

January 27, 2009

The Forrester Wave™: B2C eCommerce Platforms, Q1 2009

by Brian K. Walker

for eBusiness & Channel Strategy Professionals



January 27, 2009

The Forrester Wave™: B2C eCommerce Platforms, Q1 2009

ATG And IBM Lead, With Fry, Hybris, And Demandware Close Behind

by **Brian K. Walker**

with Carrie Johnson and Brendan McGowan

EXECUTIVE SUMMARY

In Forrester's 100-criteria evaluation of the top 10 enterprise-class eCommerce platform vendors, we found that Art Technology Group (ATG) and IBM led the pack with their comprehensive eCommerce features, effective business tools, and flexibility. Fry and hybris represent strong solutions with varying models and key differentiators. Demandware, iCongo, Escalate Retail, and Intershop each represent unique solutions at different stages of maturity and are focused on midtier eCommerce retailers. MarketLive and Microsoft's Commerce Server 2007 round out our evaluation. Each of these solutions represents a fit for some segment of the global B2C enterprise eCommerce platform market. With this detailed evaluation and report, we evaluate these solutions to help eBusiness executives determine the best fit as they grow, mature, and scale their online businesses.

TABLE OF CONTENTS

- 2 **eCommerce Organizations Are Ready To Overhaul Their Technology**
- 4 **B2C eCommerce Platform Evaluation Overview**
- 7 **Evaluated B2C Enterprise eCommerce Platforms Represent The Best Of The Best**
- 8 **B2C Enterprise eCommerce Solutions Evaluation**
- 11 **Vendor Profiles**
- 14 **Supplemental Material**

NOTES & RESOURCES

Forrester conducted lab-based evaluations in August 2008 and interviewed 10 vendor companies: Art Technology Group (ATG), Demandware, Escalate Retail, Fry, hybris, IBM, iCongo, Intershop, MarketLive, and Microsoft. Forrester also interviewed a number of client companies of these solutions for this report.

Related Research Documents

["The Impact Of The Economic Crisis On eCommerce Technology Investment"](#)
November 7, 2008

["Market Overview: Full-Service eCommerce Solutions"](#)
October 31, 2008

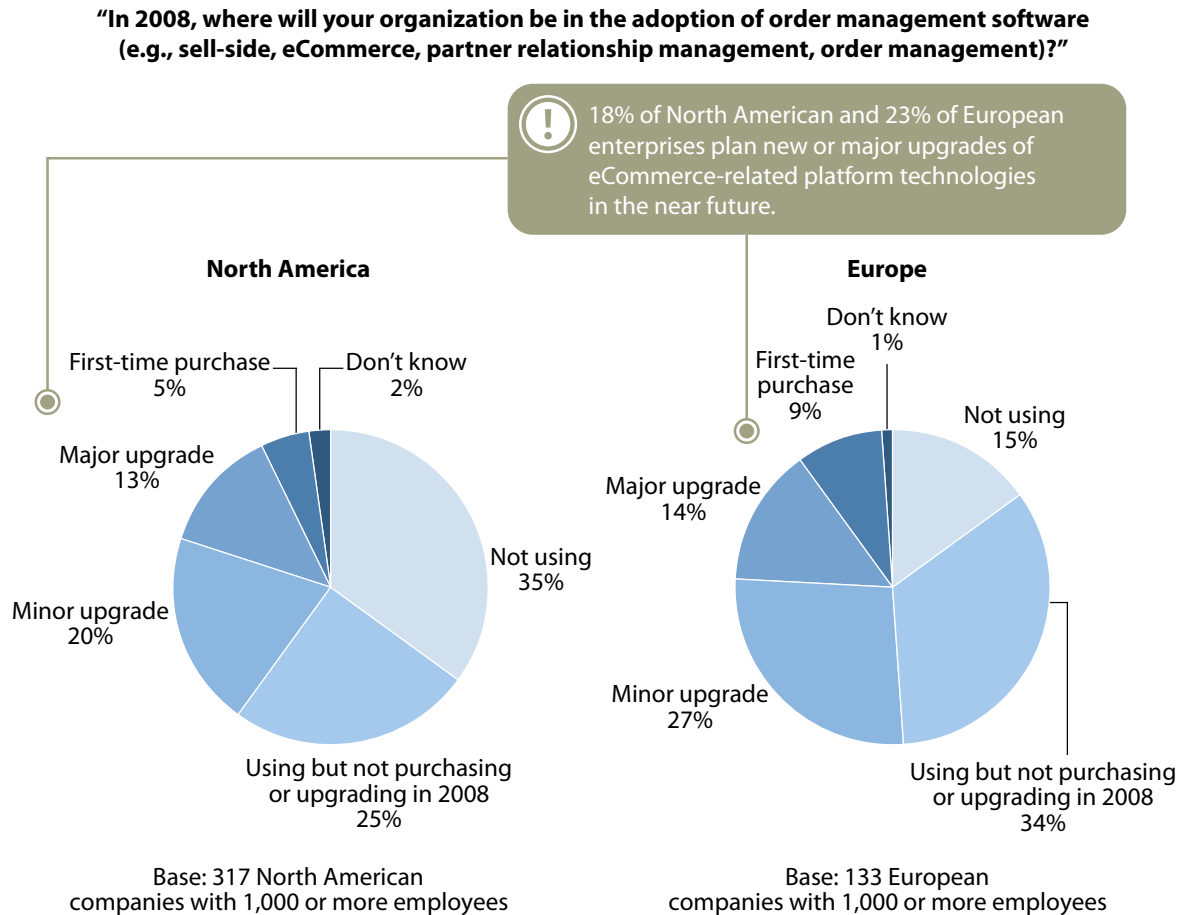
["How To Pitch eCommerce Replatforming"](#)
September 29, 2008

eCOMMERCE ORGANIZATIONS ARE READY TO OVERHAUL THEIR TECHNOLOGY

Demand for eCommerce solutions is very strong as many eCommerce organizations are planning to update their eCommerce technology in the near term. Eighteen percent of North American and 23% of European enterprises plan new or major upgrades of eCommerce-related platform technologies in the near future (see Figure 1). And although the global economic slowdown and its particularly strong effect on retail will affect demand, Forrester continues to expect demand to remain high for eCommerce technologies based on our conversations with dozens of online retailers.¹ This stems from a number of key factors, including:

- **A need for improved business management tools.** Many maturing eCommerce organizations struggle with content management, Web site refreshes, 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 along with other corporate priorities, and they end up juggling emergencies and various evolving needs. And since the eCommerce channel may represent a small or emerging business, it is easy to place the channels' needs low on the proverbial totem pole.
- **A need 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 the best-of-breed eCommerce sites: Consumers quickly transfer their expectations — derived from these sites — to all of the sites they shop and expect similar 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 — if they are running older platform technology — can end up as a two- to three-year road map of projects and integrations.
- **A need for improved 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 applications, call centers, and 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.
- **A low relative cost for eCommerce solutions, with high ROI.** In the spectrum of enterprise IT projects and software suites, eCommerce technology investment remains relatively low. And eCommerce supports a new or maturing revenue stream that meets the needs of a changing consumer. This leads to a ROI case and strategy fit that many other technology investments will find hard to match. The most conservative of replatforming pitches can be attractive even — or even more so — in tough economic times.²

Figure 1 Interest Is High In eCommerce Technology Investment



Source: Enterprise And SMB Software Survey, North America And Europe, Q3 2007

45987

Source: Forrester Research, Inc.

Retailers Look To An Often-Confusing Platform Market And Solution Set

All signs point to the need for an updated and integrated eCommerce platform for online retailers. Historically, some retailers chose to build such capabilities in-house. Moving forward, we believe this will be the exception rather than the rule. The “buy versus build” decision will give way to “vendor versus vendor” or “model versus model” decisions, which pose their own sets of unique challenges. Forrester believes that:

- **Internal development of eCommerce capabilities just does not pencil out.** As organizations look to invest in a substantial overhaul of their eCommerce technology, it is highly unlikely they will do so in-house with a custom-built application. The math just does not add up. The

significant investment in time and resources required to build capabilities that are common across commercially available applications — with varying strengths — is too compelling. The vast majority of eCommerce organizations will look to buy the core eCommerce technology from an eCommerce platform and then build their own differentiated pieces of the experience.

- **Platforms have evolved to meet the needs of multichannel operations.** eCommerce platforms have evolved substantially over the years into tools that can support large-scale, multichannel retailer operations. In fact, platforms perform so many functions that we are often asked, “What’s in a platform anyway?” by clients. Forrester defines an eCommerce platform as the technology that enables a company to transact directly with its customers online. At its core, a platform offers functionality to manage product catalogs and product content, site or Web content, customer data, orders and transactions (including shipping and taxation costs), search and browse capabilities, payment settlement, and reporting. Additional capabilities now include personalization, user-generated content, community features, search engine optimization (SEO), marketing features, customer service capabilities (including customer service representative [CSR] interfaces), multichannel ordering and integration, and many others.
- **The solution landscape is confusing for buyers.** Today’s eCommerce platform vendors represent many different core competencies, strengths, business models, and implementation options. It can be a very confusing landscape to navigate. Many models of eCommerce platforms exist, from traditional software to hosted/managed to software-as-a-service (SaaS). Add to that a set of full-service solution providers, many of which repackage third-party solutions or “productize” technology they may have implemented for other clients. Navigating the plethora of choices and delivery and payment models is daunting. Forrester recommends that companies closely review the capabilities of solution providers and use frameworks such as the Forrester Wave™ methodology to select the right solution, separating the vendors’ product marketing from the reality in the process.³

B2C eCOMMERCE PLATFORM EVALUATION OVERVIEW

To assess the state of the B2C eCommerce platform market and determine how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top commerce 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, promotions, personalization, cross-sells, product configurators, wish lists, registries, multichannel ordering, rich Internet application (RIA) or Web 2.0, and customer self-service.

- **Site management and business optimization.** These tools include content management, online marketing, analytics and reporting, 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 customer relationship management (CRM) systems, finance, and business intelligence solutions.

Figure 2 Evaluated Vendors: Vendor Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
ATG	ATG Commerce Suite	2007	July 2007
Demandware	Demandware eCommerce Platform	2.6.4	July 2008
Escalate	Escalate Blue Martini Commerce Suite	V10	July 2008
Fry	Open Commerce Platform	2.6	May 2008
hybris	hybris Commerce Suite	3.1	July 2008
IBM	IBM WebSphere Commerce	6.0.0.4	September 2008
iCongo	iCongo Retail E-Commerce Platform	7.0	March 2008
Intershop	Enfinity Suite 6	6.2	April 2007
MarketLive	MarketLive eCommerce Suite	5.5	June 2008
Microsoft	Microsoft Commerce Server 2007	2007	June 2006

Vendor qualification 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, and has at least 50 clients with positive sales momentum.

The vendor demonstrates the ability to support enterprise-class organizations with the product evaluated.

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:

- **On-premise 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 in this evaluation typically implement and run applications on behalf of a client, minimizing the internal IT resources required to a near minimum. A few hosted/managed application vendors allow clients to install and run applications internally.
- **SaaS platforms.** SaaS solutions rely on a multi-instance application where many clients use the same technology and hosting environment. These solutions cost less to run, offer the benefits of shared development and support, and may be implemented considerably faster 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.

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 approximately 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 11 groups of criteria: solution architecture, technology architecture, site management, catalog and content management, eCommerce features, marketing tools, customer management, order management, reporting and analytics, globalization/localization, 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, financial resources to support the strategy, 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, employee count, and partnerships.

EVALUATED B2C ENTERPRISE eCOMMERCE PLATFORMS REPRESENT THE BEST OF THE BEST

Forrester included 10 vendors in this assessment: Art Technology Group (ATG), Demandware, Escalate Retail, Fry, hybris, IBM, iCongo, Intershop Communications, MarketLive, and Microsoft. While we considered a significant number of companies that offer eCommerce solutions for this assessment, each of these included vendors has:

- **A 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.** 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.
- **A profitable business with a minimum of \$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, 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. Look for future research focused on an assessment of B2B eCommerce capabilities including these companies.
- **eCommerce solutions focused on small and medium-size businesses.** This includes solutions from companies such as Amazon.com (WebStore by Amazon), eBay's ProStores, Infopia, Volusion, and Yahoo! (Yahoo! Merchant Solutions).
- **Full-service solutions aimed at providing a suite of capabilities for eCommerce companies.** We have written separate research and an overview of capabilities of full-service solutions like Amazon, Digital River, EDS (a Hewlett-Packard company), eFashionSolutions, GSI Commerce, PFSweb, and Sapient.⁴
- **Digital- or media-focused solutions.** In the future, we expect to conduct research on digital- and media-focused solutions from companies such as asknet, cleverbridge, Digital River, and Protexis.

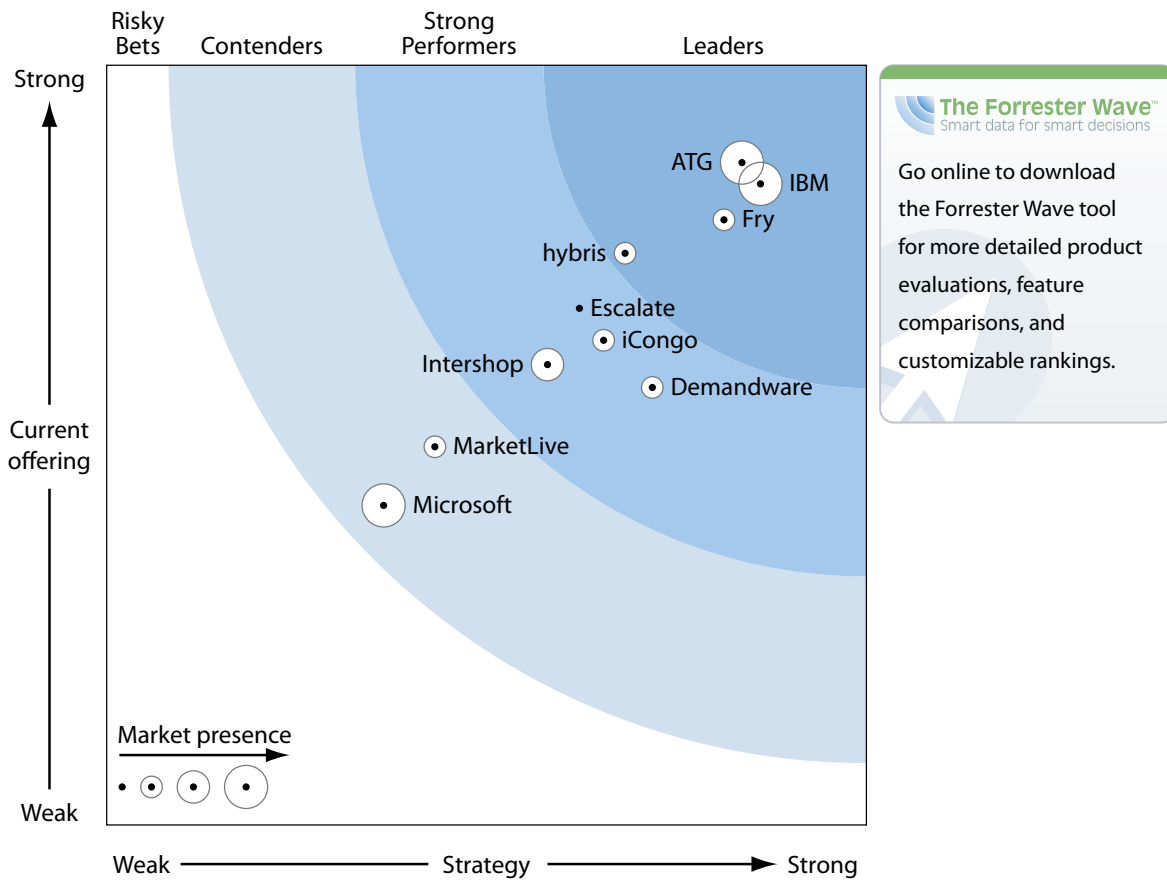
B2C ENTERPRISE eCOMMERCE SOLUTIONS EVALUATION

Since our last evaluation in 2006, the requirements for eCommerce platform solutions have continued to evolve from an IT to a business focus. The situation is similar to that of the world of automobiles, where most drivers are less interested in the underlying specifics of how the car works and more interested in the experience and capabilities the car can provide. As a result, buyers and users of these solutions are increasingly agnostic to the implementation scheme, are interested in solutions with minimum internal IT resource demands, and seek creative pricing and maintenance models. Our evaluation uncovered a diverse market in which (see Figure 3):

- **ATG and IBM lead the pack.** Each of these vendors offers solid eCommerce capabilities, an ability to scale, and strong or very strong business management tools. ATG and IBM offer traditional software application licensing models but have also worked to add flexibility that utilizes third-party or company-managed hosted/managed or SaaS models.⁵
- **Fry and hybris offer compelling solutions with unique characteristics.** Fry offers only a hosted/managed model, which may not work for all online retailers, but offers a strong solution for the right client. Fry is distinguished by a strong set of business management tools but is not as evolved in localization/globalization capabilities as ATG, IBM, or hybris. Germany-based vendor hybris also offers a differentiated catalog management and product information management (PIM) solution with tight ERP solution integration. Hybris' business user tools should be evolving in the coming year, which will strengthen its offering markedly.
- **Demandware, iCongo, Escalate Retail, and Intershop offer competitive options.** These vendors represent a strong set of competitors with various strengths and various models. Each offers strong to moderate eCommerce features and effective business management tools, but the vendors vary considerably in areas such as product catalog management, order management, and localization/globalization.
- **MarketLive and Microsoft lag.** These two vendors can offer well-placed solutions for the right client, but as total eCommerce platform solutions, they lag behind the competitive set. MarketLive offers a hosted/managed solution that can be a strong fit for a midsize online retailer but may not meet the complex needs of the enterprise-level client. 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 an 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 Platform Solutions, Q1 '09



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: B2C eCommerce Platform Solutions, Q1 '09 (Cont.)

	Forrester's Weighting	ATG	Demandware	Escalate	Fry	hybris	IBM	iCongo	Intershop	MarketLive	Microsoft
CURRENT OFFERING	50%	4.36	2.88	3.40	3.98	3.76	4.22	3.19	3.03	2.49	2.10
Solution architecture	5%	5.00	2.00	3.00	4.00	4.50	5.00	3.00	2.50	2.50	3.00
Technology architecture	10%	4.80	3.20	2.70	3.80	3.20	4.80	2.40	3.00	1.30	3.10
Site management	10%	3.60	3.00	4.00	4.40	2.80	4.40	2.00	2.00	4.00	1.60
Catalog, product content, and site content management	15%	4.04	2.88	3.18	4.46	4.18	3.44	2.64	3.08	2.52	1.12
eCommerce features	15%	4.51	2.73	3.46	4.32	3.73	4.25	3.39	2.78	2.46	2.34
Marketing tools	10%	4.25	2.54	3.45	3.78	3.38	3.49	3.61	2.91	3.08	1.05
Customer management	5%	5.00	3.30	4.00	4.30	4.00	4.00	3.70	3.30	3.00	3.30
Customer management and service	5%	5.00	2.40	3.00	3.36	4.08	4.08	4.16	3.00	1.32	3.00
Order management	10%	4.42	2.96	3.81	3.76	4.27	4.43	4.29	3.35	2.45	1.62
Reporting and analytics	5%	4.10	2.70	3.00	4.30	3.10	4.40	3.00	3.10	2.60	2.60
Globalization/internationalization	7%	4.35	3.65	3.85	2.10	4.80	5.00	3.85	4.60	1.40	1.95
Professional services	3%	3.75	3.00	3.00	4.75	3.00	4.50	3.25	3.75	3.00	3.75
STRATEGY	50%	4.18	3.59	3.11	4.06	3.41	4.30	3.27	2.90	2.16	1.82
Product strategy	50%	4.20	4.20	3.20	4.00	3.00	4.20	3.60	2.80	1.40	1.20
Company strategy	25%	4.15	3.00	2.70	3.55	3.30	5.00	2.70	2.45	2.70	2.45
Product focus	10%	4.00	5.00	4.00	5.00	4.00	3.00	3.00	4.00	5.00	2.00
Financial resources to support strategy	10%	5.00	1.00	3.00	5.00	5.00	5.00	3.00	3.00	1.00	3.00
Cost	5%	2.75	2.75	2.60	3.50	3.65	2.90	3.80	3.65	3.65	2.20
MARKET PRESENCE	0%	4.80	2.70	1.60	2.40	3.00	4.60	2.50	3.60	2.60	4.60
Installed base	60%	5.00	2.50	2.00	2.00	3.00	5.00	2.50	4.00	3.00	5.00
Revenue	20%	5.00	1.00	2.00	3.00	1.00	5.00	1.00	3.00	1.00	5.00
Revenue growth	20%	4.00	5.00	0.00	3.00	5.00	3.00	4.00	3.00	3.00	3.00

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

- **ATG.** ATG continues to be a leader in B2C eCommerce platform solutions, as evidenced by more than 180 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 rich ability to integrate into the enterprise and provides strong multichannel capabilities, including call center user interface (UI) and the eStara Click to Call products. ATG maintains a strong vision for the product and a clear focus on the B2C eCommerce customer needs, pushing its product forward in a consistent manner. However, to remain in the lead, ATG must continue to improve the implementation process for clients through its system integration partners, its hosted/managed program, and its business user 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. Business user tools such as the IBM Management Center have been evolved along with Web 2.0 frameworks to support driving the business and customer experiences. IBM has a rich product strategy, focused on core product enhancements as well as a number of visionary eCommerce capabilities — some through its tight integration with Coremetrics. However, the flexibility of the IBM product can lead to costly and long implementation cycles, introducing risk. A SaaS offering or more packaged eCommerce-oriented solutions may solve this, but they may be complicated by IBM's large group of SIs and solution providers.
- **Fry.** Fry offers a very different model from many others considered in the evaluation. Fry does not charge for the software product but rather engages clients through professional services, which can make cost comparison difficult. This hosted/managed model in which Fry uses its own product to support clients enables the firm to deliver highly customized solutions in an outsourced model. Fry's core competencies reside in the business user tools for content, merchandising, promotions, and targeting. Site optimization and A/B testing tools are also very strong and differentiated. Fry's key challenges as a solution lie in its ability to serve globalization/localization requirements and in its ability to scale its customer base through its model. Fry's acquisition by MICROS Systems is positive in that the company is well funded and has an established backer, but it also may prove a challenge, as new market distractions and scaling may prove tempting.
- **Hybris.** Hybris is essentially a new player in the North American eCommerce platform market but is well established in the Benelux and German markets. Hybris' key differentiators are in strong catalog management, enterprise integration, and globalization/localization 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. The rich capabilities are not yet matched by effective business user tools, requiring more technical resources in day-to-day operations than other solutions, but we expect this to change in the near future as hybris evolves the product into one focused on the needs of enterprise eCommerce businesses.

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

- **Demandware.** Demandware, the leading on-demand solution in our evaluation, is coming on strong with a solid eCommerce offering, a unique model, and short implementation timelines. Demandware has overcome some of the perceived limitations of SaaS solutions by providing clients with the ability to access and customize the presentation layer through its User Experience (UX) Studio and Business Manager tools. While many will consider Demandware an emerging solution, the company has a strong vision for the platform which, if executed, will position it well in the future. Look for Demandware to continue to improve the business management tools and the sophistication of its integration capabilities as it develops an increasingly competitive offering for the enterprise market. Demandware may be challenged in driving profitability in these tough economic times with its model, although recent customer traction has been strong.
- **iCongo.** Based in Montreal, iCongo is a small but emerging player for enterprise B2C eCommerce platforms. Its eCommerce capabilities and tools are straightforward and offer a unique, flexible integration to front-end presentation layers. iCongo also has some core competencies around enterprise system integration and multichannel ordering capabilities that make it a potential good fit for multichannel retailers with basic storefront management requirements. iCongo has a significant upside, and as it proves its ability to scale, matures base capabilities and tools, and takes on more complex eCommerce client requirements, it will become an ever more complete solution.
- **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. However, Escalate has struggled to integrate the product to maximize this benefit. Escalate's Blue Martini Commerce Suite product represents a solid eCommerce platform from a capability perspective, with some unique capabilities around customer management and multichannel.
- **Intershop.** Intershop is a long-established platform provider based in Jena, Germany, with a presence in San Francisco. Intershop offers a solid eCommerce capability with differentiation in globalization/localization capabilities. Intershop is an IT-centric, complex solution that, while very flexible, may be a challenge for the eCommerce business to learn and optimize and may be expensive to support over time. Business user tools to update and manage the site are a challenge, and management of the sites' many capabilities requires knowledgeable and often technical staff for even the routine needs of a dynamic eCommerce retailer. Intershop continues to have strong traction with B2B clients that have a combination of strong enterprise system integration and straightforward sites.

Contenders Have Unique Opportunities For Some Companies To Leverage

- **MarketLive.** MarketLive offers a strong, though basic, product aimed at the SMB eCommerce retailer. eCommerce capabilities and business user tools are straightforward but lack the depth of other enterprise solutions. Enterprise clients may also be concerned about MarketLive's professional services support, scalability, and recent challenges around a forced upgrade to the most recent version (v5.x) of the product. For the smaller online retail operation, though, MarketLive can be a very good option with a solid, though limited, eCommerce retail capability set.
- **Microsoft.** Microsoft's Commerce Server (CS) 2007 product is unique within this evaluation. As an analogy, think of the other products in our B2C enterprise eCommerce platform evaluation as various kinds of cars, whereas CS 2007 may best be seen as an engine that comes with plans for various types of cars you may want to build. Basic eCommerce business tools are underdeveloped or absent, rely heavily on other Microsoft products such as SharePoint and BizTalk, or require customization — significant in some cases. Likewise, core eCommerce features must result from extension and adaptation of core capabilities within CS 2007 with the skilled development support of SIs or trained internal IT staff. Microsoft Commerce Server 2007 will be best utilized within an already heavily integrated Microsoft IT environment where internal development is preferred and can be used to adapt, customize, and support the product over time to the changing needs of the business and customer experience. Note also that organizations focused on leveraging internal IT assets to add B2B eCommerce capabilities may find CS 2007 a very viable option. Microsoft's upcoming Commerce Server 2009 release, and the follow-on release planned in late 2009, will address some of the content management site development challenges with the "Web Parts" solution and demonstrate a renewed commitment to the product by Microsoft.

Some Additional Emerging Players To Watch

- **Vcommerce.** Under new management, Phoenix-based Vcommerce is focused on the improvement of core eCommerce capabilities, business user tools, and professional services. Leveraging and extending existing technology assets, Vcommerce enables presentation-layer customization on top of its SaaS delivery model. In addition, Vcommerce has a very solid order management solution that will be attractive to many online retailers with complex fulfillment scenarios. Vcommerce's ability to improve current client success, deliver on its technology road map, and drive profitability in the challenging retail environment will determine its long-term success.
- **Elastic Path Software.** Vancouver-based Elastic Path's product is a Java-based software product — using industry-standard open-source components — priced in a traditional software licensing model. Solutions are typically delivered through Elastic Path's professional services organization but may also be implemented internally by clients or through SIs. Elastic Path

provides flexibility to be managed, developed upon, and hosted by its clients as well as through Elastic Path's professional services. Elastic Path has a strong eCommerce consulting practice together with a maturing technical offering. Elastic Path is a young company, and its ability to scale and meet the needs of increasingly complex clients may present a challenge.

- **Varien.** Magento is a very exciting open source eCommerce solution and — similar to SugarCRM — is typically delivered at the enterprise level through the professional services of the company that developed and launched the product, Varien. Varien is a Los Angeles-based company with significant development resources in the Ukraine. Enterprise-level eCommerce organizations should view Magento as an opportunity to launch small-scale side projects and experiments, but for larger companies with limited eCommerce needs, it may prove to be a very attractive solution. Product maturity, proof of the product's scalability, and further development of SIs and Varien's own professional services may place Magento as an enterprise-class solution in the future.
- **GSI Commerce.** GSI Commerce has been known as a full-service solution provider.⁶ However, recently GSI has been more aggressive in offering its solutions as a suite of capabilities that may or may not be used together. This includes the eCommerce technology GSI uses to run clients' sites on their behalf. In fact, one of GSI's largest marquee clients — Polo Ralph Lauren — uses just the eCommerce platform. The GSI eCommerce platform is a solid B2C eCommerce solution with merchant- and content-contributor-focused tools. For categories such as apparel, footwear, and personal care, GSI's platform-technology offering may be a strong fit. In the long term, GSI's flexibility in tech-only agreements and an emphasis on capabilities outside the categories of focus for its full-service business may determine how well the platform stands on its own.

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 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.

- **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

- ¹ Forrester surveyed many leading eCommerce firms and technology providers and learned that the effects of the global economic crisis have yet to affect plans for eCommerce technologies overall. See the November 7, 2008, "[The Impact Of The Economic Crisis On eCommerce Technology Investment](#)" report.
- ² For more on the development of an eCommerce replatforming business case, see the September 29, 2008, "[How To Pitch eCommerce Replatforming](#)" report.

- ³ Please contact Forrester with inquiries on how to select the right model and solution providers. Forrester advises clients regularly on this and other technology decision processes, in a variety of ways. You may contact Forrester's analysts by submitting an Inquiry online via the consulting "Contact Us" page on [forrester.com](http://web2.forrester.com/forr/reg/contact.jsp?id=65). See <http://web2.forrester.com/forr/reg/contact.jsp?id=65>.
- ⁴ For an overview of the full-service eCommerce solutions marketplace, see the October 31, 2008, "[Market Overview: Full-Service eCommerce Solutions](#)" report.
- ⁵ Note that hosted/managed and SaaS offerings from ATG and IBM differ in some ways from the full-enterprise software licensed product.
- ⁶ For more on GSI Commerce's full-service offering, see the October 31, 2008, "[Market Overview: Full-Service eCommerce Solutions](#)" report.

FORRESTER[®]

Making Leaders Successful Every Day

Headquarters

Forrester Research, Inc.
400 Technology Square
Cambridge, MA 02139 USA
Tel: +1 617.613.6000
Fax: +1 617.613.5000
Email: forrester@forrester.com
Nasdaq symbol: FORR
www.forrester.com

Research and Sales Offices

Australia	Israel
Brazil	Japan
Canada	Korea
Denmark	The Netherlands
France	Switzerland
Germany	United Kingdom
Hong Kong	United States
India	

For a complete list of worldwide locations, visit www.forrester.com/about.

For information on hard-copy or electronic reprints, please contact Client Support at +1 866.367.7378, +1 617.613.5730, or clientsupport@forrester.com.

We offer quantity discounts and special pricing for academic and nonprofit institutions.

Forrester Research, Inc. (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 19 key roles at major companies providing proprietary research, consumer insight, consulting, events, and peer-to-peer executive programs. For more than 25 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit www.forrester.com.