrated and services-oriented fashion, could make up a compelling offering. However, the lack of a services-based culture at Amazon remains problematic.
- **SAP.** SAP has struggled to deliver eCommerce solutions for B2C clients in the past. However, SAP is completing development of an eCommerce platform solution geared at B2C and B2B, which is planned to enter what SAP terms “ramp up” in 2011, with general release planned the following year. With SAP's sizable ERP and CRM solutions market presence, a full-featured eCommerce solution will be of interest to many of its clients in retail and other verticals. However, it remains to be seen how complete an offering SAP will deliver, having a substantial gap to cross with this effort.

## SUPPLEMENTAL MATERIAL

### Online Resource

The online version of Figure 3 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

### Data Sources Used In This Forrester Wave

Forrester used a combination of four data sources to assess the strengths and weaknesses of each solution:

- **Hands-on scenario-based lab evaluations.** Vendors spent one day with a team of analysts who performed a hands-on evaluation of the product using a scenario-based testing methodology. We evaluated each product using the same scenario(s), creating a level playing field by evaluating every product on the same criteria. Scenarios for this evaluation focused on routine eCommerce management and content tasks. For more on scenario-based evaluation, refer to our report on the scenario-based eCommerce technology evaluation process.<sup>10</sup>
- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities. Demos for this evaluation focused on core eCommerce features, differentiation of the products, and the business-user tools used to manage client sites.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with two of each vendor's current customers.

### The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

## ENDNOTES

- <sup>1</sup> In Forrester's Q4 2009 US Retail Executive Online Survey, we asked 291 online retailers how their investment in eCommerce technology was changing: 57% reported increasing or significantly increasing their technology budget headed into the new year. Conversely, a mere 5% reported decreasing budgets in the face of the recession. For more information and for an outlook on Australian eCommerce, see the January 14, 2010, "[2010 US Online Retail Technology Investment Outlook](#)" report, and see the August 19, 2010, "[Online Retailing In Australia 2010: Technology Investment](#)" report.
- <sup>2</sup> For more on the development of an eCommerce replatforming business case, see the September 29, 2008, "[How To Pitch eCommerce Replatforming](#)" report.
- <sup>3</sup> The call-center-based ordering via the eCommerce system takes a variety of flavors, from simply using the Web site on the customer's behalf to having a separate Web site for the CSRs to use that is optimized more to their needs or having thin-client Web-based applications leveraging the eCommerce systems services complete with keyboard shortcuts and personalized interfaces.
- <sup>4</sup> For an overview of digital-goods-focused commerce solutions, see the May 5, 2009, "[Market Overview: Digital eCommerce Solutions](#)" report.
- <sup>5</sup> For an overview of B2B eCommerce platforms, see the December 7, 2009, "[Market Overview: B2B eCommerce Platforms](#)" report.
- <sup>6</sup> For an overview of SMB-oriented eCommerce solutions, see the July 26, 2010, "[Market Overview: SMB eCommerce Solutions](#)" report.
- <sup>7</sup> For an overview of the full-service eCommerce solutions marketplace, see the October 31, 2008, "[Market Overview: Full-Service eCommerce Solutions](#)" report.
- <sup>8</sup> For an overview of digital-goods-focused commerce solutions, see the May 5, 2009, "[Market Overview: Digital eCommerce Solutions](#)" report.
- <sup>9</sup> Note that hosted/managed and SaaS offerings from ATG and IBM differ in some ways from the full-enterprise software licensed product.
- <sup>10</sup> For more on using scenarios in technology evaluation, see the May 17, 2010, "[Scenario-Based eCommerce Technology Evaluation Process](#)" report.

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