

The Forrester Wave™: B2B Commerce Suites, Q4 2013

by Peter Sheldon and Andy Hoar, October 7, 2013

KEY TAKEAWAYS

B2B Commerce Vendors Don't Just Provide Basic Functionality; They Enhance Commerce Capabilities

Today's dynamic marketplace is driving B2B eBusiness professionals to look at alternatives to point solutions and niche vendors. Players in the market today offer integrated technology stacks, feature-rich APIs, and end-to-end eCommerce capabilities aimed at serving diverse customer segments both browsing and buying across multiple touchpoints.

The B2B Commerce Suite Market Is Growing As eBusiness Professionals Look For Partners In The Process

The B2B commerce suite market is expanding; more eBusiness professionals see eCommerce as a way to address key strategic business challenges. Today's eBusiness professionals are looking to B2B commerce suite vendors to be strategic partners that can be involved in all aspects of acquiring, servicing, and retaining online and offline B2B customers.

B2B-Specific Feature Sets And Back-End Tools Are Differentiators In The B2B Commerce Suites Market

As legacy technology becomes outdated and less effective, improved B2B-specific features and back-end tools dictate which providers lead the pack. Vendors that provide complex pricing and customization capabilities along with strong OMS, WCM, and PCM functionality will continue to position themselves as the leaders in the space.

The Forrester Wave™: B2B Commerce Suites, Q4 2013

The “Big Three” Lead The Pack, But Several Emerging Players Trail Closely Behind

by [Peter Sheldon](#) and [Andy Hoar](#)

with [Zia Daniell Wigder](#) and Lily Varon

WHY READ THIS REPORT

In Forrester’s 66-criteria evaluation of B2B commerce suite vendors, we identified the seven most significant providers in the category — [commerceserver.net](#), [hybris](#) (an SAP company), IBM, [Insite Software](#), [Intershop](#), [NetSuite](#), and [Oracle Commerce](#) — and researched, analyzed, and scored them in three areas: current offering, strategy, and market presence. This report details our findings about how well each vendor fulfills our criteria and where they stand in relation to each other to help eBusiness and channel strategy professionals select the right partner for their B2B multichannel commerce solution.

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Forrester conducted lab-based evaluations in April 2013 and interviewed seven vendor companies: [commerceserver.net](#), [hybris](#) (an SAP company), IBM, [Insite Software](#), [Intershop](#), [NetSuite](#), and [Oracle Commerce](#).

Related Research Documents

[Commerce Technology Investment And Platform Trends — 2013](#)
July 25, 2013

[Building A World-Class B2B eCommerce Business](#)
January 7, 2013

[The Forrester Wave™: B2C Commerce Suites, Q3 2012](#)
September 24, 2012

COMPANIES MUST DELIVER THE B2C-LIKE EXPERIENCE B2B CUSTOMERS DEMAND

By the end of 2013, B2B eCommerce in the US alone will be a \$559 billion market (see Figure 1-1). But despite being over twice the size of the \$252 billion US B2C eCommerce market, the B2B eCommerce market is far less mature. In fact, most B2B eCommerce companies trail far behind the average B2C eCommerce company in terms of the robustness of the online experience they offer (see Figure 1-2).

However, B2B eCommerce companies are now investing significant resources to close the gap. Forrester has observed over the years that companies spend, on average, about 4% of online revenue on eCommerce technology infrastructure.¹ In fact, in a recent quarterly Forrester survey of B2B eCommerce executives, Forrester found that the mean technology spending of B2B companies (inclusive of app licenses, fees, and resources) totaled 4.6% of online revenue.² Not only are B2B customers demanding a world-class experience, but vendor partners are also forcing companies to upgrade their technology and systems across a broad ecosystem. Whether they are just beginning to sell online or are in the late stages of launching a next-generation site, B2B eCommerce operations today must:

- **Offer a customer experience standard comparable to what leading B2C sites now offer.**

We frequently hear from our B2B clients that they want their eCommerce suites to deliver the gold-standard “Amazon experience.” To deliver on that, today’s B2B eCommerce suites must include front-office content, community, and commerce features that meet customer expectations for 24x7x365 ordering, real-time customer service, and expedited shipping — both online and on mobile devices. In addition, today’s B2B eCommerce suites must include robust back-office functionality that streamlines traditionally painful but necessary intra and inter-systems connections and complex order orchestration and fulfillment workflows. Suites must come “integration-ready” and make it relatively easy to interface with real-time pricing and inventory information.

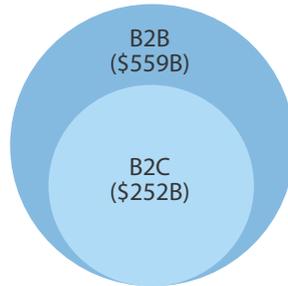
- **Address the growing influence that mobile devices are having in the workplace.** Cisco estimates that by 2016, mobile traffic will represent 26% of all business Internet traffic — up from a mere 4% in 2011.³ As recently as a few years ago, B2B companies could stagger their online and mobile development — tackling the former first and the latter second. But the world has changed. B2B companies must now implement online, tablet, and mobile strategies in parallel. Key to delivering on that challenge, though, is hiring staff with deep mobile experience and implementing mobile-first processes and procedures upfront and quickly. In addition, a dual implementation of online and mobile strategy puts significant pressure on technology vendors to bolster responsive design capabilities and enhance multiplatform smartphone and tablet support.

- **Make a qualitative and quantitative business case that drives sustained investment.** In a recent survey of global B2B eCommerce executives, Forrester found that the offline customers that companies migrate to an online purchase environment on net spend more money per transaction and more money overall post-migration (see Figure 2-1). The same research also shows that customers are less expensive to support once they migrate online (see Figure 2-2). In addition, Forrester's research indicates that B2B companies are now leveraging eCommerce models to attract and service a new class of customers who are only profitable to them as online-only customers (see Figure 2-3). Such ROI arguments are enabling B2B companies to demonstrate that eCommerce is more than just a new channel. For many B2B companies, eCommerce has become a way to transform a slow-growth offline business into a high-growth online and multichannel enterprise deserving of a serious and significant investment of time, money, and mindshare.

Figure 1 B2B eCommerce Is Growing Quickly

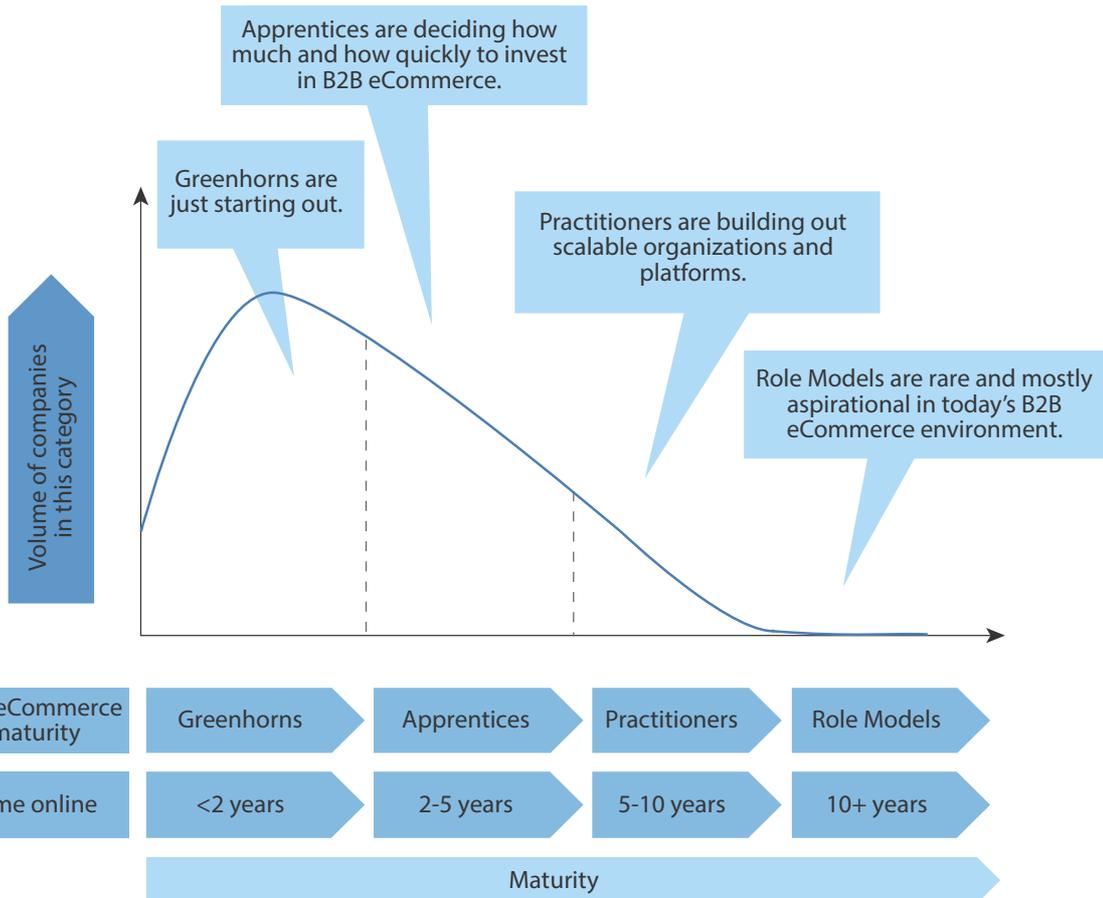
1-1 B2B online revenue in the US already dwarfs that of B2C

Forecasted revenue in 2013



Source: Forrester Research Online Retail Forecast, 2011 To 2016 (US); October 18, 2012, "Key Trends In B2B eCommerce For 2013" Forrester report

1-2 Most B2B companies are just getting started with eCommerce



Source: June 21, 2012, "Evaluating Your B2B eCommerce Development" Forrester report

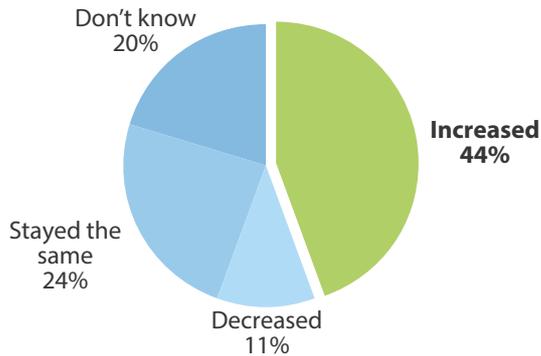
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Source: Forrester Research, Inc.

Figure 2 The Benefits Of Supporting B2B Customers In A Self-Service Online Environment

2-1 B2B customers that migrate to online purchasing tools spend more per transaction

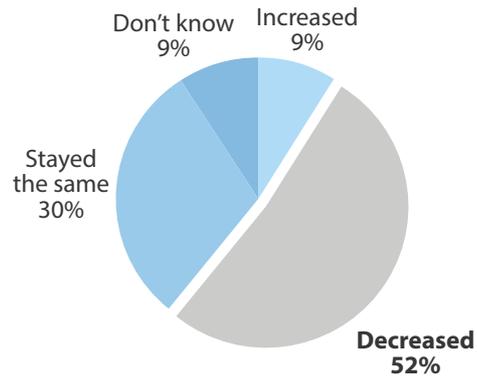
“By migrating customers to your eCommerce portal to purchase your products, the average order value (AOV) you’ve seen on those purchases has:”



Base: 45 B2B eCommerce professionals (percentages do not total 100 because of rounding)

2-2 Migration of customers to self-service B2B channels reduces support costs

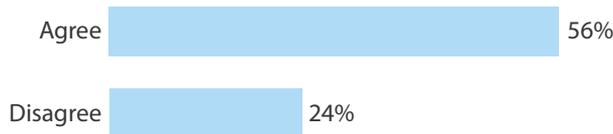
“By migrating customers to an eCommerce portal to purchase their products . . . our customer support costs have:”



Base: 45 B2B eCommerce professionals

2-3 Many B2B customers are only profitable through an online channel

“We have customers that we can only profitably support in an online self-serve product purchase environment.”



Base: 45 B2B eCommerce professionals

Source: Q1 2013 Global B2B eCommerce Portal Online Survey

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Source: Forrester Research, Inc.

Opportunity Has Driven Acquisitions And Attracted New Entrants Into The B2B Space

Poised to cross the 50% of total sales online barrier within the next few years, many B2B companies are in the process of “flipping” their models and creating fundamentally different businesses that require fundamentally different technologies. This desire on the part of B2B companies for new and better technologies to enable robust customer experiences, scalable online and multichannel selling, and deep integrations with critical front- and back-office systems has driven technology vendors to raise their game.

To deliver on the necessary features and functions and offer a more complete stack, vendors have partnered with best-of-breed solutions providers or simply acquired key technologies. In June 2013, SAP acquired hybris to replace its lackluster Web Channel Experience Management (WCEM) product.⁴ In recent years, Oracle acquired Art Technology Group (ATG), Endeca, and FatWire Software to patch holes in its stack.⁵ Similarly, IBM acquired both Sterling Commerce and Coremetrics in the last decade to bolster its broader eCommerce offering.

But the relevant acquisition activity has not been limited to just the vendor community. For example, in May 2013, Accenture announced its intention to buy B2B-focused digital marketing company Acquity Group.⁶ In a sign that realignment will affect the broader eCommerce solutions ecosystem, SAP/hybris and Accenture/Aquity announced in August 2013 that they are joining forces to form an exclusive global strategic partnership aimed at delivering online and multichannel commerce.⁷

Further, in just the last 18 months, Amazon entered the B2B eCommerce space with purpose-built site AmazonSupply. Amazon concluded that there was significant opportunity to leverage its global fulfillment infrastructure to deliver B2B staples such as power drills and pumps as easily as it delivers books and toys. AmazonSupply expects to apply Amazon's successful volume-driven, razor-thin-margin business model and steal share away from traditional distributors that fail to respond effectively to price competition.

Not to be outdone, Google also studied its place in the B2B buying process and learned that while it maintains an impressive 67% market share in the general search space, it enjoys fully 90% market share within the B2B search arena.⁸ As a result, it launched Google Shopping for Suppliers as a top-of-the-funnel offering aimed at directing qualified B2B eCommerce traffic to "Google-authorized" B2B manufacturers and distributors.⁹ Importantly, and unlike AmazonSupply, Google Shopping for Suppliers operates as a referral site and does not currently intermediate B2B eCommerce transactions.

B2B COMMERCE SUITE EVALUATION OVERVIEW

To assess the state of the B2B commerce suite market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top B2B commerce suite vendors.

How Our Evaluations Of B2B Commerce Suites Differ From B2C

This is the first Forrester Wave™ that we have published that focuses specifically on B2B commerce; however, for years we have published Forrester Wave evaluations focused on the direct-to-consumer market. Many of our clients are looking for solutions that can meet the needs of both their B2B and their direct-to-consumer channels, in addition to emerging hybrid channels like B2B2C. We have intentionally kept the majority of the criteria in this B2B Forrester Wave consistent with the criteria in our B2C Forrester Wave so that clients may use both in their evaluation process; however, we made a number of changes to the criteria, scoring, and weighting to ensure alignment with the specific needs that our clients seeking solutions for B2B channels have. The key differences include:

- **A strong weighting on the B2B commerce feature set.** We added all-new criteria to evaluate how these solutions solve unique B2B problems. Added were criteria for quotes; complex pricing lists; eProcurement; product configuration and customization; guided selling; bulk order entry; dealer management; and account, contract, and budget management, to name a few. We weighted these B2B capabilities to ensure that only those solutions with robust support for these unique B2B features would score well in our evaluation.
- **A strong emphasis on PCM, WCM, and OMS capabilities.** Our clients regularly tell us that they need a complete suite of back-end tools to drive growth in their online B2B channels, not just front-end features. There are three core capabilities that these clients seek in addition to robust table stakes (B2C) and B2B commerce features. First is product information management (PIM) — needed to provide a single system of record and governance around large part lists and product catalogs. Second is web content management (WCM) — needed to manage large volumes of unstructured marketing content that augment and often completely eclipse the transactional part of an enterprise website, although in some cases clients will purchase and integrate with a third-party best-of-breed WCM platform.¹⁰ Third is order management systems (OMS) — required to orchestrate the complex life cycle that B2B orders go through from quote to approval to submission to manufacture to distribution and delivery. Although many firms use their enterprise resource planning (ERP) systems to manage order life cycles, our clients are increasingly moving this capability into their new “front-end ERP” — their B2B commerce suite.
- **Subtle changes to the criteria for table-stakes commerce features.** As discussed earlier in this report, our clients seek best-in-class B2C commerce capabilities as table stakes for doing B2B commerce. Consequently, many of the criteria that we included in Forrester’s B2C commerce suite evaluation, such as multisite management, support for mobile touchpoints, and robust on-site search, are also included here. However, the criteria used here have been tuned to focus on specific needs that enterprises with both B2C and B2B commerce channels will need: for example, the availability of mobile ordering tools for field-based sales reps.

Our Evaluation Covers A Range Of Solution Types — From Licensed To SaaS

In this evaluation, Forrester focused on the leading commerce platforms for B2B online sales. Evaluated solutions include a variety of delivery models and the vendors that offer their solutions across these delivery models, including:

- **On-premises licensed software platforms.** These applications can be implemented and run in-house by internal IT resources or they may be supported via various outsourcing models on a client’s behalf. Typically, these platforms will offer the most flexibility over time. Often, systems integrators (SIs) or commerce services providers (CSPs) implement and support these solutions.¹¹

- **Hosted/managed or on-demand platforms.** Close cousins of licensed software applications, the vendors that offer hosted/managed or on-demand platforms typically implement, host (in the cloud), and run applications on behalf of a client, reducing the need for internal IT resources to a bare minimum. Some of these vendors also offer SaaS-like business models that allow clients to lease the solution on an operating expenses basis rather than buying expensive licenses upfront.¹²
- **Software-as-a-service (SaaS) platforms.** SaaS solutions rely on a multi-instance application, where many clients use the same technology and hosting environment. These solutions typically cost less to run; offer the benefits of shared development, regular upgrades, and support; and may be implemented more efficiently for clients. The downside, especially when it comes to B2B commerce, includes a lack of flexibility and control to integrate with back-end ERP, customer resource management (CRM), and manufacturing systems of record.

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 66 criteria, which we grouped into three high-level buckets:

- **Current offering.** The criteria we selected to assess the strength of companies' current offerings are weighted heavily toward business user tools — a requirement that commerce executives have told us is critical as marketing and merchandising take a front seat in commerce strategies. We evaluated each offering against 15 groups of criteria: solution architecture; technology architecture; multisite management; channel management; multiple device/touchpoint support; catalog, product content, and site content management; B2B commerce features; user administration and account management; customer service; order management; reporting and analytics; security; community and social commerce; globalization/internationalization; and professional services.
- **Strategy.** We compared the strategies of each company with the needs of commerce executives, industry trends, and Forrester's forward-looking vision of the commerce market to assess how well each vendor is positioned for future success. We examined each vendor's road map, planned B2B enhancements, target market and B2B focus, key technology partners and channel strategy, commerce service providers, and cost of ownership.
- **Market presence.** Many B2B firms support their current online businesses with home-grown technology or legacy solutions no longer supported by the vendor community. B2B eBusiness and IT executives must look for vendors that have a strong and stable installed base, demonstrate steady growth, and present a solid network for partners and resellers. To determine the current market presence for our evaluation, we combined information about each vendor's installed base, new customers, revenue, revenue growth, and financial resources to support a stated B2B-focused product and market strategy.

Vendor Selection Criteria

In this Forrester Wave, Forrester evaluated vendors that support a variety of B2B business models including support for distributors, resellers, partner networks, employees, retail stores, and direct B2C channels. Forrester included seven vendors in the assessment: comcomserver.net, hybris (an SAP company), IBM, Insite Software, Intershop, NetSuite, and Oracle Commerce. (It should be noted here that Oracle declined to participate in this evaluation directly.) Although many B2C commerce platform vendors offer basic support for B2B selling channels, these seven vendors address critical B2B-specific selling scenarios. Specifically, each of these vendors has (see Figure 3):

- **A product that supports complex B2B selling channels.** Beyond supporting direct-to-consumer channels, products in this category offer capabilities that B2B companies selling to other B2B companies need — such as product configuration, quotes, and account and contract management that support lead generation and sales support for distributors, resellers, and partner channels.
- **A significant track record in supporting B2B commerce at large companies.** This category comprises vendor solutions that primarily target organizations with online B2B revenues of more than \$100 million per year. Vendors in this category focus on enterprise-class organizations; scale to serve large end customer accounts; support multiple selling channels across divisions, brands, and markets; and possess a deep understanding of the needs of their B2B clients.
- **Interest from Forrester clients.** Forrester clients repeatedly ask about the evaluated vendors' products within the context of inquiry, advisory, and consulting and/or have them installed as the primary B2B commerce engine for supporting online or self-service sales across their B2B channels.
- **A minimum of \$20 million in annual revenue.** Vendors included in this evaluation have a proven product and generate approximately \$20 million or more in annual revenue.

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

- **B2C-focused solutions with limited B2B commerce capabilities or clients.** Vendors such as Demandware, JDA Software, eBay Enterprise, Digital River, Micros Retail, and Magento, which are all identified in our Forrester Wave for B2C commerce suites, do not have a sufficient focus on, or capabilities to support, complex B2B selling channels. However, some of these clients do support basic B2B commerce, for example supporting employee or partner storefronts for their clients.

- **Digital- or media-focused solutions.** These providers focus their solutions on media, software, online subscriptions, and other virtual or digital goods. We have written separate research on vendors that specialize in the unique requirements of selling digital goods.¹³ Increasingly, the vendors in this category (Digital River, cleverbridge, Avangate, and Elastic Path Software) are supporting multiple selling channels for their clients, including B2B and B2B2C.
- **Midmarket-focused B2B solutions.** Forrester also identified several smaller vendors that are serving this space, such as EPiServer, Bridgeline Digital, and ShopVisible, all of which are starting to gain traction in B2B. However these vendors do not yet have mature offerings or sizable installed bases. Today they primarily serve midmarket companies or divisions within larger companies.
- **Configure, price, quote (CPQ) or sales force enablement vendors.** Vendors like BigMachines and Cameleon Software offer configure, price, quote (CPQ) solutions but lack actual capabilities to support online sales. Instead, these tools are a fit for firms that need to equip their sales force with rich, field-based selling tools that manage sales analytics, contract management, purchase order optimization, and compensation. The remit of these solutions is to make the sales rep's life easier and make him or her richer, rather than to support direct channels or B2B commerce.

Figure 3 Evaluated Vendors: Vendor Information And Selection Criteria

Vendor name	Product name(s) and version(s)	Date evaluated
commerceserver.net	Commerce Server 10	April 2013
hybris (an SAP company)	hybris B2B commerce 5	May 2013
IBM	WebSphere Commerce V7.0 FEP 6; Sterling Configure, Price, and Quote V9.2; Sterling Order Management V9.2	May 2013
Insite Software	InsiteCommerce 3.4	May 2013
Intershop	Enfinity Suite 6.4	May 2013
Intershop	7.3	May 2013
NetSuite	SuiteCommerce 2013.1	April 2013
Oracle Commerce	Oracle Web Commerce 10.2	N/A

Vendor selection criteria

The vendor’s product was generally available at the time of data collection, with at least three references available for contact.
The vendor has a focused product offering for, an established customer base in, and an ongoing commitment to B2B commerce.
The vendor generates at least \$20 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 business-to-business online sales of more than \$100 million per year with the product evaluated.

Source: Forrester Research, Inc.

THE RESULTS: THE “BIG THREE” LEAD THE PACK, WITH OTHERS CLOSE BEHIND

The evaluation uncovered a market in which (see Figure 4):

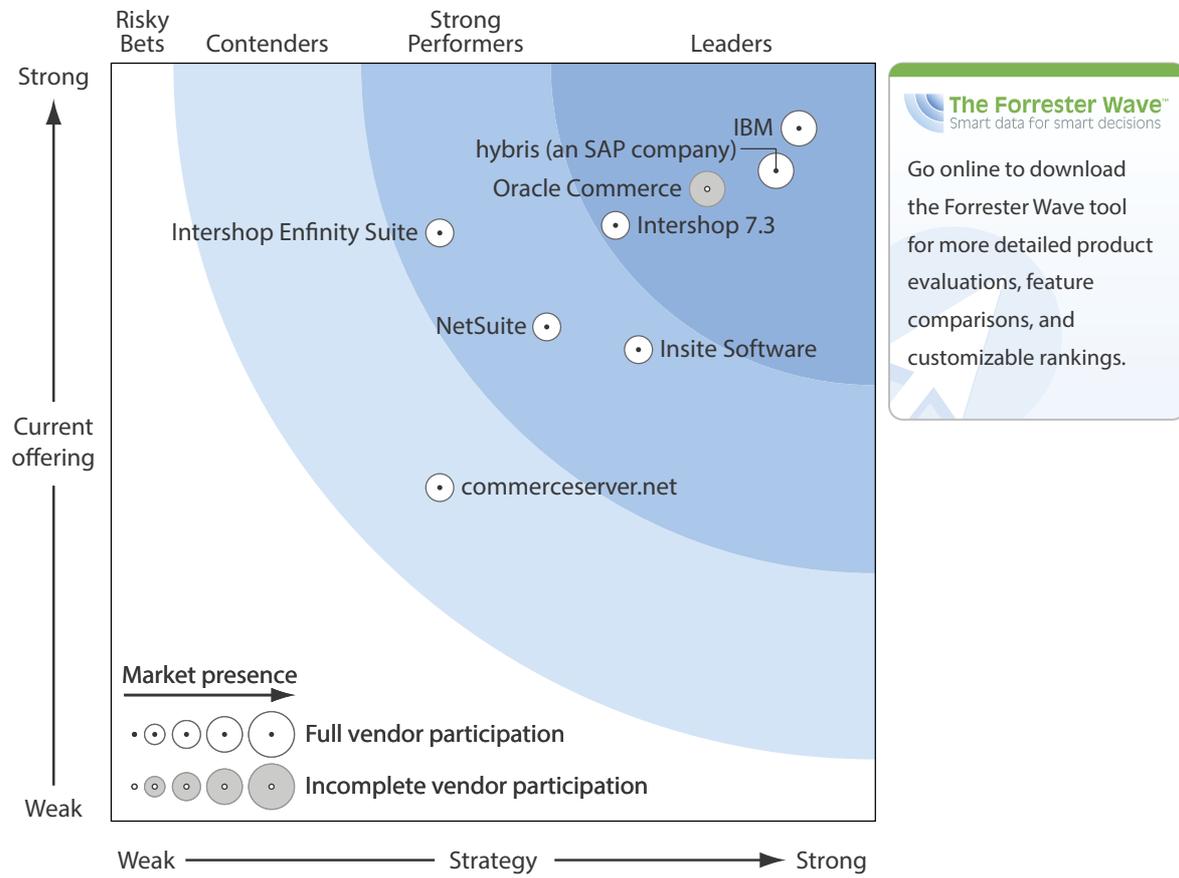
- **IBM, hybris (an SAP company), Oracle Commerce, and Intershop lead the pack.** SAP’s recent acquisition of hybris now firmly establishes the “big three” enterprise software firms as the leaders in the B2B commerce category, with Intershop also making the cut. What makes these firms unique is the breadth of the solution set that they respectively bring to the table. IBM leads with robust B2B commerce, order management, and CPQ capabilities but lacks aligned WCM and PIM capabilities. Hybris brings robust B2B commerce, PIM, and maturing WCM and order management capabilities to the table, built from the ground up on a modern architecture stack; however, the feature set still lags behind the robustness of what IBM has to offer.

Oracle Commerce, on the other hand, brings robust B2B commerce, merchandizing, and WCM capabilities to the table but lacks aligned PIM and order management capabilities. Intershop comes to market with a much-improved platform that is catching up with the market leaders; however, in developing the new platform as part of a joint relationship with GSI Commerce, it prioritized B2C features and capabilities over B2B. This unfortunately means that some of the robust B2B functionality that exists in Intershop's legacy product (Enfinity Suite) has yet to be ported to the new platform. Forrester recommends that clients evaluate all four of these vendors, as each has unique strengths and weaknesses; however, the decision regarding which to select may well come down to your requirements across these core components of B2B commerce.

- **Insite Software and NetSuite offer competitive options.** Each of these vendors offers unique B2B commerce capabilities for clients. Insite Software offers a lightweight solution that is well suited as the commerce “front end” to an existing enterprise ERP installation. The firm is seeing strong growth momentum in the market and appeals to B2B greenhorns and apprentices that want to get running quickly without reinventing the wheel or spending a seven-figure sum on software licensing. NetSuite's solution is unique in that it is the only multi-tenant SaaS solution evaluated here and is the only solution that wraps commerce, ERP, and CRM into a single architecture and solution set. The product is, however, targeted largely at midmarket firms — enterprise organizations will find the overlap with their existing ERP and CRM infrastructure redundant and therefore an unnecessary investment.
- **Commerceserver.net lags behind.** Commerceserver.net is in the midst of a rebirth, but these are early days and the solution has many gaps that leave it far behind the leaders. Firms that are devoted .NET shops may still find the solution desirable as a framework to build upon; however, patience and belief in the road map will be required — commerceserver.net's path to catch up with the rest of the pack will be an arduous one.

This evaluation of the B2B commerce suite market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool. We also encourage clients to review the research on other solutions types and segments and to leverage their inquiry access to learn more before beginning a selection process.

Figure 4 Forrester Wave™: B2B Commerce Suites, Q4 '13



Source: Forrester Research, Inc.

Figure 4 Forrester Wave™: B2B Commerce Suites, Q4 '13 (Cont.)

	Forrester's Weighting	commerceserver.net	hybris (an SAP company)	IBM	Insite Software	Intershop 7.3	Intershop Enfinity Suite	NetSuite
CURRENT OFFERING	50%	2.20	4.29	4.57	3.11	3.93	3.88	3.26
Solution architecture	5%	2.55	5.00	4.80	3.65	4.00	3.80	3.00
Technology architecture	5%	3.10	4.70	4.50	3.00	4.30	3.30	3.60
Multisite management	5%	3.00	5.00	5.00	4.00	4.00	4.00	4.00
Channel management	5%	3.00	4.00	5.00	3.00	4.00	4.00	4.00
Multiple device/touchpoint support	5%	2.00	4.00	4.00	3.00	4.00	3.00	3.00
Catalog, product content, and site content management	15%	2.12	4.72	4.30	3.08	4.00	3.85	2.96
B2B commerce features	25%	1.65	4.00	4.55	3.00	3.80	3.95	3.00
User administration and account management	3%	2.45	4.10	5.00	3.10	4.00	4.55	4.00
Customer service	3%	2.50	4.00	4.50	3.00	3.50	4.00	4.50
Order management	15%	2.09	4.15	4.64	3.08	3.66	3.93	3.08
Reporting and analytics	2%	2.20	4.00	4.65	2.60	4.00	3.35	3.60
Security	2%	1.00	5.00	5.00	4.00	5.00	5.00	4.00
Community and social commerce	2%	2.00	3.00	4.00	2.00	4.00	4.00	3.00
Globalization/internationalization	4%	2.70	4.85	4.85	2.85	4.45	4.45	4.00
Professional services	4%	2.90	3.80	4.45	3.35	3.90	3.45	2.45
STRATEGY	50%	2.15	4.35	4.50	3.45	3.30	2.15	2.85
Product road map	25%	2.00	4.00	4.00	4.00	4.00	2.00	3.00
Planned B2B enhancements (next 24 months)	25%	2.00	4.00	4.00	3.00	3.00	1.00	3.00
Target market and B2B focus	20%	2.00	5.00	5.00	4.00	4.00	4.00	3.00
Key technology partners and channel strategy	15%	2.00	4.00	5.00	3.00	2.00	2.00	3.00
Commerce service providers	15%	3.00	5.00	5.00	3.00	3.00	2.00	2.00
Cost of ownership	0%	5.00	1.00	1.00	4.00	3.00	3.00	5.00
MARKET PRESENCE	0%	2.30	3.70	4.00	2.90	2.15	2.35	2.90
Installed base for this version of the product	30%	3.00	3.00	4.00	3.00	1.00	3.00	3.00
New customers (past 12 months)	20%	2.00	4.00	3.00	3.00	3.00	1.00	2.00
Revenue	25%	2.00	3.00	5.00	2.00	2.00	2.00	2.00
Revenue growth	15%	2.00	5.00	3.00	4.00	3.00	3.00	4.00
Financial resources	10%	2.00	5.00	5.00	3.00	3.00	3.00	5.00

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

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders

- **IBM.** For B2B commerce, IBM comes to market with three core products: Websphere Commerce, Sterling CPQ, and Sterling Order Management. Together these products represent a formidable solution that is proven in the market to serve complex, global B2B commerce requirements. Through the acquisition of Sterling as well as its own global business services (GBS) group, IBM possesses a deep understanding of the needs of its B2B clients — and this is well demonstrated in the strength of its solution set. Furthermore, IBM is well poised to augment the B2B capabilities of its solution with best-of-breed marketing, analytics, and business intelligence (BI) via integrations with Coremetrics, Tealeaf, and Unica.

Prospects should note that this is not (yet) a single solution and thus the three components are still priced and sold separately — in fact, very few customers purchase all three products. Those who do choose IBM will almost certainly require a skilled IBM implementation partner like GBS, Rosetta, or Deloitte. These partners do not come cheap, and although the solution itself is now offered both as on-premises and on-demand (“IBM Commerce on the Cloud”), allowing customers to shift from a capital expenditure (capex) to an operating expenditure (opex) ownership model, challenges still remain around total cost of ownership. Furthermore, the three core products that make up the B2B suite are essentially still separate products, with different business user tools. This adds to the complexity of owning IBM as end users must train on and operate different tool sets to manage their end-to-end B2B site experience. Customers we spoke to stated that support from IBM was excellent.

- **Hybris (an SAP company).** Customers are attracted to hybris for four key reasons: 1) the modern Java-based architecture; 2) the embedded enterprise product content management (PCM) capabilities; 3) the embedded and rapidly maturing order management capabilities; and 4) the flexibility of the “Framework.” Yes, many of the customers we spoke to described hybris as a framework, rather than a complete out-of-the-box solution. While not every feature may be fully baked out of the box, hybris’ modern, service-orientated architecture makes it easy for developers to extend and customize the solution to cater to unique B2B requirements and process workflows. As an analogy, the plumbing kit is provided, but may not be fully installed or operational.

Although the architecture of the product benefits from solid German engineering, some customers also reported that the upgrade process was not as simple as they had hoped. For B2B customers, hybris ships with a B2B accelerator — think of this as a reference site where some of the plumbing has been pre-assembled based on commonly understood usage scenarios. Also, like IBM, hybris also now offers an on-demand model for customers that prefer to lease rather than own the solution outright. In August 2013, SAP formally completed the acquisition of hybris. Unlike prior acquisitions, SAP opted to leave hybris as an independent entity — a smart move from Forrester’s perspective.¹⁴ With the acquisition now in the rearview mirror,

SAP announced that investment in its former commerce offering, Web Channel Experience Management (WCEM), will cease, clearing the way to make hybris the strategic and only commerce offering from SAP.¹⁵

- **Oracle Commerce.** For the past two years, Oracle has been in integration mode, pulling together major acquisitions (ATG, Endeca, and FatWire) under a single umbrella, Oracle Commerce. Amalgamating these products has been far from easy for Oracle and the journey is by no means complete, but Oracle's efforts are now beginning to bear fruit. ATG has always had strong B2B commerce capabilities and Oracle certainly has an exhaustive list of B2B customers using the solution. Missing from the Oracle Commerce suite, however, are robust order management and PIM capabilities. In fact, many customers that choose to implement Oracle commerce end up working with their commerce service provider to integrate third-party order management and PIM solutions.

Although the Oracle sales force will commonly recommend the company's Product Hub/Fusion PIM, Fusion Distributed Order Orchestration (DOO), Siebel, and eBusiness ERP tools to plug these gaps, the fact remains that these solutions do not integrate easily, have overlapping functionality with the commerce suite, and don't always represent best-of-breed OMS or PIM capabilities. On the plus side, Oracle has a differentiated digital experience capability with the consolidation of the Endeca and ATG products. Furthermore, Oracle has a unique opportunity in the market to lead the convergence of commerce and content management with the amalgamation of Oracle Commerce with WebCenter Sites (formally FatWire), although this part is a work in progress. Note that Oracle did not participate in the research for this report, so Forrester based its findings on past briefings, products demos, and customer reference interviews.

- **Intershop.** Intershop submitted two products for evaluation in this Forrester Wave process: its new platform (Intershop 7) and its legacy platform (Enfinity Suite 6.4). For clients considering Intershop, 7 represents the strategic choice; however, the process of migrating all of the rich B2B functionality that existed in the prior version is not yet 100% complete (the near-term 18-month road map is focused on completing this migration). The firm has recently installed a new CEO and senior management team and is aggressively pursuing new commerce service provider partnerships, especially in the North American market, where the firm has historically struggled to gain market share. Intershop's expertise in supporting complex B2B commerce scenarios, B2B-focused road map, and advancements with the 7 platform edge it into the Leaders category for B2B, although this achievement represents only the beginning in an ongoing evolution that must occur to truly cement Intershop as a viable alternative to the "big three."

Strong Performers

- **Insite Software.** Insite Software has a unique position in the market, in that it is solely focused on B2B eCommerce. This alone pushes its market presence score in the Forrester Wave up to match much bigger players — focus is always a good thing. Although relatively small, the company is rapidly maturing, with recent capital investment and a new CEO now at the helm. Furthermore, Insite has an impressive customer install base and has been recently competing with and, in some cases, winning deals against larger competitors. The solution is .NET-based, which is a welcome differentiator from this Java-dominated space, and can be deployed in both hosted and on-premises models.

Although the platform provides a comprehensive suite of B2B features and tools right out of the box, the philosophy of the firm is not to reinvent the wheel. Insite assumes that its B2B customer base already owns and operates enterprise ERP and CRM solutions, and consequently some of the functionality has dependencies on back-end systems. It may help to think of Insite as the “front end” of the ERP. For customers with an existing ERP/CRM back end, Insite can make a lot of sense — it’s both inexpensive to own and can be quick to deploy. Without a doubt, Insite is a credible contender on the Forrester Wave and a viable alternative to the “big three,” although customers did express concerns about Insite’s ability to scale its professional services. The firm is actively seeking to address these issues by building out strategic partnerships with commerce service providers.

- **NetSuite.** Although it is well known for its midmarket CRM and ERP solutions, NetSuite’s push into the eCommerce market has only gained momentum in the past couple of years. Its product, SuiteCommerce, targets both B2C and B2B customers and is sold as part of an integrated business management software suite that includes eCommerce, ERP, and CRM. The fact that this is an integrated product suite means that there is no real differentiation of commerce features versus ERP features. Customers who wish to leverage the entire solution and use NetSuite for their enterprise ERP and CRM needs will find a neatly architected solution where catalog, pricing, and order management are single systems of record; however, customers who already have existing investments with third-party enterprise ERP or CRM solutions may find that the duplication of capabilities between SuiteCommerce and these existing systems creates integration challenges.

For midmarket clients, the ability to have ERP, CRM and eCommerce all under a single umbrella and in the cloud may be appealing, although clients reported that customizations can be difficult, despite flexible configuration options. Pricing is very attractive and will appeal to SMB firms that are in the early days of launching B2B commerce and need to do so quickly and affordably.

Contenders

- **Commerceserver.net.** After being divested by Microsoft in 2011, the rights to further develop and sell the commerceserver.net product were given to Seattle-based system integration firm Ascentium (which since merged with Ottawa-based SI Cactus Commerce and then rebranded as SMITH). Commerceserver.net is finally moving forward again after years of dormant product development under Redmond's command.¹⁶ CS.NET has a huge B2B installed base, although the majority of its clients are using legacy versions of the product. Those that upgrade to the current version (Commerce Server 10) will benefit from an architecture that is now decoupled from SharePoint (enabling integration with other .NET-based WCM solutions such as Sitecore), a cleaned up architecture, and a road map that finally starts to address some of the shortcomings in the business user tools.

Despite the progress, however, CS.NET still has major weaknesses in the areas of order management, B2B-specific features, content management, and business user tools. However, for organizations that are devoted .NET shops looking for a commerce framework that can be integrated and augmented with other .NET-based solutions like BizTalk, SharePoint, MS Dynamics, or Sitecore, CS.NET may be the best (and only) fit. The CS.NET team must find a way to move the platform forward at the velocity required to catch up with the rest of pack.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 4 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.
- **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.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with current customers from each vendor.

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. For more information on the methodology that every Forrester Wave follows, go to <http://www.forrester.com/marketing/policies/forrester-wave-methodology.html>.

Integrity Policy

All of Forrester's research, including Forrester Waves, is conducted according to our Integrity Policy. For more information, go to <http://www.forrester.com/marketing/policies/integrity-policy.html>.

ENDNOTES

- ¹ The "4% rule" is based on Forrester's experience working with online retailers, many of which are multichannel retailers. Essentially, Forrester sees technology costs stabilizing at approximately 4% of revenue as businesses mature. Less mature sites, pure-plays, or those seeking to differentiate highly through features and technology will run above 4%. Businesses investing less than 4% are likely to be operating at significant scale or are underinvesting in their technology capability.

- ² While the full sample is available, this data point accounts for only B2B respondents. Source: Q1 2013 Global B2B eCommerce Portal Online Survey.
- ³ Cisco forecasts mobile business Internet traffic and makes the data available on demand via a web-based tool. Source: Cisco VNI Forecast Widget, May 2012 (<http://ciscovni.com/forecast-widget/index.html>).
- ⁴ For more information about SAP's road map for Hybris post-acquisition closure, read the following blog post: "SAP Closes Its Acquisition Of Hybris — A Quick Update," Peter Sheldon's Blog, August 1, 2013 (http://blogs.forrester.com/peter_sheldon/13-08-01-sap_closes_its_acquisition_of_hybris_a_quick_update).
- ⁵ For more information about Oracle's acquisition of ATG, Endeca, and FatWire, read the following blog posts: "Oracle To Acquire ATG: Some Thoughts," Brian Walker's Blog, November 2, 2010 (http://blogs.forrester.com/brian_walker/10-11-02-oracle_to_acquire_atg_some_thoughts); "Oracle Buys Endeca: What It Means" Brian Walker's Blog, October 18, 2011 (http://blogs.forrester.com/brian_walker/11-10-18-oracle_buys_endeca_what_it_means); and "Oracle Acquires Another Piece of The CXM Puzzle With FatWire," Stephen Power's Blog, June 22, 2011 (http://blogs.forrester.com/stephen_powers/11-06-22-oracle_acquires_another_piece_of_the_cxm_puzzle_with_fatwire).
- ⁶ Accenture will acquire Chicago-based Acquity Group for about \$316 million, or \$6.50 per Acquity share, subject to the approval of Acquity shareholders. Acquity Group's 600-plus employees are expected to join Accenture Interactive. Source: "Accenture to acquire Acquity Group for \$316 million," Crain's Chicago Business, May 17, 2013 (<http://www.chicagobusiness.com/article/20130517/NEWS06/130519782/accenture-to-acquire-acquity-group-for-316-million>).
- ⁷ SAP/Hybris and Accenture/Acquity announced in August 2013 that they are joining forces to form an exclusive global strategic partnership aimed at delivering online and multichannel commerce. Source: "Accenture and Hybris Team to Implement Multichannel Commerce Solutions for Global Enterprises," Accenture press release, Accenture, August 5, 2013 (<http://newsroom.accenture.com/news/accenture-and-hybris-team-to-implement-multichannel-commerce-solutions-for-global-enterprises.htm>).
- ⁸ For details about Google's search market share in the B2C and B2B spaces, respectively, please consult the following: "comScore Releases August 2013 U.S. Search Engine Rankings," comScore press release, September 11, 2013 (http://www.comscore.com/Insights/Press_Releases/2013/9/comScore_Releases_August_2013_U.S._Search_Engine_Rankings); and Jennifer Wong, "Optify 2012 B2B Marketing Benchmark Report: Google Dominates the B2B Search Market and Twitter Outperforms Facebook," Optify press release, January 23, 2013 (<http://www.optify.net/press-releases/optify-benchmark-report-google-dominates-the-b2b-search-market-and-twitter-outperforms-facebook>).
- ⁹ Google announced its launch of B2B-centric Google Shopping for Suppliers. Source: Amir Efrati, "Google Copies Amazon's Playbook," The Wall Street Journal, May 23, 2013 (<http://online.wsj.com/article/SB10001424127887324582004578456891589342994.html>).
- ¹⁰ For more information on leading web content management systems, see the April 8, 2013, "[The Forrester Wave™: Web Content Management For Digital Customer Experience, Q2 2013](#)" report.

- ¹¹ For more information on systems integrators and commerce services providers, see the February 24, 2012, “[The Forrester Wave™: Global Commerce Service Providers, Q1 2012](#)” report and see the February 9, 2012, “[How To Select A Commerce Services Provider](#)” report.
- ¹² For more information on hosted/managed and on-demand business models, see the July 25, 2013, “[Commerce Technology Investment And Platform Trends — 2013](#)” report.
- ¹³ For more on digital commerce solutions, see the December 2, 2011, “[Market Overview: Digital Commerce Solutions 2011](#)” report.
- ¹⁴ For more information about the acquisition of Hybris by SAP, read the following blog post: “SAP To Acquire Hybris — What Does It Mean?” Peter Sheldon’s Blog, June 5, 2013 (http://blogs.forrester.com/peter_sheldon/13-06-05-sap_to_acquire_hybris_what_does_it_mean).
- ¹⁵ For more information about SAP’s road map for Hybris post-acquisition closure, read the following blog post: Peter Sheldon, “SAP Closes Its Acquisition Of Hybris — A Quick Update,” Peter Sheldon’s Blog, August 1, 2013 (http://blogs.forrester.com/peter_sheldon/13-08-01-sap_closes_its_acquisition_of_hybris_a_quick_update).
- ¹⁶ For more information about the rebranding of Ascentium to Smith and the relationship between Commercetech.net and its parent company, read the following blog post: “Commerce Server, Cactus Commerce & Ascentium — The Path Forward,” Peter Sheldon’s Blog, November 30, 2012 (http://blogs.forrester.com/peter_sheldon/12-11-30-commerce_server_cactus_commerce_ascentium_the_path_forward_0).

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