THIS IDC MARKETSCAPE EXCERPT FEATURES ORACLE

FIGURE 1

IDC MarketScape Worldwide B2B Digital Commerce Platforms Vendor Assessment

Source: IDC, 2020

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

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

IDC OPINION

B2B Sellers Embrace Digital Commerce Out of Necessity

Over the past five years, business-to-business (B2B) digital commerce platforms have undergone a rapid transformation as B2B buyers demand better commerce experiences. Once overlooked in favor of consumer-driven ecommerce, B2B organizations have undergone digital transformation endeavors to offer self-service buying channels online. The COVID-19 crisis has accelerated this change, making digital commerce the number one priority for many merchants overnight whose typical channels to market were disrupted. Commerce projects that might have been planned for the next two or three years were moved to the top of the queue so that manufacturers, distributors, and brands could thrive. In this dynamic market, where past success no longer ensures future viability, B2B sellers must deliver unique and engaging commerce experiences that suit their customers’ specific business models. At the same time, B2B organizations must remove friction from customer engagements and be able to quickly iterate their business models if they wish to effectively respond to market changes.

IDC has seen cloud take the digital commerce software market by storm over the past few years, with applications deployed in the public cloud accounting for 55.7% of the entire market in 2019 (see Worldwide Digital Commerce Applications Market Shares, 2019: Headless Commerce Goes Mainstream, IDC #US45243220, June 2020). While B2C digital commerce platforms have truly embraced multitenant SaaS, most B2B technology buyers are still demanding single-tenant or hybrid cloud deployments that allow deep customizations to support B2B complexities. Still, IDC expects the market to continue to shift toward the public cloud over the coming years. COVID-19 has accelerated this shift.

This IDC MarketScape looks specifically at vendors providing digital commerce platforms that satisfy B2B commerce requirements. IDC simultaneously conducted a vendor evaluation on B2C digital commerce platforms to best assist technology buyers of both models. We will also be publishing an IDC MarketScape on headless digital commerce platforms in the fourth quarter of 2020.

Areas of Differentiation for B2B Sellers

B2B customer references we spoke with expressed that the vendor selection process is no picnic. IDC tracks over 100 vendors specifically for digital commerce software, many of whom use similar market messages to sell their applications. There is a myriad of different factors at play when selecting a platform. One method IDC advocates is for every technology buyer to reflect on how they intend to use a B2B digital commerce platform to differentiate in their market. Figure 2 depicts five of the most common areas IDC sees merchants attempting to differentiate in the digital commerce market.

IDC has found that these are currently the most common areas of differentiation, leading technology buyers to certain cohorts of vendors. It is important to note that these are certainly not the only areas of differentiation among technology suppliers and that most digital commerce vendors are strong in multiple criteria overall.
FIGURE 2

Common B2B Digital Commerce Differentiators

- **Business agility led**: Your organization is primarily focused on differentiating with **business agility and a fast time to market**, with a platform that is very business user-friendly and often offers a low TCO.

- **Experience led**: Your organization is primarily focused on differentiating based on **delivering rich content and experiences**, with a platform pre-integrated with content management software.

- **Customizability led**: Your organization is primarily focused on differentiating by building **a unique and highly customized B2B commerce experience**, with a platform offering deep functionality.

- **Technology agility led**: Your organization is primarily focused on differentiating with **technological agility and adapting to change**, with a platform that has a modern cloud architecture.

- **Industry led**: Your organization is primarily focused on differentiating by offering digital commerce **in specific industries or niches**, with a platform purpose-built for your customers’ specific needs.

Source: IDC, 2020

**IDC MARKETSCAPE VENDOR INCLUSION CRITERIA**

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

- The vendor has an active customer base and is reported as seen in deals by other B2B digital commerce platform vendors.
The vendor meets IDC’s definition for a B2B digital commerce platform in terms of functionality supported, such as shopping cart, order management, and catalog management (see the Market Definition section and refer to Figure 3).

The vendor’s B2B digital platform is qualified as “SaaS or cloud enabled.”

The vendor is tracked in IDC’s Software Tracker.

The vendor goes to market as a B2B digital commerce platform, specifically seeking out B2B organizations such as manufacturers, wholesalers, distributors, and B2B2C.

ADVICE FOR TECHNOLOGY BUYERS

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

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

VENDOR SUMMARY PROFILES

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

Oracle

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

Oracle is a publicly held vendor of enterprise applications, database applications, hardware, and IT services founded in 1977 and is headquartered in Redwood Shores, California, United States. The company's B2B digital commerce product, Oracle CX Commerce, is a B2B and B2C commerce platform that Oracle built as an API-first, cloud-native application that leverages acquired functionality.
from ATG and Endeca. The application is sold within Oracle’s broader CX suite. Quick facts about Oracle include:

- **Employees**: Over 135,000
- **Global reach**: Digital commerce customers with headquarters in over 50 countries
- **B2B industry focus**: Industrial manufacturing, high tech, and consumer goods
- **Ideal customer size**: Upper midmarket to large enterprise
- **Cloud**: Multitenant at the infrastructure layer and single tenant at the database and application layers and deployed on Oracle Cloud (Some commerce services are deployed in a multitenant cloud.)
- **Pricing model**: Subscription based on revenue share or page views
- **Largest customer**: Largest digital commerce customers generate GMV of approximately $2 billion a year on Oracle CX Commerce
- **Partner ecosystem**: Has over 70 implementation partners and over 100 technology partners for B2B digital commerce
- **Interesting fact**: At Oracle’s last in-person CX user event, two Oracle customers at WebContinental got tattoos that said "#CX Hero" on their arms.

**Strengths**

- **CX suite**: Oracle offers a broad and deep suite of customer experience applications, including CX Sales, CX Marketing, and CX Service. A few other vendors support this breadth of front-end applications.
- **CPQ plus commerce**: Oracle CX Commerce comes pre-integrated with Oracle CPQ. Organizations leveraging both applications can unlock more mature B2B buying experiences where end customers can configure products and checkout directly on a self-service B2B storefront.
- **API-first**: Oracle CX Commerce is a hybrid headless system with a fully extensible presentation layer included in the offering. Customers can choose to not leverage the built-in front end and use CX Commerce as a headless solution. However, Oracle has indicated that its strategic go to market lies in offering a fully packaged commerce platform, which is how most of its customers choose to consume the offering.

**Challenges**

- **Not fully multitenant**: Oracle CX Commerce was purposefully architected as a single-tenant application to support both B2C and B2B natively as well as security, control, and performance. IDC firmly believes the future of B2C digital commerce is multitenant SaaS. Separately, Oracle continues to support its on-premises Oracle Commerce customers.
- **Implementation experience**: Customers we interviewed rated Oracle well below average in terms of how easy the application is to implement.
- **Technical integrations**: Customers we interviewed rated Oracle well below average when asked how easy it is to build integrations with external systems. One customer commented that it has had challenges "with every integration."

**Consider Oracle When**

Consider Oracle if you are an organization with over $500 million in revenue looking for a digital commerce platform built to support a wide range of business models, including product/service configuration rules, subscription models, and/or deep integration with Oracle’s CPQ application, or you
leverage Oracle for other CX applications. Consider it if your organization is primarily focused on differentiating by building a unique commerce experience with a platform offering deep functionality.

APPENDIX

Reading an IDC MarketScape Graph

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

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

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

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

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

IDC MarketScape Methodology

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

Market Definition

IDC defines digital commerce platforms as software systems that enable businesses to create an online "store" for selling products and services. The key role of digital commerce applications is to embed commerce functions across numerous digital channels, help customers find products and services, and manage orders from the time a transaction is placed through order fulfillment. Specific functions that digital commerce applications provide include catalog management, lightweight product information management, pricing, merchandising, transaction processing, order life-cycle management, digital fulfillment, and site search.
Figure 3 depicts the functionality that a comprehensive digital commerce platform must have. This IDC MarketScape looks primarily at the commerce layer, but most organizations need a comprehensive platform to perform in the digital economy.

**FIGURE 3**

IDC’s Vision of a Comprehensive Digital Commerce Platform

![Digital Commerce Platform Diagram](image)

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

Source: IDC, 2020

**LEARN MORE**

**Related Research**

Synopsis

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

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

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

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