IDC MarketScape: Worldwide B2C Digital Commerce Platforms for Midmarket Growth 2024 Vendor Assessment

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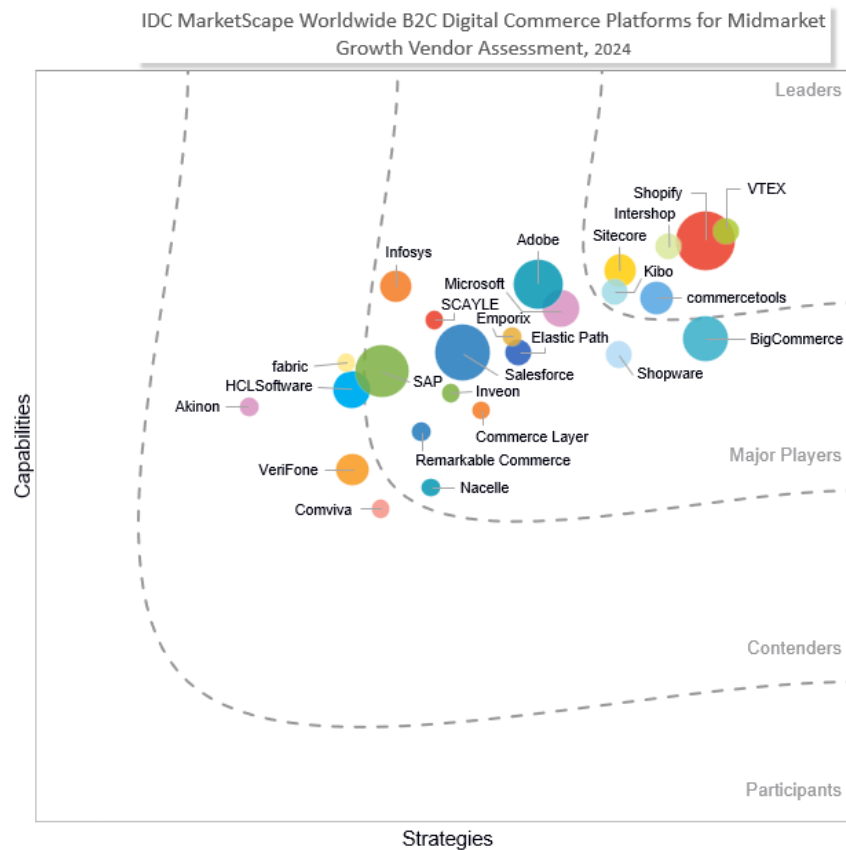
THIS IDC MARKETSCAPE EXCERPT FEATURES BIGCOMMERCE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide B2C Digital Commerce Platforms for Midmarket Growth Vendor Assessment

Source: IDC, 2024

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

The content for this excerpt was taken directly from IDC MarketScape: Worldwide B2C Digital commerce Platforms for Midmarket Growth 2024 Vendor Assessment (Doc # US50626123). 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 and 2, and Table 1.

IDC OPINION

B2C Midmarket Buyers Need Transcendent Commerce
Curating Trust for Growth in B2C Digital Commerce

Far too often, buyers and sellers of digital commerce technology think of loyalty as an app. Loyalty is not a widget or platform; it is a behavior, based on precedent, and needs to be continually reinforced.

B2C commerce thrives on speed, immediacy, consistency, quality, personalization, and the power of emotional connection between a brand or product and the end buyer. In its relentless pursuit of resonating with the consumer psyche, B2C commerce plays a pivotal role in shaping purchasing behaviors and driving the consumer market forward. The challenge for midmarket growth lies in adopting software-as-a-service (SaaS) solutions, integrations, and deployment tactics that enable operational superiority over larger competitors, particularly in the domain of customer experience (CX). Creating the right staging environment for commerce demands technical prowess, mutual trust among all parties, and a creative strategic approach to forging unique brand identity and durable customer connections.

For B2C midmarket buyers, distinguishing their brand is a matter of existential viability in an environment where consumer choices are numerous and brand loyalty is challenging to secure. It becomes imperative for these businesses to excel in creating unique, positive, and memorable customer experiences that help the brand stand apart from a vast sea of SMB and enterprise B2C competitors across every channel. This differentiation is essential for midmarket companies to thrive.

Cultivate Loyalty That Transcends Business Model Silos and Platform Paradigms Hyper-Fixated on Channels of Engagement

Growth cannot exist without customer retention.

Trust in a brand goes beyond just the initial acquisition of customers; it is fundamental in cultivating customer loyalty and promoting repeat purchases, both of which are crucial for expanding a customer base and increasing market share. Positive word-of-mouth endorsements, a by-product of trust, serve as a potent marketing tool in the digital age. For midmarket B2C organizations, the ability to establish and nurture this trust is what sets them apart in a fiercely competitive market.

As the landscape of B2C midmarket digital commerce continues to evolve, the interplay between consumer behavior and technology takes center stage. Here, commerce teams must function in a space where understanding the nuances of consumer psychology is as crucial as mastering the technological aspects of digital commerce applications. This document delves into the nuances of B2C software selection process for midmarket buyers, highlighting the importance of a human-centric approach to digital commerce.

Relationships between brands and consumers should be ongoing, meaningful, mutually beneficial, and self-perpetuating. Businesses must be ready to transact wherever and whenever customers choose, facilitated by streamlined product data syndicated across all relevant platforms where the target consumer is likely to engage and convert. In an era where generative AI (GenAI) is accelerating the convergence of commerce, marketing, sales, and customer service, a holistic and adaptive approach to CX is vital. Being transaction-ready in every interaction, leveraging in-channel social proof and impulse buying opportunities while maintaining data security and privacy best practices in compliance with international law, is key to maximizing revenue capture in this expanding and increasingly regulated digital environment.

Transcendent Commerce

Transcendent commerce is a strategic, human-centric model for digital commerce growth that focuses on CX from the consumer perspective. It utilizes analytics and AI (especially GenAI and machine learning [ML]) to go beyond traditional channel engagement paradigms and isolated business models. This approach also creates a powerful centralized user interface (UI) acting as the hub for all commerce and marketing activities, irrespective of the channel of customer engagement (retail, ecommerce, edge, social commerce, marketplaces, Internet of Things [IoT], etc.) or business model (B2B, B2C, B2B2C, etc.). Because the scope is broad, beyond omni-channel, transcendent commerce is designed to be highly adaptive for rapid decisioning, radical experimentation, and agile holistic strategic changes in response to macroeconomic conditions and consumer behavior.

Key attributes of transcendent commerce include:

- Prepares for a future in which channels for CX (sales, marketing, and customer service) converge into commerce, opening up new potential to market products and transact in the same channels

- Emulates empathy and projects authentic human-centricity by leveraging GenAI and automations on busy work tasks, freeing humans in the loop to build trust-based relationships for sustainable growth

- Requires digital maturity, hyper-granular customer segmentation, predictive analytics, AI, and a well-integrated modern technology stack to deliver optimal experiences

- Achieves channel ubiquity in response to channel explosion via product data syndication and continuous customer journeys that transcend channels, go-to-market (GTM) strategies, and business models

- Avoids channel conflict and amplifies partnership opportunities by optimizing strategy for B2B, B2C, and B2B2C in a holistic manner

- Automates key commerce operations and CX delivery across all customer touch points

- Provides a unified business UI for all things commerce

- Leverages analytics and AI for faster and more accurate strategic decision-making

As the lines separating marketing and commerce technology continue to blur, commerce products may need to eventual automate the creation, organization, syndication, and management of marketing content across all channels and touch points across the customer journey. Leveraging analytics and AI to adapt swiftly to changing market trends and consumer preferences, the transcendent commerce approach prepares businesses of today for the potentiality that every marketing channel becomes a potent avenue for engagement and conversions to occur in the same places as part of fluid experiences.

Marketing and Commerce Convergence

Interviews with customers form a crucial component of IDC MarketScape research methodology, and these interactions often reveal compelling insights. For instance, when surveyed about the convergence of marketing technology (martech) and commerce technology, a significant portion of respondents – 73.91%, or 51 out of 69 customers using B2C digital commerce SaaS – confirmed this trend. This overwhelming response underscores a noticeable shift in the industry's landscape.

Examples of anonymized customer responses include the following:

- "Commerce technology is the most important product for digital marketing."
- "Yes, they are part of an indivisible strategy that supports each other and depend upon each other's resources."
- "Yes, I believe the days of these being distinct things are gone."
- "Yes, very much flow. The customer expectation has already shifted from campaign orientation to customer journey orientation. Businesses are trying to change tech and processes to meet this shift."
- "Yes, of course. It's apparent that if connections are not made properly, then we don't have a full view of our customers and the journeys that they are on."

IDC also asked this same group of customers to choose which was the bigger priority, growth or sustainability? Unsurprisingly, 44 out of 69 (63.76%) of these buyers chose growth.

This IDC MarketScape was designed precisely with growth obsessed B2C midmarket buyers in mind.

This IDC MarketScape Focuses on the Needs of Growth-Oriented Midmarket B2C Commerce SaaS Buyers

Midmarket does not equate to the "M" in "SMB," which stands for small and medium-sized businesses. While both terms (midmarket and medium-sized businesses) may seem interchangeable, they categorize businesses through different lenses: one through market dynamics (midmarket) and the other through the size of the business (SMB) via the contextualization of businesses that are not large enterprises. Technically speaking, "medium-sized businesses" are typically much smaller in terms of revenue and total head count than the lean enterprise organizations occupying the midmarket SaaS buyer range. This is why the readers of this document need to recognize up front that this midmarket IDC MarketScape is still fundamentally a document about enterprise buyers, albeit down-market from the typical target for analyst SaaS documents.

This document defines the midmarket range as a transacting volume of $100 million to $500 million or more in annual revenue. The intended SaaS buyer is a midmarket business selling to other businesses. Furthermore, the lens of this research focuses on a strong underlying B2C growth narrative. (Note: There is no upper limit to this market per the purposes of this assessment; the deliberate implication is that we are not interested in placing arbitrary ceilings on the growth strategies of these buyers. B2C organizations interested in commerce SaaS investments of a more conservative, very large enterprise grade should consider the advice in the companion document for enterprise buyers, *IDC MarketScape: Worldwide Enterprise B2C Digital Commerce Applications 2024 Vendor Assessment,* forthcoming.) The acronym "MMG" – standing for "Midmarket Growth" – may appear at various points throughout this document to describe the intended buyer segment targeted in this research.

B2C SaaS buyers in the midmarket confront unique challenges and opportunities in their quest to remain competitive:

- **Challenges:**
  - Midmarket B2C SaaS buyers grapple with the intricacies of consumer-driven markets, where customer expectations are high and constantly evolving, margins can be razor thin, friendly fraud is prolific, access to customer data can be limited, and merchandise return rates can be 20% or higher. They must manage intricate consumer data privacy regulations, often with limited budgets and staff. This can be particularly challenging when competing with larger enterprises and SMBs at the same time on the same channels.

- **Opportunities:**
  - Against SMB competitors, midmarket B2C companies have an opportunity to leverage their size for agility and innovation, positioning themselves as more responsive and adaptable compared with smaller SMBs. By implementing efficient, scalable SaaS solutions, midmarket players can offer a more sophisticated and seamless customer experience, gaining an edge in customer engagement and loyalty.
  - Against enterprise competitors, the opportunity lies in the ability of midmarket B2C firms to execute rapid decision-making and implement changes swiftly. This agility, coupled with targeted technology investments in areas like personalized marketing and customer analytics, allows them to create niche market opportunities and personalized customer experiences that large enterprises might struggle to replicate due to their size and complexity.

In essence, the midmarket segment requires a nuanced understanding of how to maximize limited resources while navigating complex marketing and transactional environments to deliver utterly delightful personalized CX.

To Compose or Not to Compose: This Is No Longer the Dominant Question in Commerce; Buyers Understand the Concept and Compose to Varying Degrees

The adoption of composability in today's digital commerce landscape is a strategic response to the need to expand commerce capabilities to keep pace with growth. Many organizations find themselves embracing composability inadvertently, which is imperative to adapt and extend their existing digital infrastructure drives.

Businesses naturally gravitate toward the augmentation of their tech stacks for commerce when they hit a technical limit that would impede operations or growth. Because this evolution is generally needs based and occurs incrementally via the tried and true "strangler pattern," businesses feel the natural pressure to compose via application programming interface (API) integrations, and most have probably been doing so for years. For an in-depth exploration of the nuances in headless architectures, see *Headless Systems: Understanding Architectural Styles for Composed Systems of Modular Applications – Business User Perspective* (IDC #US51005323, July 2023):

- **The good news for commerce SaaS buyers:** Most digital commerce software products are now composable to varying degrees.
- **The not-so-good news for commerce SaaS buyers:** Understanding the technological distinctions between "composable" products can pose significant challenges in a world of opaque software marketing focused on high-level business jargon. Comprehension of the distinctions between "headless" and "composable" commerce vendors requires a certain level of technical expertise that will only become more important as the technology evolves.

(Note: The strangler pattern is an integrated software architecture approach to the gradual replacement of an existing system with a new one. It allows for incremental changes by building a new system around the edges of the old, eventually "strangling" the outdated system out of existence. This method of gradually leaning into composable commerce minimizes risk and disruption, enabling organizations to maintain operational continuity while modernizing their technology stack. This is also known as the "incremental decoupling of the monolith," even though whether or not the commerce product is truly a "monolith" tends to be subjective and dependent on who is talking.)

Areas of Differentiation for B2C Software Buyers

IDC tracks over 100 vendors specifically for digital commerce software, many of which use similar market messages to sell their applications. There are hundreds of different factors at play that B2C buyers need to negotiate when selecting their commerce SaaS.

We discuss in this section the seven most common differentiators in the digital commerce market among interviewed buyers of enterprise commerce SaaS. Note that buyers will often choose more than one differentiation path, but clarity about the paths they are pursuing can help refine the commerce SaaS selection process. In detail:

- **AI and data led:** Your organization leverages AI (including ML and GenAI) and data strategy as its core differentiators. By harnessing intelligent insights, precise automation, and the latest in AI technology, you offer tailored experiences, optimize operations, and anticipate market trends, setting you apart in a data-driven world.

- **Business agility led:** Your organization is primarily focused on differentiating with business agility. Speed is of the essence, including fast time to market, a business-friendly user interface, and optimized revenue operations (RevOps). Prioritizing flexibility in operations and strategy, you quickly respond to market shifts, seize emerging opportunities, and navigate challenges, ensuring resilience and sustained growth.

- **Experience led:** Your organization is primarily focused on differentiating by delivering rich content and experiences, with a platform pre-integrated with content management and personalized engagements throughout the customer journey. Unique, well-targeted, and timed experiences serve as the primary drivers of customer acquisition, expansion, and retention. You encourage customers to try novel experiences and become an advocate for your brand.

- **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 specific customer needs. By tailoring solutions and strategies to sector-specific challenges and opportunities, you establish deep expertise, credibility, and a competitive edge in your chosen market domain. You are often frustrated because you perceive most digital commerce SaaS as being too generic in purpose for the demands of your industry or niche.

- **People led:** Your organization is primarily focused on differentiating by placing people at its heart, prioritizing human relationships: sales, marketing, partnerships, employee experience, and customer centricity; by valuing human interactions and understanding, you foster trust, loyalty, and collaboration, ensuring sustainable growth in a community-driven ecosystem.

- **Product led:** Your organization is primarily focused on differentiating by offering a unique product that can drive organic growth, usually as part of a product-led GTM strategy. The product itself serves as the primary driver of customer acquisition, expansion, and retention and encourages users to try, adopt, and eventually advocate for the product.

- **Tech agility led:** Your organization is primarily focused on differentiating with technological agility via developer-driven commerce innovation. You want a platform with modern cloud

architecture that is composable via APIs and capable of headless deployment. Tech-agile businesses strive to create developer-friendly environments and require robust development tools for commerce.

Digital commerce software should be a harmonious extension of your chosen differentiation strategies:

- If AI and analytics are your driving forces, the software should seamlessly incorporate intelligent insights and predictive modeling capabilities.

- If your competitive advantage hinges on agility, the software should offer the flexibility and rapid adaptation necessary to navigate market shifts.

- If your organization is centered on delivering exceptional experiences, the software should be adept at content management integration.

- If your organization specializes in industry-focused strategies, the software should be tailored to sector-specific challenges.

- If you use people-centric strategies, the software should facilitate robust relationship management.

The path to success in B2C digital commerce is defined by the ability to use technology not just as a functional tool but as a means to engage and understand the consumer. This approach reflects a holistic view where technological choices are intertwined with the nuances of human behavior, creating experiences that connect on a deeper level.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendor list for this evaluation consists of 25 vendors selected as the most representative of any given B2C digital commerce platform buyer's selection short list in the enterprise applications market. The following list covers the inclusion criteria:

- The product must meet IDC's functionality requirements for digital commerce.

- The assessed product must be on the cloud (no on-premises products).

- The product's design must accommodate aggressive midmarket growth strategies in B2C commerce.

- B2C organizations must buy and use the product.

- The product must be able to support more than one industry and see active deployment in more than one industry.

- The vendor must have at least 20 customers in the midmarket range or above ($100 million or more in annual revenue).

- The product website must specifically mention that B2C organizations are a primary use case.

- The product must be for sale (no free or "community-model" products).

This assessment includes digital commerce platforms, suites, and applications, including products for composable, modular headless commerce.

ADVICE FOR TECHNOLOGY BUYERS

- Embrace this moment as your opportunity to redefine what B2C digital commerce means for your business. Choose a commerce SaaS that aligns not just with your operational goals but

with your vision of creating a brand that lives in the hearts of your customers. Connect deeply with every customer, crafting stories and experiences that resonate far beyond the digital realm.

▪ Identify whether or not you want an all-in-one platform, precomposed hybrid of a platform and composable commerce, or an integrated ecosystem of best-in-breed microservices for commerce. Similarly, ask yourself, do you want your main commerce SaaS provider to be a suite, a platform, an orchestrator of discreet point solutions, or a composed combination of potentially all of these?

▪ Note that striking a tight balance between growth strategy and profit is of the essence for commerce resiliency. One cannot be sacrificed indefinitely for the sake of the other. Find commerce technology that provides the type of front-end experiences and back-end reliability that allow you to have your cake and eat it too.

▪ Prepare for implementations and the challenges of integration in advance. B2C midmarket commerce SaaS buyers should proactively plan for the complexities in integrating advanced commerce models, including addressing integration challenges, managing costs, and allocating appropriate resources and change management.

▪ Consider individual channels, front ends, apps, and heads to be the locations of engagement but not the focus of the exercise.

▪ Transition to a resilient transcendent commerce strategy and software stack capable of empowering engagement across myriad channels to win customers and retain them.

▪ Monitor the use of analytics and AI technology with prudence. Buyers should strike a balance between utilizing advanced technologies like AI and analytics and being mindful of their limitations and risks, including data privacy concerns and the potential for unpredictable outcomes.

▪ Note that B2C midmarket commerce SaaS buyers should consider the potential capabilities of the vendors in this assessment when developing a transcendent commerce ecosystem of best-in-breed products for B2C digital commerce. Some of the vendors in this IDC MarketScape assessment offer the following features, while others do not:

  ▪ **Order management systems (OMSs):**

    ▪ OMS plays a pivotal role in unifying order processing across multiple channels, ensuring a consistent and efficient customer experience regardless of how or where the order is placed.

    ▪ By providing real-time updates and seamless order fulfillment, OMS fosters a sense of reliability and professionalism, which are key elements in building customer trust and loyalty.

  ▪ **Product information management (PIM) and product experience management (PXM) systems:**

    ▪ Speed to market and channel ubiquity are crucial in transcendent commerce, and PIM/PXM systems facilitate this by ensuring quick, consistent, and efficient dissemination of product information across all platforms.

    ▪ Accurate and consistent product information helps in establishing a brand's credibility, directly influencing consumer trust and fostering long-term loyalty by reducing confusion and enhancing the overall product experience.

  ▪ **Content management systems (CMSs):**

    ▪ CMS serves as the backbone for content strategy, ensuring that relevant, up-to-date, and engaging content is delivered across all customer touch points.

- A robust CMS aids in creating a cohesive and personalized customer journey, which is instrumental in building trust and fostering loyalty through a consistently positive experience.
- **Headless commerce:**
  - Headless commerce is a modern approach to ecommerce that separates the front-end presentation layer of a website (the "head") from the back-end ecommerce functionality. This architecture allows businesses to use any front-end technology to create customer experiences while managing their commerce logic, data, and processes on the back end. The back end and front end communicate through APIs, offering greater flexibility and customization options.
  - The ability to offer a tailored and seamless user experience, especially on mobile platforms, enhances customer satisfaction, thereby strengthening trust and loyalty.
  - When implemented well, headless stores load faster and achieve better search engine optimization (SEO) on mobile devices than conventional websites. However, this has to be done carefully. Poorly architected headless commerce experiences can actually have the inverse impact on organic SEO.
  - It is important to note that while headless commerce provides the previously mentioned benefits, the uplift in SEO can be expensive. The complexity and cost of implementation of headless commerce can be significant, particularly for fully headless multi-experience deployments. Headless commerce costs include the need for skilled development teams capable of triaging the potential challenges in integrating front-end and back-end systems via application programable interfaces.
- **Vendor network effects:**
  - Network effects are when a vendor can leverage collective data to enhance B2C merchant insights, leading to faster and more efficient decisioning and automation configuration.
  - By continually improving the experiences through data-driven insights, network effects contribute to a sense of community and reliability, fostering trust and loyalty among buyers of digital commerce technology.
- **Cloud agnosticism:**
  - Cloud agnosticism means that a product can operate across various cloud environments without being dependent on a single cloud provider. This flexibility allows for more robust and adaptable commerce solutions.
  - This ensures high availability and scalability of commerce services, which is crucial for maintaining continuous customer engagement and trust.
- **Bidirectional customer experience:**
  - A bidirectional experience in the context of digital commerce refers to an interactive and reciprocal relationship between the customer and the platform. Unlike traditional one-way interactions where the business dictates the customer journey, a bidirectional experience allows for two-way communication and influence.
  - Customers are not just passive recipients of content and marketing but can provide real-time feedback, preferences, and requests. This could be through reviews, ratings, or direct communication channels like chatbots or customer service interfaces.
  - In exchange for the experiences, businesses are able to capture more first-party volunteer customer data, enabling them to improve the segmentation and relevance of experiences rendered to the consumer as the relationship deepens over time.

- **Marketing features:**
    - Marketing is a significant function of many B2C digital commerce teams. Some of the vendors featured in this document are capable of commerce and elements of marketing from the same product.
    - Capabilities often include targeted advertising, content personalization, social media integration, emails, and data-driven marketing campaigns. These are crucial for creating a seamless and holistic customer journey. They enable businesses to deliver personalized marketing messages and promotions in real-time, closely aligned with the customer's shopping experience.

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.

BigCommerce

After a thorough evaluation of BigCommerce's strategies and capabilities, IDC has positioned the company in the Major Players category within this 2024 IDC MarketScape for B2C digital commerce applications for midmarket growth.

BigCommerce is a publicly held vendor of digital commerce software that began in 2009 and has headquarters in Austin, Texas, the United States. BigCommerce is a cloud-native SaaS commerce platform for B2B and B2C digital commerce on the same platform. BigCommerce's APIs have been made available since its inception but decoupled its cart functionality into a set of REST APIs from 2017 onward and added GraphQL support beginning in 2019.

Quick facts about BigCommerce include:

- **Employees:** Over 1,400
- **Global reach:** Digital commerce customers with headquarters in over 120 countries
- **Industry focus:** Apparel and accessories, sporting goods, and health and beauty
- **Ideal customer size:** SMB to large enterprise
- **Cloud:** Multitenant at the infrastructure, database, and application layers and available on Google Cloud
- **Pricing model:** Two tiers; monthly retail plan subscriptions for smaller organizations and an enterprise plan for merchants doing >$400,000 on BigCommerce price based on order volume
- **Partner ecosystem:** Over 1,300 certified implementation partners and more than 800 technology partners for digital commerce
- **Interesting fact:** BigCommerce received an award in this assessment for its future AI road map via a partnership with Google Cloud Vertex AI. Tech buyers are also aware of the positive reputation BigCommerce has earned in this market.

Strengths

- **Developer and business user friendly:** The company designed everything about BigCommerce – integrations, interfaces, and the low-code/no-code front end – to be accessible for business users without the need for developer support. BigCommerce is also versionless with an API-

first design, providing ample flexibility for seasoned developers to create headless and composable commerce experiences.

- **Flexible microservices-based, API-first, cloud-native, headless (MACH) architecture under the hood:** While it is user friendly, BigCommerce is extremely extensible by virtue of its MACH architecture capabilities. BigCommerce provides APIs and developer-friendly features to give buyers the ability to create headless and composable ecosystems for commerce. BigCommerce can also natively support multisite, multi-geo, B2B2C, omni-channel, and multi-language commerce deployments.

- **Open SaaS ecosystem:** BigCommerce offers open sourced checkout, 95%+ API coverage of its platform, and a large app marketplace with easy, business-friendly integrations that don't generally require an expert to install. (Note: BigCommerce sells in every buyer market segment in digital commerce, so some of these apps may be better suited to SMBs.)

Challenges

- **Analytics:** BigCommerce's native analytics offer limited depth in business intelligence. While they provide BigQuery integration for enhanced data analysis, enterprises can conduct their own analytics for a comprehensive view.

- **As a jack-of-all-trades, comes with trade-offs:** A constrained feature set could be a limitation for enterprises in search of a comprehensive commerce platform with advanced catalog, content, data, and order management features. To partially address the issue, BigCommerce sells bundles consisting of its core product and Feedonomics, a popular product information management application that BigCommerce acquired in 2021.

Consider BigCommerce When

Consider BigCommerce if you are a fast-growing, experience-driven brand looking for a multitenant SaaS B2C digital commerce platform. Buyers should consider BigCommerce when business agility, tech agility, and experiences are core differentiation strategies.

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.

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.
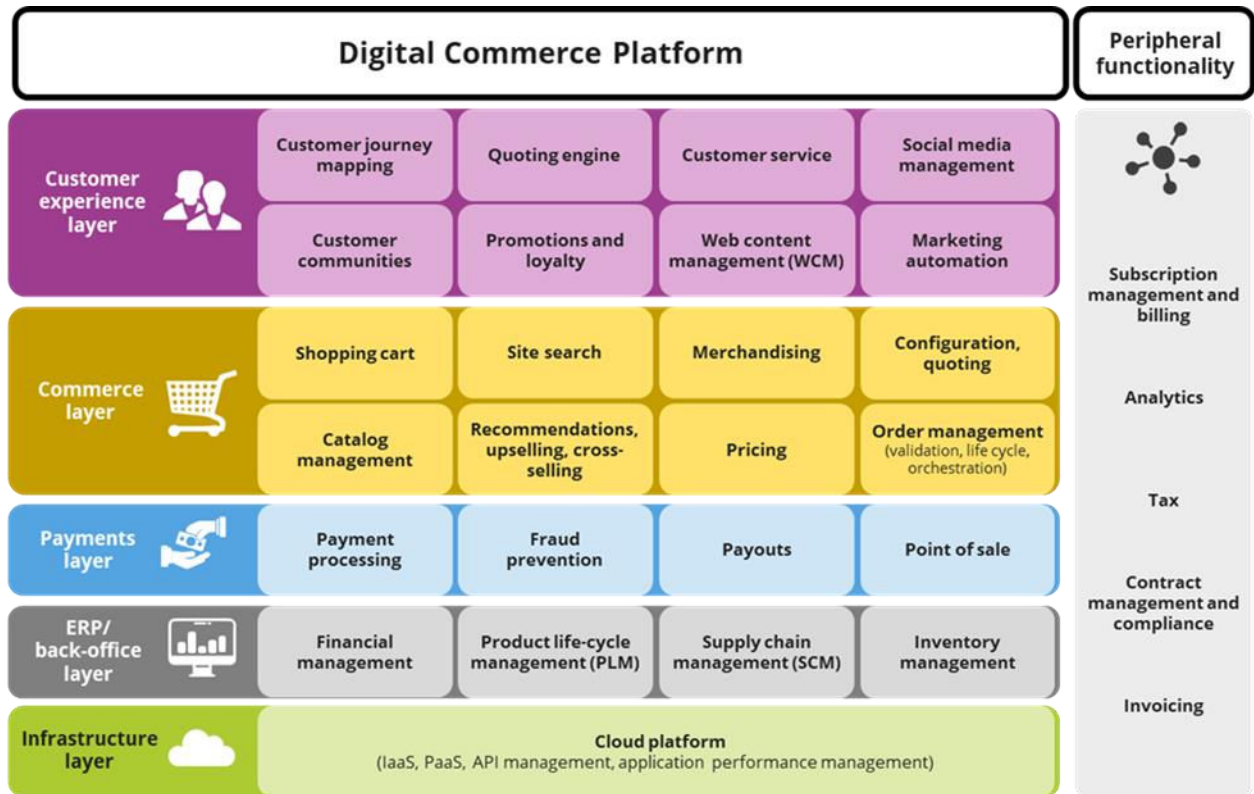
Market Definition

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 placing of a transaction through to 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 searches.

Figure 2 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 2

Digital Commerce SaaS Functionality Profile

Digital Commerce Platform					Peripheral functionality
Customer experience layer	Customer journey mapping	Quoting engine	Customer service	Social media management	
	Customer communities	Promotions and loyalty	Web content management (WCM)	Marketing automation	Subscription management and billing
Commerce layer	Shopping cart	Site search	Merchandising	Configuration, quoting	Analytics
	Catalog management	Recommendations, upselling, cross-selling	Pricing	Order management (validation, life cycle, orchestration)	Tax
Payments layer	Payment processing	Fraud prevention	Payouts	Point of sale	Contract management and compliance
ERP/ back-office layer	Financial management	Product life-cycle management (PLM)	Supply chain management (SCM)	Inventory management	Invoicing
Infrastructure layer	Cloud platform (IaaS, PaaS, API management, application performance management)				

Source: IDC, 2024

Digital Commerce Customer Size Segment Definitions

For the purposes of this IDC MarketScape, IDC uses the organization size definitions mentioned in Table 1.

TABLE 1

B2C Digital Commerce Customer Organization Size Segments

Segment	Revenue
SMB	Under $100 million
Lower midmarket	$100 million to $499 million
Upper midmarket	$500 million to $1 billion
Enterprise	Over $1 billion

Source: IDC, 2024

Special Considerations for Midmarket B2C Commerce SaaS Buyers

The following is a short list of what a reader can expect from this document:

- The vendors may not be midmarket companies in their own right; this is a distinction of the B2C SaaS buyer segment, which is the targeted audience of this document.
- Midmarket buyers can require more consolidated technology for growth enablement that empowers fewer people to do more with fewer SaaS licenses. This means that vendors selling products that enable smaller, more integrated teams to perform the same functions with a lighter head count would be more suitable than products optimized for enterprises with large, distributed teams for development, marketing, and commerce.
- IDC included a limited number of smaller firms in this document to assess a spectrum of vendors for MMG B2C digital commerce. Smaller firms cannot purchase other companies and SaaS products as easily as well-capitalized larger SaaS vendors, particularly when inflation and interest rates are high. Smaller firms must invest heavily in R&D to compete and survive in a saturated digital commerce SaaS market that entrenched large players dominate.

Related Research

- *IDC MarketScape: Worldwide Enterprise B2B Digital Commerce Applications 2023-2024 Vendor Assessment* (IDC #US49742523, December 2023)
- *IDC MarketScape: Worldwide B2B Digital Commerce Applications for Midmarket Growth 2023-2024 Vendor Assessment* (IDC #US50625723, December 2023)
- *IDC FutureScape: Worldwide B2B Sales Leadership 2024 Predictions* (IDC #US51280723, October 2023)
- *IDC FutureScape: Worldwide Future of Customer Experience 2024 Predictions* (IDC #US50111423, October 2023)
- *Resilient Digital Commerce: Unify Data and Nurture Loyalty for Future-Proof CX* (IDC #US51250023, September 2023)
- *Worldwide Digital Commerce Applications Forecast, 2023-2027: Generative AI Integrations Rapidly Become Table Stakes for Digital Commerce* (IDC #US50232923, July 2023)
- *Worldwide Digital Commerce Applications Market Shares, 2022: The Great Reality Check – 2022 Marks a Year of Shifting Priorities* (IDC #US50233423, July 2023)
- *Headless Systems: Understanding Architectural Styles for Composed Systems of Modular Applications – Business User Perspective* (IDC #US51005323, July 2023)
- *Headless Applications: Understanding Definitions for Headless, Hybrid Headless, Precomposed, and Monolithic Applications – Business User Perspective* (IDC #US51005423, July 2023)

Synopsis

This IDC study offers an in-depth analysis of the challenges and opportunities for midmarket B2C companies. Recognizing the importance of a human-centric approach, it guides midmarket B2C buyers toward SaaS products that resonate with consumer psychology and technological sophistication to foster durable loyalty to enable sustainable growth. Highlighting the need for transcendent commerce, it underlines the importance of trust-based relationships and AI integration in digital commerce strategies, emphasizing the pivotal role of customer retention in sustainable growth. Furthermore, it delves into the complexities of composability in digital commerce, providing insights into technological agility and the strategic importance of understanding commerce product architectures when planning software procurement. This IDC MarketScape is a blueprint for businesses seeking to thrive in an increasingly crowded online B2C shopping space, urging them to embrace growth via a holistic and adaptive approach that spans across all channels and business models.

"The key to unlocking growth in B2C digital commerce lies in understanding and leveraging the intricate interplay between consumer psychology and cutting-edge technology. Success hinges on adopting a strategy that is as much about building meaningful, trust-based relationships with customers as it is about technological innovation," says Heather Hershey, research director, Worldwide Digital Commerce at IDC. "The future of digital commerce in the midmarket sector will be shaped by those that prioritize a harmonious blend of human-centric approaches and advanced AI, fostering the deep, lasting connections with consumers, which are essential for sustained growth and loyalty."

About IDC

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