

IDC MarketScape

IDC MarketScape: Worldwide B2B Digital Commerce Applications for Midmarket Growth 2023-2024 Vendor Assessment

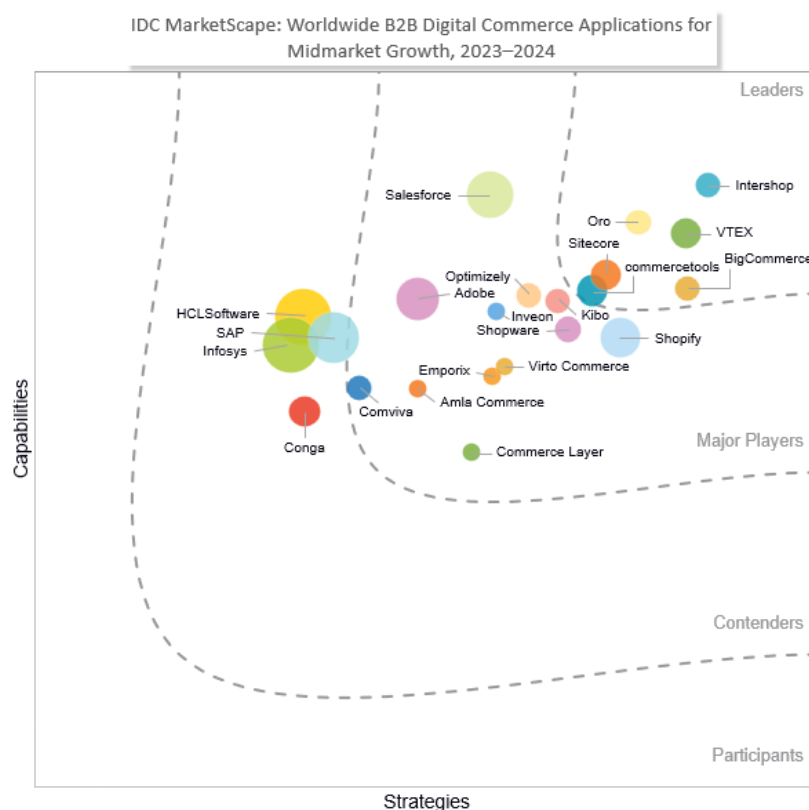
Heather Hershey

THIS IDC MARKETSCAPE EXCERPT FEATURES SITECORE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide B2B Digital Commerce Applications for Midmarket Growth Vendor Assessment



Source: IDC, 2023

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 Applications for Midmarket Growth 2023-2024 Vendor Assessment (Doc # US50625723). 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 Figure 1.

IDC OPINION

B2B Midmarket Commerce for Growth: The Customer Experience Imperative

B2B midmarket commerce serves as the unsung hero of global economic activity. Perennially eager to invest in software that will advance commerce to the next level, midmarket companies hardwired for growth – which this IDC MarketScape refers to as midmarket growth (MMG) companies – have high expectations of SaaS vendors. MMGs don't back away from new technology when the macroeconomic headwinds are daunting. When extremely large enterprises pull back, MMGs lean in to seize the opportunity.

The mission for midmarket growth is clear. These buyers need SaaS, integration, and deployment strategies that provide ample opportunities to outmaneuver larger competitors operationally and in the sphere of customer experience (CX).

- **Unique commerce experiences:** Consider this the screenplay of digital commerce – a narrative so compelling that it keeps stakeholders engaged well past the closing credits. Tailoring commerce experiences to align with distinct business objectives is a critical success factor.
- **Generative AI (GenAI) for bidirectional B2B personalization:** B2B organizations have a unique opportunity to be the vanguard of personalized experiences. Generative AI facilitates dynamic content adaptation, pricing optimization, and contract customization in real time. By going beyond the limitations of traditional recommendation engines, generative AI crafts context-aware, bespoke solutions for each client, enhancing engagement and satisfaction.
- **Machine learning for precision-tuned lead-to-cash operations:** Within the intricate framework of the lead-to-cash cycle, machine learning algorithms function as indispensable analytical tools. By meticulously analyzing extensive data sets, these algorithms illuminate key patterns in customer behavior, procurement, and payment timelines. The insights gleaned directly inform strategies for lead qualification, quote-to-cash processes, and supply chain optimization. This results in a streamlined lead-to-cash cycle that not only enhances operational efficiency but also provides a decisive competitive advantage.
- **Proactive strategic change management makes or breaks AI-driven B2B commerce:** Change management is the structured approach to transitioning organizations from a current state to a desired future state. In a world of increasing AI influence, change management becomes a fulcrum for operational success. AI initiatives introduce transformative algorithms and automation capabilities that necessitate new skill sets, processes, and governance. Without adept change management, firms risk operational disarray, reduced employee engagement and, ultimately, a compromised competitive stance. Effective change management ensures seamless adaptation, maximizes the ROI of AI investments, and fortifies the enterprise against disruptive market forces.

- **The premium on convenience:** Whether in the physical realm or the digital sphere, convenience and superior shopping experiences command a premium. This principle holds true across all conceivable scenarios.
- **A resilient ecommerce blueprint:** This serves as a survival kit for navigating macroeconomic uncertainties, not only defining the organization's market presence but also shaping public perception during those idle moments spent on mobile devices. This blueprint encompasses potential customer activities, such as purchase planning and proposal requests.
- **Agility as a unique asset:** Unlike large enterprises, which often suffer from bureaucratic complexities, midmarket firms are more likely to have the agility to act swiftly and decisively. These organizations are capable of rapid platform implementation, sales strategy pivots, and market entry – akin to a gazelle evading a predator. Decision making occurs close to the operational ground, enabling real-time responsiveness that larger entities find challenging to emulate.
- **Digital maturity and revenue growth:** For midmarket B2B digital commerce operations, a high level of digital maturity correlates strongly with growth and revenue benefits. By embracing API-first composable commerce, which offers modular architecture for rapid innovation, MMG B2B firms can swiftly adapt to market changes to optimize revenue generation and capitalize on emerging CX opportunities.

The global COVID-19 pandemic of the early 2020s awoke the sleeping B2B giants. Suddenly, B2B digital commerce leaped from the sidelines to become the star quarterback of the digital commerce game. Deferred projects? They became today's burning agenda. The message was crystal clear to manufacturers, distributors, and industry giants: Evolve or become irrelevant.

B2B MMG is a major opportunity market in digital transformation and commerce. However, their specialized buyer needs are seldom directly addressed. MMG B2B commerce buyers are in a unique position to leverage agility and a smaller number of seats to accomplish seamless B2C-like ecommerce experiences.

The Need to Curate Convenient, Personalized CX Worthy of a Premium

Convenience, it turns out, has a price tag – and it's one that business buyers might be willing to pay in exchange for speed. Whether in brick-and-mortar stores or the digital marketplace, the law of pricing remains consistent: In B2B and B2C, superior procurement and shopping experiences can command a premium.

For MMG B2B digital commerce operations, a high level of digital maturity is a growth multiplier. The ability to experiment, iterate, and adapt to market fluctuations gives these firms a competitive edge. They can fine-tune customer experiences down to the minutiae, optimizing for subscriptions, repurchases, add-ons, and bundles. CX is the means by which an organization manifests its brand in the public eye, especially during those idle moments when potential customers are scrolling through their phones, perhaps contemplating purchases or even requesting proposals.

Indeed, the confluence of proactive agility, personalization, perceptual convenience, and digital maturity in MMG B2B operations forms a potent formula for success. The outcome, when successful, is a virtuous cycle of customer engagement, retention, and revenue growth. In a landscape where customer expectations continually evolve, the ability to deliver a personalized, responsive experience becomes a value-add and a strategic imperative. This elevates MMG B2B firms from mere participants in the digital commerce arena to pacesetters, establishing the gold standard for customer-centric B2B

innovation and ample opportunities to experiment with new strategies, such as syndicating products into direct-to-consumer (DTC) channels and launching B2B2C marketplaces.

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 the imperative to adapt and extend their existing digital infrastructures 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 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.)

This IDC MarketScape Focuses on the Needs of Midmarket B2B 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 downmarket 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 B2B 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. B2B 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 B2B Digital Commerce Platforms 2023-2024 Vendor Assessment*, IDC #US49742523, December 2023.)

Midmarket organizations often face complexities similar to those of larger enterprises but operate with fewer resources. The unique position of B2B players in the midmarket range presents both challenges and opportunities:

- **Challenges:** Midmarket B2B companies must navigate intricate supply chains, manage multifaceted customer relationships, and comply with regulatory frameworks, much like their larger counterparts. However, they often do so with leaner staff and a more constrained budget.
- **Opportunities:** Smaller teams and flatter organizational hierarchies can provide agility when structured and managed well, enabling quicker decision making and adaptability to market changes for midmarket players that are optimized for revenue generation and business growth and that leverage cutting-edge technology.

This duality necessitates a strategic approach to resource allocation, technology adoption, and operational efficiency. In essence, the midmarket segment requires a nuanced understanding of how to maximize limited resources while navigating complex business environments.

Areas of Differentiation for B2B Software Buyers

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 which use similar market messages to sell their applications. There are hundreds of different factors at play that B2B buyers need to negotiate when selecting their commerce SaaS.

IDC advocates that every technology buyer reflect on how it intends to use a B2B digital commerce platform to differentiate itself in the market. Figure 2 depicts the seven most common differentiators in the digital commerce market among 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 (UI), 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 go-to-market 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.

FIGURE 2

Common B2B Digital Commerce Differentiators



Source: IDC, 2023

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.

In essence, the digital commerce software you choose should amplify your unique strengths and propel you toward your strategic objectives.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The vendor list for this evaluation consists of 22 vendors selected as the most representative of any given B2B digital commerce platform buyer's selection shortlist 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 B2B commerce.
- B2B 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 B2B 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

B2B Commerce: Navigating the Labyrinth with Precision

B2B commerce operates in a labyrinth more intricate than the mythic Minotaur's maze. To thrive requires a razor-sharp navigation strategy.

The following are IDC's recommendations for B2B:

- **Globe-trotting, digitally:** The enterprise arena is global, and your digital partner should mirror this universality. From nuanced local regulations to multilingual prowess, expect and accept nothing less than world class.

- **Horizon hunters:** You should align with visionaries, the vendors obsessed with tomorrow – be it through the prism of AI, mobile interface supremacy, or even paradigm-shifting business models.
- **A symphony of allies:** Enterprise success is a symphony requiring partnerships and cooperation. Your vendor's broader network – partnerships, affiliations, and alliances – becomes your extended orchestra. Ensure they're pitch perfect and in harmony.
- **Omni-channel and transcendent commerce:** In the sprawling B2B landscape, the binary of physical and digital is dissolving. Today's Titan is the firm that crafts seamless experiences, allowing clients to glide effortlessly between offline boardrooms and online portals. The magic lies in orchestrating an omni-channel ballet, where every touch point – whether in person or pixelated – resonates with clarity, consistency, and charisma.
- **Perpetual digital evolution:** In the realm of digital transformation, stagnation is the real killer. The ideal commerce vendor recognizes that digital metamorphosis is an ongoing journey of innovation. It should be poised to help buyers pivot, adapt, and evolve, ensuring your business is always at the forefront of digital excellence.
- **Change management mastery:** It's a cliché, but it's true: in commerce, change is the only constant. Addressing change management concerns is paramount. Your vendor should not merely implement solutions but also guide your business through the tumultuous seas of transformation, ensuring smooth transitions and minimal disruptions.

MMG B2B commerce software buyers should consider the following:

- **Agile ecosystem synergy:** In the MMG landscape, agility and ecosystem compatibility are two sides of the same coin. Select digital commerce software that not only offers modular, composable architecture for scalable features but also leverages API-first design to seamlessly integrate with your existing tech stack. This dual focus ensures you can pivot and adapt rapidly while maintaining a cohesive technology ecosystem that supports your growth objectives. This approach allows MMG companies to maintain speed and flexibility without sacrificing compatibility, setting the stage for sustainable, accelerated growth.
- **Customer experience excellence:** In a crowded market, CX is your differentiator. In the MMG sector, the leaner organizational structure can be a strategic asset for elevating the customer experience. With fewer layers between key decision makers, CX teams, and front-line workers, MMGs potentially have the unique advantage of quicker, more transparent visibility into customer needs. This agility allows for real-time adjustments and personalized interventions that can be elusive for larger multinationals. Ensure your commerce stack offers personalized, intuitive, and frictionless experiences across all touch points.
- **Content as commerce:** Content isn't just king: It's currency. Your platform should facilitate the easy creation, management, and distribution of rich, SEO-friendly content that drives engagement and conversions. Leverage generative AI technology to match content demands with maximum velocity.
- **Cost-effective scalability:** MMGs often operate under strict/tight budget constraints (though this is not a consideration that is exclusive to MMGs). Look for platforms that offer cost-effective scalability options, allowing you to grow without breaking the bank.
- **Supply chain integration:** For MMGs, a streamlined supply chain can be a game-changer. Your digital commerce platform should offer seamless integrations with your supply chain management systems.

- **Compliance and security:** As you scale, compliance with regional and industry-specific regulations becomes crucial. Choose a platform that has built-in compliance features and robust security protocols.

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.

Sitecore

After a thorough evaluation of Sitecore's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2023-2024 IDC MarketScape for B2B digital commerce applications for midmarket growth.

Sitecore is a privately held vendor of content management, digital commerce, content marketing, and digital asset management software that began in 2001 and has headquarters in San Francisco, California, the United States. The company's B2B digital commerce product, Sitecore Commerce Cloud, consists of two products: Sitecore Discover (personalization and merchandising product) and Sitecore OrderCloud. Sitecore OrderCloud is a headless commerce platform with MACH architecture that the company built to be channel agnostic, enabling businesses to adapt quickly to market changes and customer demands. The platform is well suited to organizations looking to decouple their commerce logic from their front-end experiences. (Note: The company positions Sitecore OrderCloud, a business model-agnostic, unified, composable commerce platform, differently from the Sitecore product featured in the prior IDC MarketScape digital commerce document, Sitecore Experience Commerce [XC], which is fundamentally a B2C-oriented legacy product.) The company built Sitecore OrderCloud with .NET at the core, and the product can work with Angular, React, and Next.js frameworks, with Vercel as a preferred front-end partner.

Quick facts about Sitecore include:

- **Employees:** Over 2,100
- **Global reach:** Digital commerce customers with headquarters in over 70 countries
- **Industry focus:** Financial services (including insurance), life sciences and healthcare, high technology and IT, manufacturing, telecommunications, wholesale, tourism, and nonprofit
- **Ideal customer size:** Midmarket to large enterprise
- **Clouds:** Multitenant at the infrastructure layer and single tenant at the database and application layers, with availability on Azure
- **Pricing model:** Two core products on the same platform, which the company prices differently (OrderCloud has tiered subscription pricing based on the total number of processed distinct line items or the total USD amount of line items processed annually; Discover pricing is based on unique annual visits.)
- **Partner ecosystem:** Over 100 implementation partners and more than 5 technology partners for B2B digital commerce
- **Interesting fact:** Sitecore's uptime performance is very consistent; the company hasn't had a major outage in over a decade (at the time this document was written).

Strengths

- **Developer-friendly MACH architecture:** The company built Sitecore OrderCloud on a modern, microservices-based, API-first cloud-native architecture that runs as a MACH product. Sitecore also provides developer tools, including an interactive console, SDKs, starter app components, a growing developer community, an extensible data model, and multibrand features, such as unified checkout across multiple stores and catalogs, webhooks, integration services, and detailed error messaging for easy debugging.
- **Business-friendly AI personalization capabilities for B2B:** Though the company sells Sitecore Discover as a separate module/component, the company allows business users to use a drag-and-drop no-code interface to manage product attributes to standardize, self-configure, and generate algorithms for personalized product merchandizing and discovery. Algorithms can also be stored as "recipes" for later use with standardized schema attributes applied globally across the buyer's instance of Sitecore Commerce Cloud.
- **Unified commerce with emphasis on manufacturing and B2B:** The company designed Sitecore OrderCloud from an operationally complex B2B perspective, adding more B2C capabilities incrementally over time as part of a B2B2C unified commerce offering. Standard features reflect a B2B-first paradigm and drive to manage and abstract massive complexity for buyers. B2B-focused features include anonymous guest checkout, recurring bundles ("rundles"), microsites for pop-up stores, role-based account management, buyer groups and segmentation, and marketplace development.
- **Reduction of capex and up-front investment costs:** Sitecore is responsible for setting up, maintaining, and optimizing the staging environment, which is a crucial part of the software development life cycle. This service alleviates the burden on customers to manage this aspect themselves, allowing them to focus on their core business functions.

Challenges

- **Requires skilled developer talent and must be composed:** Commerce orthodoxy often conflates commerce SaaS with all-in-one platforms without recognizing that the constraints of more monolithic commerce products can inhibit the technical performance of businesses at enterprise scale. The company built OrderCloud to empower developers, and the platform cannot run without them, either in-house or through a third-party firm. OrderCloud is an integration platform at heart and provides developers with powerful tools to create a commerce SaaS ecosystem that is fit for purpose, rather than trying to build all those functions into the product for use out of the box.
- **B2C and content legacy:** Sitecore's historical strength in B2C through Experience Commerce can be both an asset and a liability. While the company has built a strong reputation in the B2C space, this legacy may create a perception that its B2B capabilities are an extension rather than a core competency. Sitecore's long-standing expertise in CMS is well regarded, but it could engender the perception that the company's commerce solutions are secondary to its content management offerings. For Sitecore, crafting a narrative that not only leverages its strengths in B2C and CMS but also clearly articulates the unique value proposition of OrderCloud in solving B2B-specific challenges will be key.

Consider Sitecore When

Consider Sitecore OrderCloud if you are an upper midmarket to large enterprise with strong in-house development talent (or a good systems integrator partnership) seeking a flexible, business model-agnostic B2B digital commerce solution. Sitecore OrderCloud may be an excellent fit if your

organization is focused on differentiating via tech agility-led, AI- and data-led, or experience-led commerce 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.

For this IDC MarketScape, vendor size is based on vendor-reported data related to the size of its employee base, though the size is based on the entirety of the parent organization as opposed to a specific representation of the size of the employee base supporting the organization's commerce SaaS products. B2B revenue did not count toward the vendors' marker size.

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.

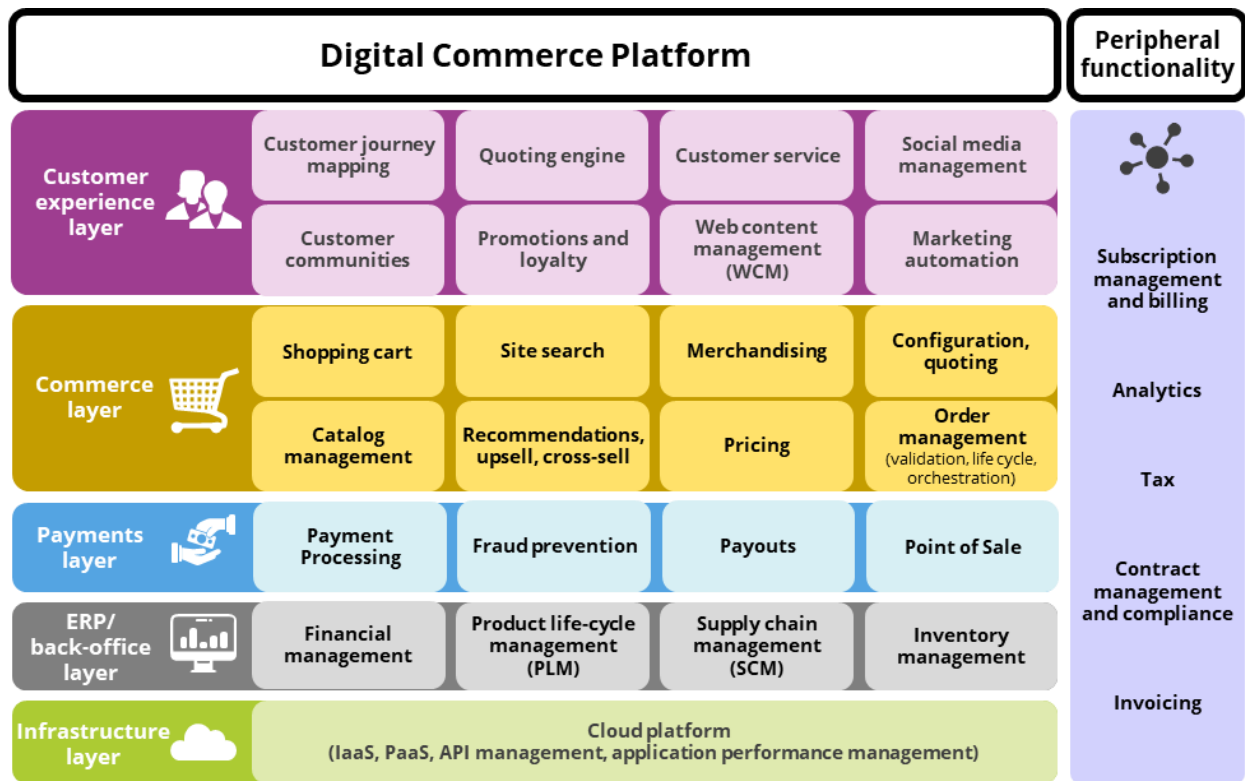
Market Definition

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 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

Digital Commerce SaaS Functionality Profile



Source: IDC, 2023

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

B2B 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, 2023

Special Considerations for Midmarket B2B 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 B2B 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, commerce, and B2B sales.
- IDC included a limited number of smaller firms in this document to assess a spectrum of vendors for MMG B2B 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.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Enterprise B2B Digital Commerce 2023-2024 Vendor Assessment* (IDC #US49742523, 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 Applications: Understanding Definitions for Headless, Hybrid Headless, Precomposed, and Monolithic Applications – Business User Perspective* (IDC #US51005423, July 2023)
- *Headless Systems: Understanding Architectural Styles for Composed Systems of Modular Applications – Business User Perspective* (IDC #US51005323, July 2023)

Synopsis

This IDC study provides an assessment of the principal B2B digital commerce platforms suitable for midmarket buyers with \$100 million to \$500 million or more in annual GMV. This report also discusses what criteria are most important for these companies to consider when selecting a digital commerce platform system.

"Midmarket B2B firms are poised to shake the foundations of the future digital economy," says Heather Hershey, research director of IDC's Worldwide Digital Commerce program. "By leveraging a powerful arsenal of generative AI, machine learning, and transformative commerce software, growth-obsessed midmarket B2B buyers are poised to revolutionize the customer experience, expand into new business models and commerce channels, develop advantageous partnerships to explore new revenue frontiers, and lead the charge in a world driven by continuous digital transformation and innovation."

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, and web conference and conference event proceedings. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/about/worldwideoffices. Please contact IDC report sales at +1.508.988.7988 or www.idc.com/?modal=contact_repsales for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or web rights.

Copyright 2023 IDC. Reproduction is forbidden unless authorized. All rights reserved.

