

Magic Quadrant for E-Commerce

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The online customer experience, Web 2.0 and the consumerization of technology are driving online sales strategies, as well as the demand for site redesigns and upgrades. Use this Magic Quadrant during vendor evaluation and selection.

WHAT YOU NEED TO KNOW

The consumerization of online technologies is creating a demand for rich Internet experiences with user-generated content. Today's buyers desire Web sites to speed up the process of finding a product, enable comparisons of products, provide tools to help buyers understand the product, and have community-based information to help them to make the final buying decisions – all with knowledge of “who” they're serving across multiple points of interaction. Online sales have become a rich interaction – that is, “me focused” – and is part of the large Web and CRM strategy called e-CRM.

Users should select a vendor with a proven track record of e-commerce implementations, deep functional capabilities and an open Web-services-based architecture. In addition, users should ensure that an e-commerce technology provider can:

- Provide all key commodity e-commerce components, such as shopping cart management, product catalogs, and settlement processes required for business-to-business (B2B) and business-to-consumer (B2C) e-commerce.
- Provide a Web 2.0 rich Internet application (RIA) customer experience with shopping tools, such as sliders for search and single-page check-out, and the ability to leverage user-generated content, such as product reviews, wikis, blogs, Really Simple Syndication (RSS) and others.
- Leverage external (for example, Google Maps, Google Analytics, product reviews) and internal Web services (for example, fulfillment system or ERP or call-center-based Web services) to complete the customer experience.
- Integrate well with other points of interaction, especially those that are improving and growing quickly, such as mobile.
- Support multiple forms of payment options for B2B and B2C sales.
- Provide product/service recommendations in real time.
- Enable improvements to site search and external search engine discovery (for example, Google, MSN, Yahoo and so on).

MAGIC QUADRANT Market Overview

Client interest in e-commerce continues to increase as organizations realize they must replace outdated e-commerce systems and improve their online customer experience by adding Web 2.0 user experience and community capabilities.

Many organizations understand that their Web sites are the primary faces of their organizations, and that competition enabled by the Web is increasing in all industries as organizations seek to win the next customer that “Googles” itself to any one of their Web sites.

B2B organizations are being asked to be more “consumer-like” with their Web experiences, while B2C organizations are continually vying to capture the consumer’s interest, first-time business and return business.

IT organizations are being asked to reduce the time it takes to update sites and create new sites, and this has increased interest in site management and multisite capabilities.

One new trend is that organizations have new ownership and operating choices. Software as a service (SaaS) is providing e-commerce capabilities to organizations that may not have had the resources or management support for an Internet sales endeavor. Moreover, organizations can choose how much e-commerce they want to own and manage. The choices are to:

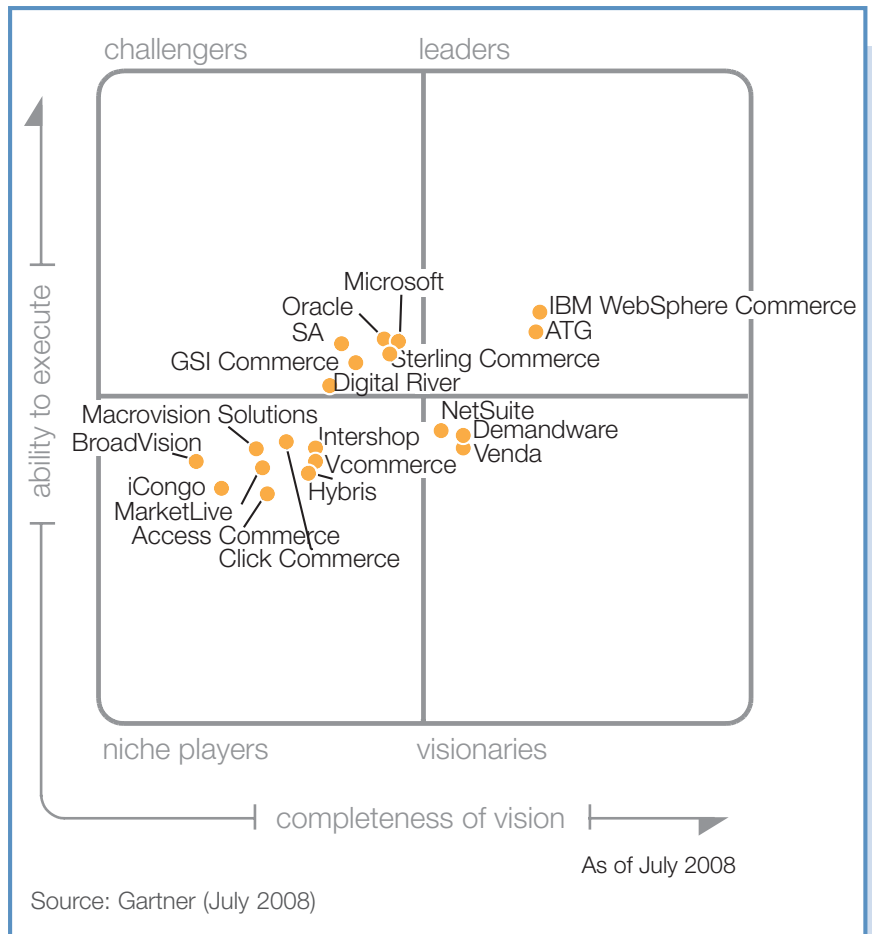
- Completely outsource the operation.
- Use SaaS to run the site.
- Have the site hosted and managed.
- Buy licensed software and run the site themselves.

These choices enable the organization to bring several criteria into the evaluation:

- How much revenue they will generate online
- Pay for e-commerce out of the capital or the operations budget
- How many IT resources are available to the organization

As a result, more vendors have matured enough to meet the entrance criteria for this Magic Quadrant. New vendors have entered the market using SaaS as a way to convince customers to use their services, and to win new accounts. Licensed software vendors are continually adding new capabilities, such as multisite management, product reviews, RIA user interface (UI) improvements, single-page check-out and much more. Even in a questionable economy, requests for information (RFIs) and RFPs for e-commerce continue to be made, and inquiries ranging from

Figure 1.
Magic Quadrant for E-Commerce



strategy and vision to implementation and design partners are still being posed to Gartner analysts.

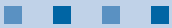
As e-commerce’s role in CRM continues to grow, and with its linkage to the social and community aspects of Web 2.0, organizations must develop an e-CRM strategy that’s in line with their overall CRM vision and strategy to be successful.

Market Definition/Description

E-commerce technology providers offer e-commerce applications that enable online sales for B2B and B2C commerce. An e-commerce application/platform not only facilitates transactions over the Web, but also supports the creation and continuing development of an

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online relationship. Commodity e-commerce functions – such as the creation and management of Web storefronts, shopping cart management, taxation, personalization, transaction management, settlement and product visualization – enable organizations to build basic online stores. The next level of noncommodity capabilities – such as interactive selling, site merchandising management, order management, product management, customer/account management, personalization/preference profiling, multichannel selling, site/product search, search engine optimization (SEO), lead management, locating and matching, warranties/returns management, analytics/reporting, integration and other capabilities specific to B2B or B2C (such as gifting, registries, product configurations and quoting) – enables advanced online selling and relationship building.

This Magic Quadrant focuses on Internet sales e-commerce end-user requirements, not on a fully integrated marketing, sales and service solution. Therefore, all functions related to marketing (such as campaign management and A/B testing), and all functions related to service (such as knowledge-based self-service and call center capabilities), are not part of this market or evaluation. In addition, this Magic Quadrant doesn't cover the execution systems needed to deliver goods or services to customers.

All functions in this Magic Quadrant are evaluated and focused on Internet-based B2B, business-to-business-to-consumer (B2B2C) and B2C selling, and on Internet sales processes. Technology providers that offer new deployment options for e-commerce (such as SaaS), and providers that offer hosted solutions and/or traditional licensed software and meet the inclusion criteria, are included in this evaluation.

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, a technology provider must demonstrate:

Market Traction and Momentum

- The technology provider has at least 40 production customers for e-commerce functionality, each with an average of at least 1,000 transactions per week.
- The technology provider has at least five new referenceable customers for e-commerce from the past four rolling quarters.
- The technology provider has generated at least \$5 million in revenue for e-commerce during the past four rolling quarters.
- The technology provider has demonstrated active market participation – including, but not exclusive to, inbound customer inquiries to Gartner customers and prospects.
- The technology provider has multiple production references available on a current version (at least five), and has demonstrated visible efforts to sell and/or market products to new customers.

E-Commerce Product Capabilities

A generally available, credible e-commerce application that meets the following:

- Deploys on-premises or hosted infrastructure (with dedicated database, hardware and other infrastructure), or SaaS.
- Supports commodity e-commerce functions – such as Web storefronts, shopping cart management, product catalogs,

pricing, personalization, transaction management, site and product search, settlement, product visualization and order management – that enable the selling of products or services over the Internet. These capabilities must service consumers' and business partners' core e-commerce needs, and be designed to foster long-term customer relationships via the Web.

- Provides operational e-commerce capabilities that can be used for B2B or B2C sales.
- Delivers value to multiple clients in live production conditions (that is, a minimum of 40 unique clients running at least one production site on the current offering).

Short-Term Viability

- Availability of sufficient professional services, delivered internally or through partnerships, to fulfill current and future customer demand throughout the next 12 months.
- The technology provider has enough cash to fund at least a year of operations at its current burn rate.

Added

The following vendors were added to this year's Magic Quadrant:

- Access Commerce
- Demandware
- GSI Commerce
- Hybris
- iCongo
- MarketLive
- NetSuite
- Vcommerce
- Venda

These vendors were added for one or more of the following reasons:

1. They demonstrated active market participation – including, but not exclusive to, inbound customer queries to Gartner customers and prospects.
2. They exceeded the inclusion criteria after the "Magic Quadrant for E-Commerce, 4Q06" was published.
3. They were excluded from the previous Magic Quadrant because they didn't offer licensed software.
4. They've garnered active interest from Gartner clients through inquiries and inclusions on RFI or RFP long- or shortlists of vendors.

Dropped

Vendors – Acquisitions

Sterling Commerce completed its acquisition of Comergent Technologies (which was listed in "Magic Quadrant for E-Commerce, 4Q06") and will be referred to as "Sterling Commerce".

Evaluation Criteria

Ability to Execute

In this section, only one criteria weighting has changed since the last Magic Quadrant: Product/Service switched from Standard to High because client requirements for quality and capability of e-commerce products/services, and their expectation of new and innovative functions (such as Web 2.0), have risen.

Product/Service (High) – The technology provider must demonstrate the capability to support B2B and B2C operational e-commerce commodity functions, as well as advancements in the product since its last release. The following e-commerce capabilities were considered:

- **Core commodity e-commerce** includes functions such as the creation and management of Web storefronts, shopping cart management, taxation, transaction management, settlement and product visualization. These functions enable clients to build an online store and provide basic capabilities for the online selling of products and services.
- **Interactive selling** (that is, sales configuration, advisor, cross-sell, upsell, promotions, product comparison and others) provides tools that enable sales assistance and advisement to customers during their online shopping experience.
- **Site merchandising management** enables the organization to have a merchant or product/service end user determine the placement, presentation, packaging, pricing and promotion of a product on a Web site.
- **Order management** enables the customer or business partner to track and monitor an order across various back-office systems from a single point in the Web store. It also enables functions such as recurring orders.
- **Product management**, which may include master data management (MDM) or product information management (PIM) capabilities. At a minimum, the clients should be able to create and populate a product catalog that customers and business partners can use to shop for goods or services.
- **Customer and account management** enables an enterprise to manage the customer account information that's been collected, and also enables the end customer to manage changes to its account.
- **Personalization and preference profiling** enables the Web site experience to be customized (by the user or dynamically) for the customer.
- **Multichannel selling** enables an organization to integrate Web sales and capabilities with other customer points of interaction, such as Web/cell phones, stores, call centers and others.
- **Site and product search** enables the search for and location of products in a Web store during the shopping experience, as well as the location of categories of goods and services.
- **SEO** enables an organization to improve its ranking in external search engines, such as Google, MSN and Yahoo.
- **Lead management** enables the enterprise to generate online sales. This capability also enables the capture of customer information for a product or service sale, and then distributes a completed order to a partner for fulfillment.
- **Locator and matching** enables the customer to locate stores, dealers or distributors within the customer's chosen area, which can be by ZIP code or other location information.
- **Warranty/returns management** enables the management of customer returns, and warranty claims and requests, from the moment when the issue begins until its resolution.
- **Analytics and reporting** enables functions such as site activity (hits), site errors, uptime, browser types, abandoned carts, viewed products, visit conversion rate, campaign effectiveness, content presented, page design, content "stickiness" and visitor segmentation.

- **Integration capabilities** enable the integration of the Web store with various sources of data and content required for online sales, marketing and service.
- **Specific B2B or B2C capabilities** include gifting, registries, product configurations and quoting, and they can be listed by type.

Overall Viability (Business Unit, Financial, Strategy, Organization) (High) – The technology provider must be stable and demonstrate organizational financial health, as listed in the inclusion criteria above, and demonstrate an ability to generate sustainable business results in the e-commerce market.

Sales Execution/Pricing (Standard) – The technology provider must have sufficient sales resources and an effective sales strategy to demonstrate its commitment to the e-commerce market. In addition, it must provide global sales and distribution coverage that aligns with marketing messages, and have experience selling its e-commerce product to the business and IT buying centers.

Market Responsiveness and Track Record (Standard) – The technology provider must demonstrate past innovation to meet a changing market's requirements, as well as a plan for future innovations based on market trends.

Marketing Execution (Standard) – The technology provider must have sufficient marketing resources to communicate a well-defined message as it relates to e-commerce, and must consistently generate market demand and awareness of its e-commerce solutions through marketing programs and the media.

Customer Experience (High) – Successfully supported customers are important in this market, so this, coupled with support, maintenance and upgrades, is prominently featured.

- **Professional services** means providing internal professional service resources, or partnering with system integrators with vertical-industry expertise, e-commerce domain knowledge, global and localized country coverage, and a broad skill set (for example, project management, system configuration), to support a complete project life cycle.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	standard
Customer Experience	high
Operations	standard
Source: Gartner (July 2008)	

- **Customer support** means providing satisfactory and demonstrated (that is, referenceable) prompt service to customers worldwide. The technology provider must have numerous successful implementations, as well as client experiences, to demonstrate its capability to meet client expectations for the product as well as clients' personal projects.

Operations (Standard) – The technology provider must demonstrate that it has the resources, organizational structure and experience to effectively and efficiently operate on an ongoing basis.

Completeness of Vision

The weightings in this section haven't changed during the past year because client interest has remained unchanged.

Market Understanding (Standard) – The technology provider demonstrates a strategic understanding of e-commerce opportunities (for example, new application functionality or customer segments) and ongoing vendor market dynamics (for example, consolidation trends). In addition, the technology provider demonstrates an understanding of the wider implications and position of e-commerce in a company's CRM strategy, because sales, marketing and service strategies are valuable to customers taking the strategic view.

Marketing Strategy (Standard) – The technology provider demonstrates a clear, differentiated set of messages that are consistently communicated to clients across all channels.

Sale Strategy (Standard) – The technology provider demonstrates a clear sales plan for the product and how it will be executed through various sales resources, such as direct sales, indirect sales, partners and the Web.

Offering (Product) (Standard) – Technology providers publish "statements of direction" (or the Gartner understanding of them) for the next two product releases to keep pace with the Gartner vision of the e-commerce market. Technology and architecture figure strongly here. The vendor must offer a range of e-commerce architectural styles to satisfy different implementation scenarios, such as B2B, B2B2C and B2C. The vendor understands major technology/architecture shifts in the market and communicates a plan to leverage them, including migration issues that may affect customers on current releases – specifically, how well the provider has articulated its vision to support mainstream technology, as opposed to a proprietary stack, and a service-oriented business architecture.

Business Model (Standard) – The technology provider has a well-articulated strategy for revenue growth and sustained profitability. Key strategic elements include the sales and distribution plan, internal investment priority and timing, and partner alliances.

Vertical/Industry Strategy (Standard) – The technology provider's capability to articulate how it will service industry-specific needs from a "whole product" viewpoint (that is, from delivered products and services required to gain value from the solution). Included are reviews of the vendor's strategy for delivering product requirements (for example, retail, consumer goods and automotive aftermarket).

Innovation (Standard) – The technology provider must lead this market, and, in so doing, provide customers with an innovative solution and approach to service their needs in a complex, heterogeneous environment. Innovation implies a well-rounded and well-considered road map for resolving e-commerce issues.

Geographic Strategy (Standard) – Includes sales, marketing and support for complex global companies.

Leaders

This quadrant contains technology providers that demonstrate the greatest degree of support for B2B and B2C Internet sales. These providers lead the market in e-commerce by consistently demonstrating customer satisfaction, strong support and professional services, leading to the implementation of a successful e-commerce site.

These leaders also have demonstrated longevity in the e-commerce market, as well as a commitment to new product innovations for Internet sales. In addition, leaders represent technology providers with the strongest capability to meet Internet selling requirements.

Technology providers in this quadrant have demonstrated consistent, extensive and durable execution in delivering e-commerce Web sites at the enterprise level. In addition, the maturity of this market demands that leaders maintain a strong vision regarding the key points that have emerged during the past year – such as, but not limited to, Web 2.0 (user experience and community capabilities), multiple deployment options and multisite management; the capability to support B2B, B2B2C and B2C selling models; integration with multiple points of interaction, such as mobile, call centers and stores, and supporting overall sales, service and marketing in an e-commerce context.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	standard
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	standard
Business Model	standard
Vertical/Industry Strategy	standard
Innovation	standard
Geographic Strategy	standard
Source: Gartner (July 2008)	

Challengers

This quadrant typically represents technology providers that have strong offerings for a client base that's focused on mainstream vs. visionary core operational e-commerce capabilities. These technology providers have market presence in the e-commerce space, but must improve their products' vision for e-commerce to be elevated into the Leaders quadrant.

Challengers generally have access to R&D capital, highly capable execution models, ease of implementation and deep functionality around core operational e-commerce, all of which make them successful. Challengers also can demonstrate a wide variety of e-commerce implementations across business models and different industries.

However, end-user organizations often demonstrate concerns regarding the technology provider's capability to deliver at the enterprise level in cases where heterogeneous environments, advanced B2B and B2C selling capabilities or innovative capabilities (such as Web 2.0 or advantaged search optimization) are involved, or where the e-commerce offering isn't the primary focus because it's part of a larger solution, such as CRM. This includes offerings with weaker marketing messages, but products that exhibit the potential to move into the Leaders quadrant by demonstrating strong, new client acceptance in B2B and B2C accounts, and by demonstrating the capability to span heterogeneous environments and deliver new and innovative customer experiences online via Web 2.0 technologies.

Visionaries

Visionaries are vendors that represent an innovative, market-leading and forward-thinking or disruptive approach to e-commerce. However, because of this, they also exhibit a smaller market share. New entrants with exceptional technology may appear in this quadrant early, after their general availability release; typically, however, unique or exceptional technology will emerge in this quadrant after several quarters of general availability.

This quadrant is often populated by new entrants that have new architectures and functionality, or deployment models such as SaaS that haven't garnered a large portion of the market. However, established technology providers that offer new functionality that isn't found in any other provider's offerings also can be in this quadrant.

Providers that can meet customers' production requirements, and general availability of at least one year, indicates that they must be more than a startup with a good idea. Technology providers in this quadrant must demonstrate customers in production, proving the value of the new functionality and architecture. Frequently, visionaries will drive leaders toward new concepts and engineering enhancements.

Niche Players

A niche technology provider has low market share and/or a narrow market appeal or specialization with its current customers. Although its solution may be compelling, market adoption/traction is limited.

This quadrant contains technology providers in several categories:

- Those that offer an exceptional product that's isolated to a specific end-user community (for example, only B2B manufacturers, or B2C retailers that sell only a specific product type), or is limited to a specific vertical industry (for example, only manufacturing or some other industry). Moreover, in some cases, the offering is for a vertical industry within an industry, such as branded high-technology manufacturers or apparel retailers.
- Those that have suffered from economic issues or are losing market traction, but remain in the market and are trying to rebound their businesses.
- Those with new e-commerce products that lack general customer acceptance or market visibility, or proven functionality to move beyond niche status.

This is the starting point for many new entrants in a Magic Quadrant; however, some vendors may be included due to one or more of the above reasons.

Vendor Strengths and Cautions

Access Commerce

Strengths

- Access Commerce's e-commerce solution, Cameleon Commerce Suite, can support B2B, B2B2C and B2C e-commerce with strong product catalog capabilities in the B2B market, and a flexible UI environment for B2B, B2B2C and B2C sales, but its key strengths are in B2B capabilities. The product catalog supports many individual views (supported by cascading style sheets) with individual pricing, which is a key B2B functional requirement.
- Access Commerce enables guided selling, and offers a separate product configurator that can be used to support the sale of goods and/or services that must be configured and priced before the completion of the sale. In addition, other B2B-specific capabilities (such as quoting, proposal management and service part sales) are available in Cameleon Commerce Suite, thereby enabling B2B organizations to sell online.
- Access Commerce supports management of multiple orders by a business manager in a B2B sale experience. In this case, a manager can see his or her orders, as well as all orders that his or her delegates have placed. This type of B2B-specific order management capabilities, coupled with the product catalog and configuration capabilities, is why clients have Access Commerce on their long list of vendors – that is, clients can get all these capabilities from a single provider.

Cautions

- Access Commerce hasn't captured the market's attention as a provider of e-commerce solutions because it's better known for other products, such as Cameleon eConfigurator for sales configuration.
- Access Commerce's customer base is mostly composed of B2B sellers, so it must add more B2C customers. In addition, its customer base in B2C e-commerce is small compared with the leaders in this Magic Quadrant.

ATG

Strengths

- ATG consistently appears on clients' shortlists, and can close deals due to its high client recognition as a vendor that can deliver an e-commerce solution with strong personalization, shopping cart management, product catalog and other core operational e-commerce components. ATG can support B2C and B2B e-commerce; however, a large portion of its client base is B2C.
- ATG continues to innovate by developing new capabilities and acquiring other vendors to enable new e-commerce commercial capabilities that contribute to the overall online customer experience. This is also demonstrated by the addition of RIA capabilities, via Ajax or Flash, and search merchandising, which combines merchandising capabilities with search to improve the data returned in a search based on the user's interests and multisite capabilities to the product set. ATG also has extended its product recommendations capabilities via its CleverSet acquisition from early 2008, and Click to Call via its eStara acquisition, and is selling these as services that can be combined into ATG and non-ATG sites.
- ATG offers multiple deployment choices (licensed, hosted and SaaS), thereby giving clients options to fit with their resources.
- ATG's offering contains broad e-service capabilities, such as knowledge management and natural-language search capability, that have been expanded with the acquisition of eStara for Click to Call, chat and call tracking. ATG contains marketing capabilities, such as online dialogues and e-mail marketing. However, this research is limited to ATG's Internet e-commerce capabilities, as described in the inclusion criteria.

Cautions

- Following two years of profitability, and a 2007 growth in revenue to \$137.1 million, ATG wasn't profitable via generally accepted accounting principles (GAAP) in 2007. ATG's "unprofitability" resulted from deferred product license revenue because ATG offered several SaaS solutions. Gartner recommends that clients use current public financial information as their guide when reviewing this company. ATG's SaaS option for e-commerce has had slow adoption in the market, due to pricing; and Gartner clients are concerned about how to migrate to a licensed model after using the SaaS option to launch a site. However, ATG is now able to produce live reference accounts.
- ATG's e-commerce optimization business continues to grow in revenue, and from a product focus. This line of SaaS services includes the eStara (Click to Call) line and the newly added CleverSet automated product recommendations service (now called ATG Recommendations). Gartner believes that these can add to ATG's overall CRM capabilities, and that the company remains focused on e-commerce. However, some Gartner clients believe that ATG's focus is on SaaS subscription-based services for ATG and non-ATG customers, and this may distract from investments in, advancements in and enhancements to core e-commerce products.
- Gartner believes that ATG must add more system integration partners domestically and internationally to increase its ability to execute. By doing this, ATG will be able to increase its distribution and project fulfillment capabilities globally.

BroadVision

Strengths

- BroadVision 8.1 Commerce Agility Suite has more out-of-the-box B2B and B2C functionality than past versions, and with BroadVision 8.1 Kukini workbench, organizations have an Eclipse-based integrated development environment (IDE) for creating Web applications, workflows, page flows and automated flows. This enables a visual representation of an e-commerce application's process and interaction flows. The Kukini workbench enables BroadVision to deliver flexible e-commerce customer processes and workflows.
- BroadVision offers an add-on to the Kukini workbench called BroadVision Commerce services. This additional set of workflows and e-commerce commodity components delivers configurable business processes for check-out and order fulfillment – as well as application programming interfaces (APIs) for shopping cart, taxing, shipping and so on – and can be used with BroadVision Portal for B2B or B2C sales. The workbench also comes with a sample application, which gives organizations a place to start creating their sites.
- BroadVision 8.1 brings additional functionality, such as product catalog capability, that enables fractal or category searches along the side of the page, and the BroadVision management center has a user-friendly UI for site, content and page layout updates. The management center also enables the management of discounts through the same UI, thereby easing the management of discounts offered on sites.

Cautions

- BroadVision has emerged from a period of negative revenue and possible acquisition offers. One of the reasons why BroadVision appears in the Niche Players quadrant is because some organizations view it as a company that has lost touch with the e-commerce market; in addition, some organizations are fearful of possible acquisitions. BroadVision must demonstrate that these views are incorrect by moving its client base to 8.1 and by winning new customers, based on its capability to deliver 8.1 sites.
- BroadVision's financial position and long-term viability are concerns to prospective clients. However, BroadVision still manages to retain a loyal customer base. Most of the references provided are accounts that purchased BroadVision more than five years ago. However, BroadVision is challenged to make new sales and move from long lists to shortlists.
- According to BroadVision clients' accounts, the migration to the latest version of 8.1 isn't easy for users on versions 7.0 or older, due to some legacy proprietary language that doesn't port well.
- BroadVision must increase the depth of functionality in the application, because, compared with many other vendors in this Magic Quadrant, BroadVision is lagging in several areas.

Click Commerce

Strengths

- Click Commerce offers B2B-specific capabilities (such as deal registration, lead management, forecasting, order management, partner relationship management/channel management, renewals management, and product catalog and PIM) that can support B2B e-commerce online selling, especially for organizations that sell into a network of partners or distributors.

- Click Commerce offers functions that are specific to B2B channel-based sales for user registration and account management. The account management function enables capabilities, such as account deduplication, to search for similar accounts on account creation, deduplication of accounts loaded via batch upload, deduplication of existing accounts, and merging of existing accounts with e-mail notifications of account merges, which is important to the management of channel partner online accounts.
- Click Commerce offers profile management, which enables an organization to maintain and store multiple billing and shipping addresses by organization, and to set default billing and shipping addresses by organization. Click Commerce's user profile management and partner profile management capabilities appeal to organizations that sell into a network of channel partners.

Cautions

- The UI is very B2B-specific and lacks B2C presentation capabilities. This functionality is fine for B2B applications; however, in the B2C environment, this appears to be very simplistic.
- Some Gartner clients have expressed concerns about the change in leadership after Click Commerce was acquired by Illinois Tool Works (ITW), and that Click Commerce had another CEO change approximately one year after the acquisition.
- Click Commerce has been able to retain its client base, but the base hasn't grown significantly since the ITW acquisition. Also, some Gartner clients have expressed concerns about Click Commerce's overall long-term product road map direction, and the enablement of new functions on Click Commerce's .NET platform release.

Demandware Strengths

- Demandware references like the direct control of the site functionality that's enabled by the site management tools provided by Demandware. This functionality enables organizations to manage the site without having to depend solely on Demandware support to make changes to items, such as products offered, promotions/discounts and online pricing.
- Demandware's UI for managing the product catalog is easy to use and makes it easy to visualize the products being sold. The product catalog has SEO support built into the catalog management, thereby making it easier for clients to manage their product information. The product catalog also supports one-to-many price management, which can be used in B2B sales for individual customer pricing. The offering also includes support for multiple currencies through the use of a price-book-to-product model.
- Demandware enables site customization through a cartridge model, but also manages its linkage to the master software model so that users can remain up to date on the current SaaS version of the software, without losing their customizations.

Cautions

- Demandware is an emerging SaaS vendor, and clients have expressed concerns regarding the long-term viability of the SaaS model for e-commerce, and regarding the size of the company's overall revenue. However, Demandware has managed to clear the number of clients' entrance criteria in a short period of time (12 to 18 months). Clients should be aware that, with Demandware's offering, their organizations are getting a software model for which they must accept ownership and control of the site, even though these are offered as a service.
- Demandware is B2C-focused. B2B organizations, or other organizations seeking to support multiple forms of commerce, should ensure that their B2B needs are similar to B2C sales models, because some B2B-specific functions (such as quoting) aren't supported. In addition, organizations that require multilevel search capabilities, such as apparel (for example, style, color and material), and that require the search results to be shown in this format, should ensure that they're using Demandware's February 2008 release (or a later release).
- Due to Demandware's size and company maturity, clients often have stated that Demandware is strong technically, but lacks rigor in its internal processes for professional services and support services, and that the depth of documentation also could use improvement. In addition, Demandware must grow the number of system integrator partnerships to help clients with implementations, and to expand Demandware's distribution capabilities.

Digital River Strengths

- Digital River is a hosted solution of B2C and B2B e-commerce, with core e-commerce capabilities that can enable an organization to sell online without having the IT resources needed to run and manage a site. Digital River has a proven track record for this in the high-technology software market, and is moving to the hard goods side of the high-technology industry. In addition, Digital River has added subscription-based sales capabilities that can be used for items such as software, and for media that's purchased via subscription. Digital River also has the capability to support e-commerce sales in multiple geographies, such as North America; Europe, the Middle East and Africa (EMEA); and the Asia/Pacific region.
- Digital River can support B2B, B2C and marketplace-based e-commerce models, including those that require e-procurement supports for transactions, such as Ariba PunchOut, among others. Digital River is also capable of supporting sales of digital content, software and hard goods in the same online store, or separately.
- Digital River offers an intelligent sourcing engine that enables the sourcing of products from a network of providers and distribution channels; however, this offering is focused on high-technology types of products.

Cautions

- Digital River has a client base that's mostly in the high-technology industry. These clients use Digital River to sell digital goods (such as software, games and so on); however, Digital River also has new customers that are selling high-technology hard goods (such as network routers, phones and so on). Therefore, organizations that sell item types outside the high-technology or digital goods spaces (such as home goods, jewelry, apparel and so on, which require product catalog capabilities that can manage products by style, color, material and size) must be certain that the capabilities required to sell their product types can be supported.
- Digital River is very dependent on a few, large software companies for most of its revenue, and clients have expressed concerns about the future of Digital River if any of those software companies decide to leave Digital River. Therefore, Digital River must grow its client base, and its new support for selling hard goods can help with this transition.

GSI Commerce Strengths

- GSI Commerce is a hosted solution that supports many core B2C e-commerce capabilities, such as product catalog, product selection, rich media, personalization search, promotion, settlement, SEO, order and inventory management, and advanced RIAs and other Web 2.0 capabilities that have been preintegrated by GSI Commerce. The company's clients have stated that the environment is stable and can manage large-scale transaction volumes, as well as multichannel store integrations.
- GSI Commerce client references have stated that the company is very proactive in offering new capabilities (such as smart promotions, Google Checkout and Bill Me Later) to clients as soon as these capabilities are generally available.
- GSI Commerce enables organizations to operate B2C e-commerce Web sites, even if those organizations don't have the requisite IT resources (infrastructure and human). Retailers fitting this profile say that this has enabled them to focus their efforts on site merchandising and multichannel sales. In addition, GSI Commerce offers functions outside the scope of this report, such as fulfillment and call center services, that enable an organization to wholly outsource its B2C Web site operations.

Cautions

- GSI Commerce primarily supports B2C Internet sales. Organizations with demanding B2B requirements (such as lead management, proposal generation and selling into multitier partner networks) may not be able to use GSI Commerce's offerings.
- GSI Commerce arrangements can span many years (for example, greater than five). Therefore, organizations should understand that GSI Commerce isn't a short-term solution for e-commerce requirements. In addition, Gartner advises clients that arrangements shouldn't span more than five years.

- Because GSI Commerce provides a solution that includes all infrastructure costs and integrations to technologies outside the scope of this report, a site's management costs can be higher than for some licensed, self-managed sites, or for SaaS solutions during an extended number of years (greater than five). Therefore, clients should ensure that they have conducted a total cost of ownership and a return on investment analysis, including in-house development costs, application integration and upgrade costs, and system integrator fees for this extended period of time, as opposed to the other ownership options.
- Gartner clients have stated that GSI Commerce must improve the speed at which it delivers new capabilities, as well as its response time to client issues. However, clients believe these issues may be a result of GSI Commerce's aggressive growth strategy.

Hybris Strengths

- Hybris Commerce Suite supports B2B and B2C core e-commerce capabilities, including support for multisite capabilities such as languages, currencies and tax calculations; and different product catalogs are derived from the master catalog, which is needed for B2B organizations, and the product catalog enables product comparisons based on attributes listed therein.
- Hybris has a good mix of B2B and B2C customers, and even has a customer that sells digital goods (software). Hybris Commerce Suite provides promotions management, which includes coupons and online support for gift card redemption; in addition, it supports product reviews natively within the product (but also has partnerships); it provides cross-selling and upselling by analyzing the profiles of customers; and can enable real-time behavioral base personalization. Hybris Commerce Suite also has B2B capabilities, such as procurement integration and a quotation module.
- Hybris has e-commerce complementary products, such as Hybris Print Suite for managing printed sales material (for example, catalogs), and Hybris Product Information Management Suite, which enables the centralized management of product information for use in any channel, such as Web, print, store and call center.

Cautions

- Hybris is recognized by Gartner European clients and appears in Gartner European client inquiries. However, Hybris has no market presence or recognition in other regions, such as North America or the Asia/Pacific region.
- Gartner clients have expressed concerns about the size of Hybris in terms of revenue and personnel, and its capability to service its customers while managing its growth and supporting three product sets: Hybris Commerce Suite, Hybris Print Suite and Hybris Product Information Management Suite.

iCongo

Strengths

- The iCongo E-Commerce Platform (Version 7) offers core e-commerce capabilities for B2C and B2B online selling. iCongo offer functions such as product catalog management and merchandising, personalization, guided selling, cross-selling, promotions, order management, and supports multiple languages and multiple currencies. In addition, iCongo offers workflow management that enables an organization to manage the workflow for a given process.
- iCongo can support multichannel sales with integration to point of sale (POS) systems. iCongo can support the capability to pool real-time inventory from multiple fulfillment locations or physical store locations, and to manage inventory for multiple locations through “trickle poll files” that help determine which store should fulfill the order, based on parameters such as geography, inventory availability or type of store set by the seller. iCongo is marketing a new store-based handheld application for guided selling as part of the company’s multichannel capabilities; however, the handheld application isn’t live with any referenceable customers.
- iCongo offers the iCongo E-Commerce Platform as a software license, in which customers have the option to host and manage the system in-house or use iCongo’s managed services, whereby iCongo hosts and supports the IT infrastructure for e-commerce. Most of iCongo’s customers use its managed services.

Cautions

- iCongo’s customer base is heavily in retail, wholesale and service markets; however, its clients are selling a diverse set of goods in these vertical industries.
- Some Gartner clients (via the client inquiry process) have expressed concerns about iCongo’s company size in terms of personnel and revenue, and its capability to manage the number of customers it already has.

IBM WebSphere Commerce

Strengths

- IBM WebSphere Commerce (Version 6, Feature Pack 3) provides a wide array of core e-commerce capabilities out of the box, as well as extended capabilities (such as multichannel gift registry solution, SEO) and aspects of Web 2.0 (such as RIA-based, single-page check-out – that is, preintegrated into the Web 2.0 store). In addition, this product offers a multisite management capability called Extended Sites for the creation and maintenance of microsites, and a new tool called IBM Management Center that helps business users manage catalogs, marketing campaigns and promotions. Also, IBM offers mobile experience optimization for rendering to devices, thereby enabling mobile-based e-commerce customer experiences.
- IBM WebSphere Commerce has many clients for B2B and B2C e-commerce. IBM clients are using the product set for selling into partner networks and distributors, as well as for sites that are leading the B2C e-commerce market in sales and customer experience. IBM has added new functions, such as the capability to populate a shopping cart with stock-keeping

units from a spreadsheet, and has simplified the accounts and contract management UI, thereby making it easier for B2B sellers to manage these items.

- IBM WebSphere Commerce has many implementations in a wide array of industries and geographies; it consistently appears on client shortlists and wins deals due to its functionality, and its capability to extend the product to create innovative customer experiences that can span multiple channels. IBM has improved the product’s localization capabilities for multinational sites that have the ability to localize storefronts and support local providers of payments, for tax providers and for logistics.
- IBM WebSphere Commerce has a large collection of implementation partners that provides IBM with additional distribution and fulfillment capabilities. These partners are located worldwide for organizations that need support with multinational implementations.

Cautions

- IBM doesn’t offer a SaaS option for IBM WebSphere Commerce; however, there are other Web delivery options through partners.
- IBM WebSphere Commerce is offered in three varieties: WebSphere Commerce – Express, Professional and Enterprise. Some Gartner clients have stated that the cost of migrating from IBM WebSphere Commerce – Express to IBM WebSphere Commerce Professional can be significant, due to the gap between the license prices of both products and the limit on the number of value units for WebSphere Commerce – Express. In addition, clients with lower site-startup budgets may find IBM WebSphere Commerce Professional to be costly, particularly if their requirements exceed the limitations of IBM WebSphere Commerce – Express.
- Some clients view IBM WebSphere Commerce as having too many capabilities and costing too much for their organizations’ e-commerce requirements. Because there’s no SaaS offering, these clients are looking to other hosted or SaaS providers for a lower entry cost into e-commerce.

Intershop

Strengths

- Intershop Infinity Suite 6 offers an inclusive set of core e-commerce capabilities, and has improved these capabilities for B2B and B2C e-commerce sales. Intershop has a new UI that enables a view of the site that’s used for updating. Intershop also has made UI updates to the full back-office components of the site, and business users find it intuitive to use (that is, on Version 6.0 or later releases). Intershop has improved URL creation and handling so that they, in turn, can improve SEO.
- Intershop can support B2B and B2C e-commerce models on one system, and can support multiple product catalogs that can be created from a master catalog. In addition, Intershop enables partner-based, channel-based and consumer-based sales, and can support supplier networks and procurement-based sales.
- Intershop is moving into the hosting and business process outsourcing space to grow its client base with new ownership options.

Cautions

- Some Gartner clients have been concerned about Intershop because of its past fiscal troubles; however, Intershop has stabilized itself. It hasn't appeared on many Gartner clients' long lists or shortlists for North American companies, and North American competition continues to gain "mind share" over Intershop. However, in Europe and the Asia/Pacific region, Intershop does appear in client inquiries, and on long lists and shortlists.
- Some clients have stated that the complexity of Enfinity Suite 6 can lead to a steep learning curve, because of the product's capability to support multiple types of sales models (B2B, B2C, supplier networks and procurement-based sales).
- Clients have stated that Enfinity Suite 6 is lacking in Web 2.0 community functions and RIA UI features, as well as in user-generated content management functions (such as blogs, wikis and RSS).

Macrovision Solutions

Strengths

- Macrovision RightCommerce has an inclusive set of core e-commerce capabilities, such as order management, promotions, quoting and payment (which includes micropayments).
- Macrovision has strong access management and subscription capabilities in RightAccess, with functionality such as product management for digital assets, licenses and entitlements, and subscription management.
- Macrovision can provide B2B and B2C core e-commerce capabilities for selling digital content (for example, audio, video, text) online, and has a customer base that's mostly composed of media and publishing organizations that find the combination of access management (RightAccess) and e-commerce (RightCommerce) valuable to their businesses.

Cautions

- Macrovision's focus is on the media and publishing industries, and its RightCommerce and RightAccess products support this direction. Macrovision doesn't have a strategic direction to move into any other markets at this time. Therefore, organizations that don't sell digital goods, or support registration-based or paid-content models, don't have to include Macrovision in their evaluations.
- Macrovision receives more client attention for its access management capabilities (RightAccess) than for its e-commerce capabilities (RightCommerce). Therefore, clients that require only e-commerce capabilities should evaluate only RightCommerce. However, clients that do require access management capacities should evaluate RightAccess for inclusion in their e-commerce initiatives.

MarketLive

Strengths

- MarketLive eCommerce Suite v5.5 brings new functionality, such as the creation of multiple sites from a single instance of MarketLive, and can support multiple currencies and six languages. In addition, MarketLive eCommerce Suite v5.5 enables the sharing of pricing across sites, and enables

individual pricing by site. This pricing flexibility contributes to organizations' capability to support multiple site sales for midmarket B2B and B2C models.

- MarketLive eCommerce Suite v5.x and v5.5 offer Web 2.0 capabilities and RIAs, such as social search, navigation and merchandising, and have enabled goal-oriented shopping capabilities. Goal-oriented shopping enables a customer to buy items based on goals, such as vacations or special events.
- Clients have said that the out-of-the-box site is a simple way to get their Web sites up and running, and that the basic things an organization wants to do on a Web site are already in the offering. In addition, clients have found the flexibility of the PIM in MarketLive to be advanced.

Cautions

- There are 75 customers on MarketLive v5.x. Version 5.5 became generally available on 30 June 2008. However, half of the MarketLive customer base is still on Versions 4.0 or 3.0. MarketLive will be ending support for these versions and is working with clients to migrate to v5.x.
- Clients have stated that site customizations can be expensive, and that if your site needs to be highly customized, then MarketLive may not be the right provider. In addition, clients have stated that MarketLive can be rigid in its XML integration, and that it's difficult to get the XML layout changed to a custom format.
- Clients have stated that MarketLive support can be slow, and suggested that MarketLive should grow its support and professional service organizations to meet customer support needs and new customer implementations. However, MarketLive recently restructured its service organization and management team to address these issues.

Microsoft

Strengths

- Microsoft Commerce Server 2007 Service Pack 2 (SP2) has a strong set of core e-commerce capabilities, such as shopping cart management, taxation, personalization, transaction management, settlement and product visualization, and has introduced Solution Accelerators, which are designed to compress the deployment of an e-commerce site for key Web scenarios (that is, B2C). The first of these Solution Accelerators is code-named "Mojave" and will be shipped in 1Q09.
- Microsoft Commerce Server 2007 SP2 can support B2B and B2C online selling. It also includes capabilities for B2B e-commerce, such as support for punch-outs and marketplace integration, and for B2C models. Microsoft Commerce Server supports multichannel integration with kiosks, mobile devices, POS systems, interactive TV and gaming.
- Microsoft Commerce Server improvements include new Web 2.0 capabilities, such as social commerce; community aspects, such as product reviews (which requires SharePoint); RIA (which requires Silverlight) capabilities, such as rich backgrounds and animations; layering of content; support for dragging and dropping items in Web pages to favorites; compare boxes; and single-page check-out. Microsoft also has added integration with Microsoft live MSN so that organizations can sell into those marketplaces.

Cautions

- Organizations that want to offer a Web 2.0 rich Internet experience and community capabilities with Microsoft Commerce Server must purchase additional products, because these capabilities aren't part of the core offering. Therefore, organizations also must purchase Silverlight for RIAs and SharePoint to enable the community aspects of Web 2.0, or organizations can use best-of-breed providers for the rich Internet experience or community aspects of Web 2.0.
- Clients have said that they want B2B Solution Accelerators made available to help create B2B sites quickly. However, Gartner has been unable to speak with references that have used the Solution Accelerators to determine their usefulness, so we recommend that clients interested in these capabilities should speak to accounts that have live production sites based on a Solution Accelerator.
- Many of the Microsoft Commerce Server Web 2.0 initiatives are based on a joint partnership with Cactus Commerce. However, this partnership doesn't cover services. Cactus Commerce does offer professional services for the deployment of e-commerce solutions, but there are no special relationships or dependencies between Cactus and Microsoft regarding services.

NetSuite Strengths

- NetSuite Ecommerce Company Edition and Ecommerce+ Company Edition offer core e-commerce capabilities, such as check-out, shopping cart, cross-selling and upselling, product catalog, order and inventory management, UPS and FedEx shipping integration, and shopping comparison – all delivered in a SaaS offering. In addition, NetSuite Ecommerce Company Edition enables multisite capabilities, multiple currencies and can support 14 languages. NetSuite also offers a user-friendly UI for users to manage the site information.
- NetSuite has clients in multiple industries, such as retail, manufacturing, services, pure-play e-commerce and so on. NetSuite can support B2B and B2C e-commerce. Its offering supports B2B payment types, such as invoicing and P-Cards, can handle the various pricing requirements, such as volume pricing and invoice terms, and can support repeating orders and reorder orders based on an organization's order history (B2B and B2C).
- NetSuite's SaaS model and pricing are preferred by smaller organizations with limited IT resources and funding for e-commerce, and the model has the lowest price of all the SaaS offerings in the Magic Quadrant.

Cautions

- Clients have stated that NetSuite's support for e-commerce needs improvement, and this may be due to the company's fast growth, and because NetSuite also offers SaaS ERP and CRM products.
- Clients have stated that, with NetSuite, they can't customize the check-out process, and that it can't be changed because it's locked down. This has stopped clients from enabling single-page check-out. In addition, some clients have stated that NetSuite isn't strong in its fraud processes; however, fraud protection is part of NetSuite's payment processing.

- A key value proposition of NetSuite's Ecommerce offering is its integration with NetSuite's ERP and CRM offerings. Organizations that won't use those offerings should ensure that NetSuite can support their integration requirements for their own CRM and ERP applications.

Oracle Strengths

- Oracle iStore (11.5.10) offers a complete set of core e-commerce functions for B2B and B2C e-commerce. Oracle continues to win accounts in its installed base of other Oracle products, and has made available its next release, R12, which features improvements to the UI, to analytics, procurement integration, shopping cart enhancements, pricing enhancements, and has single-page check-out.
- Oracle iStore supports a large collection of industries and geographies; it has expanded its presence in EMEA and the Asia/Pacific region and continues to grow strong globally. Oracle also continues to support multiple sale models, with most of its installed base using iStore for B2B sales and some using iStore for B2C, with a small portion supporting B2B and B2C sales models.
- Oracle iStore has deep integration with other Oracle products and many reference accounts. Clients find that this has eliminated redundant data, lowered their costs of ownership and enabled them to support multichannel customer experiences. Clients also have stated that Oracle iStore has enabled customers to view and manage all their orders online, regardless of where the order was placed. Oracle B2B customers have been able to offer online configuration of products because of iStore's capability to integrate with Oracle Configurator.

Cautions

- Most of the references provided were for 11.5.10. Oracle's current iStore release is R12, and one R12 reference was made available for this evaluation. Therefore, organizations interested in moving to R12 should require R12 references as part of their RFP process. Oracle plans to add Web 2.0 capabilities to the R12 product, but no timeline was provided, and Oracle lacks partnerships with vendors for Web 2.0 capabilities, such as product reviews or user experiences.
- Oracle iStore's installed base mostly consists of B2B implementations in the high-technology, communications and industrial manufacturing industries, while Oracle's B2C clients compose the second-largest part of the installed base. The clients provided for this evaluation aren't among the leading sites in B2C e-commerce, compared with the Magic Quadrant leaders. However, some clients that are outside the three industries listed above and have unique sale requirements claim that iStore needs more industry-specific, B2B-channel-based selling features. In addition, clients on the 11.5.10 (or older) release want improvements made to search, as well as a streamlining of shopping cart management and check-out processes. Therefore, these clients should move to R12 because Oracle has already made improvements in these areas.
- Oracle references have reported poor support for new issues. These clients have stated that the documentation of their issues is good, but it's faster for them to fix an issue and then notify Oracle if it's serious. These clients also have stated that

the core problem is the new support strategy, because an organization has to wait for quarterly updates to be published, thereby making them wait more than a quarter before they receive a fix. However, Oracle still delivers critical fixes on a one-off basis to minimize client disruptions.

SAP

Strengths

- Most of SAP's E-Commerce clients are B2B organizations, and SAP offers key B2B capabilities, such as interactive selling and configuration, partner-based pricing and contracts support, quoting, auctions, order management and other channel management capabilities. SAP's B2C customers aren't among the top-performing B2C e-commerce sites, compared with others in the Magic Quadrant. SAP does, however, offer B2C functions, such as shopping cart management, product catalog, search, vouchers, gift registry, wish lists, cross-selling/upselling, guided product selection, and the sale of bundled products and services.
- SAP E-Commerce can be deployed as a stand-alone product in front of an SAP ERP instance, or it can be deployed as part of a larger SAP CRM implementation. Most client references for this research are running SAP CRM 2005, while others are running CRM 4.0. The current, generally available offering from SAP is SAP CRM 2007.
- SAP integration capabilities with other aspects of the SAP CRM suite (sales force automation, Business Information Warehouse, Call Center, marketing), and with SAP ERP, are one of the primary reasons why SAP appears on clients' long lists and shortlists.

Cautions

- Although SAP CRM 2007 provides Web 2.0 capabilities (such as RIAs, communities or product reviews), SAP was unable to provide references that are live with these functions. Therefore, clients that are interested in these capabilities must determine the readiness of these capabilities, and should require CRM 2007 references.
- Some clients have stated that migrating from a stand-alone instance of SAP e-commerce, with an SAP ERP instance, to e-commerce within SAP CRM can be difficult, and, in some cases, it requires a full upgrade to SAP CRM, with a loss of customizations that were performed in SAP E-Commerce.
- Some clients have stated that SAP E-Commerce doesn't generate search-engine-friendly URLs, thereby making it difficult to obtain higher rankings on-site, such as Google. SAP E-Commerce does, however, provide a special "Web crawler enablement" feature (which started in SAP CRM 2005 – 5.0) that caters to Google and other Web crawlers to pick up the site's content. However, SAP E-Commerce is missing some small, but important, B2C e-commerce capabilities, such as password resetting, and some online functionality limits site customization.

Sterling Commerce

Strengths

- Sterling Commerce Multi-Channel Selling has been given many improvements for B2C selling, and it helps Sterling Commerce support B2B and B2C e-commerce. Sterling Commerce has made B2C sales improvements in areas such as

personalization and merchandising; these improvements are driven by customer segmentation based on profiles and behaviors (that is, cross-channel behavioral personalization for B2B and B2C). Sterling Commerce Multi-Channel Selling also supports B2B e-commerce requirements, such as customer-specific pricing and catalogs, guided search and selling, product configuration and quoting.

- Sterling Commerce has a new multichannel gift registry that enables customers to create, manage and buy from a registry via any channel. Sterling Commerce has added other B2C cross-channel features, such as enhanced wish lists, product reviews, gift cards and shipping discounts.
- Sterling Commerce has improved cross-channel customer experience capabilities for consistency across all channels, with the integration of Web, call center, store and field sales channels; and the e-commerce offering leverages order management features, including inventory management, available to promise, store pickup, order brokering and automated sourcing. In addition, Sterling Commerce's order management capabilities target organizations with complex fulfillment requirements.

Cautions

- Sterling Commerce's solution is lacking in Web 2.0 capabilities, such as RIAs, and in community-based capabilities, such as blogs, wikis and RSS. However, as Sterling Commerce improves its B2C capabilities, these features will be part of future upgrades.
- Sterling Commerce is offering new B2B and B2C capabilities, and it must communicate this news to the market because many B2C clients don't have Sterling Commerce on their shortlists. This is due to a market perception that Sterling Commerce is a B2B-only solution, and because the larger Sterling Commerce brand is known for its traditional EDI business.
- Sterling Commerce is challenged to meet or exceed its competitors' offerings in core e-commerce B2C capabilities, now that it has moved into this part of the market. Improvements in areas such as dynamic/real-time personalization will be needed for Sterling Commerce to remain competitive. However, to begin addressing this issue, Sterling Commerce has added rule-based segmentation capabilities to enable personalized merchandising and promotions based on profile data, historical behaviors and purchases. In addition, Sterling Commerce has partnered with ChoiceStream for personalized, in-session recommendations based on clickstream behaviors.

Vcommerce

Strengths

- Vcommerce is a SaaS provider that began as an order management solution, and has since added e-commerce storefront capabilities on top of its order management engine. Because of its background, Vcommerce is strong in order management and partner integration for drop shipment suppliers.
- Vcommerce offers e-commerce capabilities, such as shopping cart management, taxation, personalization, transaction management, settlement, product visualization in its Web store offering, and it offers RIAs via Adobe Flex for a rich user experience.
- Clients have stated that they chose to work with Vcommerce because of the pricing of its SaaS offering.

Cautions

- Vcommerce only has B2C e-commerce clients, and is specifically targeting selected markets with its e-commerce offering. These markets are apparel and accessories, health and beauty, home, and brick and mortar retailers seeking to go online. Therefore, organizations outside these markets shouldn't evaluate Vcommerce.
- Clients have expressed concerns about Vcommerce's size based on revenue, number of employees and number of customers.
- Because one of Vcommerce's strengths is integrating with drop shippers, some clients want Vcommerce to connect with eBay and Amazon, but this isn't happening right now.

Venda

Strengths

- Venda is a SaaS offering that contains core e-commerce capabilities at a fixed price per month. Venda's pricing model changed the way organizations viewed funding of e-commerce projects, because it was different than already-existing, per-transaction or revenue share models. Venda's SaaS model is all-inclusive for B2C e-commerce capabilities; however, the monthly fixed price doesn't include integration with back-end systems or customization. However, clients like the cost model because it's predictable, and includes capabilities outside core e-commerce capabilities, for the same single fee.
- Venda uses an offshore model with company developers for product support and development to keep costs in line with the SaaS model, and Venda releases code upgrades 10 times a year (except in November and December). Venda's help desk is included in the fee, and the company has people in London, New York and Bangkok, Thailand – that is, a business manager and a project manager assigned to each account.
- Venda offers a tabbed interface UI for managing the site, which includes capabilities for user management of the store, publishing, customer service, marketing, order management, security, reporting and configuration.

Cautions

- Clients have stated that Venda's integration with ERP solutions has been problematic, so we recommend that clients ask for references that have live integrations into their ERP systems.
- Some clients have stated that Venda's response times are slow, so Venda has entered into an agreement with Savis, a U.S. data center, to deal with this issue.
- Clients have stated that, because Venda is spread across three continents (that is, North America, Europe and the Asia/Pacific region), this can create delays when issues arise. In addition, clients believe that Venda's size, based on revenue, and its status as an emerging vendor, may be contributing to this issue.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups and service-level agreements.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.