

IDC MarketScape

IDC MarketScape: Worldwide Enterprise Headless Digital Commerce Platforms 2024 Vendor Assessment

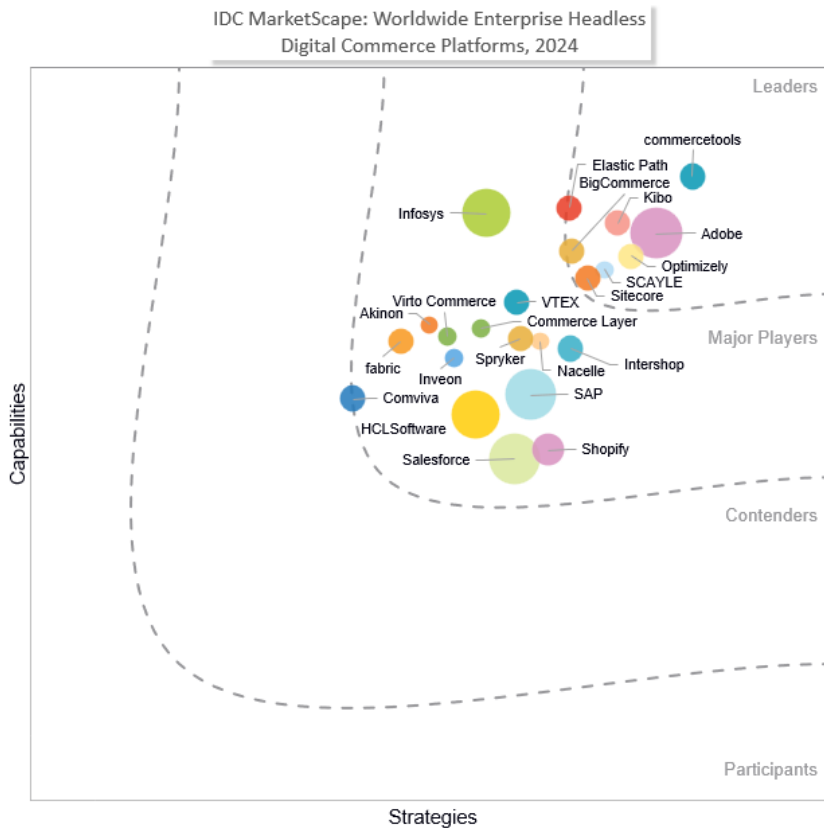
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THIS IDC MARKETSCAPE EXCERPT FEATURES SITECORE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Enterprise Headless Digital Commerce Platforms Vendor Assessment



Source: IDC, 2024

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 Enterprise Headless Digital Commerce Platforms 2024 Vendor Assessment (Doc # US50626423). 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

The Future of Digital Commerce Is Still API First

A highly competent fellow analyst once asked, "Does being API first really matter? I mean, does it *really?*"

Yes. This distinction absolutely matters, particularly for companies with ambitious customer experience (CX) strategies in fast-moving industries with high levels of competition for customer attention and loyalty. In these situations, the convenience, speed, and performance of a fully orchestrated, continuous, and consistent commerce experience can matter just as much, if not more, to customer perceptions of brand quality and competency than the content or channel itself. In fact, in the future these qualities may ultimately matter more than even the most potent and valuable *brands*. Business buyers and end consumers alike appreciate experiences that transcend channel boundaries and business model silos while delivering delight via any encounter.

In the world of API-first headless commerce, the paradigm shifts away from all-in-one platforms capable of creating a single static transactional website into ecosystems of modern enterprise applications capable of expanding and contracting experiential influence across all relevant business and consumer channels as new needs emerge and existing strategies become obsolete.

In many ways, the study of headless commerce ecosystems is really an evaluation of the penetration, availability, prioritization, and quality of these APIs, as they are the necessary connective tissue of this architecture model, tying all of the various microservices, modules, and components together into a composite commerce ecosystem greater than the sum of its parts.

Definition of API First

API-first design is an approach where APIs are developed as the foundational interface for interaction with a platform's functionalities. In this technology design philosophy, APIs are built before any other component, ensuring that all subsequent features or services can interact seamlessly with the entire range of the platform's capabilities. (Context clue: When software vendors gloat about "seamless integration" in their go-to-market [GTM] language, they are generally borrowing this verbiage directly from the world of headless commerce due to its reliance on API-first technology.) API-first design also encourages documentation of the entire API creation process in a way that makes it easier to develop in the future.

To naysayers who doubt the significance of API-first design in digital commerce, the practical benefits of adopting this approach are clear and compelling. Here's why an API-first architecture is a strategic imperative for modern commerce:

- API-first design ensures that every function of the commerce platform/ecosystem is accessible through APIs from the start, enabling seamless integrations with third-party services, ranging from payment processors to customer relationship management (CRM) systems. This allows businesses to tailor their software ecosystems extensively via configuration in addition to customization, depending on the buyer's strategy.
- By designing APIs as the first layer of interaction, API-first platforms can scale more efficiently and maintain high performance under varying loads. This is particularly important for businesses experiencing high growth or seasonal spikes in traffic.
- API-first design generally makes integrations between best-in-breed software products significantly easier. Integration with other systems, whether legacy applications or best in breed, becomes more straightforward, eliminating the need for complex workarounds that can compromise ecosystem integrity and contribute to the generation of "spaghetti code."
- API-first architecture promotes a modular setup where components can be independently developed, replaced, or upgraded, facilitating agile responses to technological advances or changing market demands. The modules are often individually packaged and consumed, meaning that, depending on the vendor, buyers can purchase each domain service *ad hoc* to incrementally switch out obsolete services in lieu of radical and costly rip and replacement of an entire monolithic stack.
- Testing and experimentation are greatly enhanced with APIs as the primary interface. Each componentized new capability can be tested in isolation, ensuring robustness and reducing the risk of bugs in a componentized microservice affecting the entire system.
- An API-first architecture provides frictionless connectivity with emergent AI technologies, enabling efficient data exchanges and quick adoption of AI-driven enhancements to boost user experience and operational efficiency.
- API-first design streamlines and accelerates software development. Developers can work on different parts of the application simultaneously without dependencies, as the interfaces are clearly defined from the start. This parallel development reduces time to market for new features. As a buyer, it's important to know that this reduces potential technical issues that might otherwise interrupt your service while accelerating the release of new functions, ensuring that the bleeding edge of technology is available at your fingertips.

Contrastingly, monolithic legacy platforms where APIs are an afterthought often face challenges such as fragmented data handling and inconsistent feature implementation. For instance, a feature updated on the back end might not be immediately available or fully functional on the front end if the API does not support it yet. This can lead to a disjointed customer experience and slower adaptation to market needs. In addition, the lack of a unified API layer can complicate system upgrades and maintenance, leading to potential downtime and further inconsistencies across different parts of the platform. And, beyond this, it radically ramps up the complexity of maintaining the commerce ecosystem when the number of APIs explode beyond the buyer organization's capacity to manage them.

The emphasis on the number of APIs rather than the coherence and integration of a main API layer can suggest that the system was not originally designed with an API-first philosophy. This is why many legacy vendors with "bolt-on" APIs (i.e., APIs built after the software as opposed to API first) frequently tout the sheer number of APIs bolted on instead of the number of endpoints of a main API layer. This should be considered an important clue about whether or not the commerce product truly is API first.

Assume that in 2024 all mainstream digital commerce platforms can be operated in a headless architecture, including DIY and open source platforms catering to SMB. Therefore, when assessing a commerce platform's architecture, the presence of a unified, well-integrated API layer, rather than a

multitude of disjointed APIs, serves as a more reliable indicator of the modernity, scalability, and performance of the platform than whether or not the product has an API for headless commerce, as the former is critical and the latter is commonplace.

For Enterprise, the Time to Go Headless Is Right Now

B2B and B2C are converging. Physical and digital are metamorphosing into a unified customer journey. Channels, interfaces, devices, touch points, opportunities, and experiences are exploding at a rate that far outpaces conventional commerce strategies.

The days of "putting all your eggs in one basket" via overinvestment in conventional marketing funnels and standalone branded websites are rapidly disappearing in the rearview mirror, jettisoned in favor of new models of customer commerce engagements that are channel ubiquitous, reiterative, and ever evolving. As the new AI-driven digital industrial revolution unfolds before us, agility and willing deviation from conventional wisdom have become more valuable than ever. Leading enterprises require new paradigms about commerce technology that emphasize extensibility, consistency, and flexibility. The new norm is multimodal with complex customer journeys that can blur the lines between B2B and B2C, social and commerce, digital delights and physical realities, human ingenuity, and artificial intelligence.

Headless commerce (in its most reductive form) allows businesses to deliver a seamless continuation of the customer shopping and purchase journey across every conceivable touch point, turning content and experiences into commerce everywhere, all of the time. But, beyond these buzzwords, the utility of the exercise transcends the website experience to prioritize high conversion engagements with target customers in any channel wherein the opportunity to transact may arise.

Do Enterprises Really Need Headless Commerce?

"Do you really need to go headless?" A digital commerce software vendor asked the question as this body of research began. (This vendor sells a more monolithic legacy commerce platform.)

The short and sweet answer this analyst provided was: "Yes. This is especially true of enterprise."

Headless commerce is table stakes in our fast-paced, customer-obsessed, ever-online world. It's no mystery why every major commerce software-as-a-service (SaaS) vendor provides a headless offering in 2024. Frankly, the back end of commerce operations has a lot of moving parts that can potentially influence the performance on the front end. The larger the scale of the endeavor, the greater the need to decouple the head.

Headless Commerce Explained

Headless commerce is a way of building online stores that separates the front end and the back end of ecommerce, whether being leveraged for B2C, B2B, or both. This decoupling allows for any type of interface to potentially take the place of the website to extend the customer journey beyond those conventional bounds.

Here's a simpler breakdown:

- **Front end (also called the "head," "user interface (UI)/UX," "presentation layer," "experience layer," or "glass"):** This is what customers see when they shop online. It's the "face" of the commerce experience. A website is a head. TikTok Shop and Amazon marketplace are heads. Mobile apps are heads. Smart devices are heads. Interactive kiosks in retail environments are

heads. Voice shopping assistants and chat-based conversational commerce are heads. The list goes on and on.

- **Back end:** This includes all the technical parts that run the commerce experience but aren't visible to customers, like data management, payment processing, inventory, order information, content management, integrations, and security. This is where the operational business logic of commerce operations resides.

In traditional monolithic ecommerce systems circa the early aughties, the front end and back end were tightly coupled and sold as a single product that could provide an embedded front end with basic content management, order fulfillment, and payment capture. Many present-day commerce products are still created and sold this way, which can limit how the website presentation layer looks and functions. The limitations generally result from technical constraints brought about from platforms that are jacks of all trades yet masters of none, with the added problem that any change to the visual aspects might require changes to the operational parts as well (and vice versa).

Headless commerce removes the tight coupling of the front and back of the site (or "decapitates" the monolith, hence the term *headless*; commerce technology is full of interestingly grotesque euphemisms). This separation enables the back end to manage operational tasks such as data handling and payment processing independently, allowing the front end to be developed using advanced technologies for enhanced customer experiences. This modular approach facilitates seamless updates and integrations with other digital platforms like mobile apps and social media without requiring a complete system overhaul.

In this architecture, the connection between the front and back ends is maintained through APIs, which are critical for integrating various microservices and components into a cohesive commerce ecosystem.

However, the headless architecture model has an Achilles' heel in the form of heavy reliance on skilled developers to manage these integration points. However, this limitation is not universally prohibitive. Contrary to the assumption that headless commerce is only feasible for large corporations, small digital businesses are also adopting this model effectively in 2024, compelling larger companies to innovate beyond the basics to remain competitive.

Headless Commerce Brings Significant Benefits to SEO and CX Enterprise Digital Commerce

In the mobile-first indexing era (2018 to now), headless commerce aims to raise the visibility of brands and products via search engine optimization (SEO). Generally, this is achieved by relying on server-side rendering (SSR) to create a robust foundation that supports both technical performance and marketing agility. Both are crucial for optimal discovery and large-scale business success in the digital age. (Caveat: Stating that headless commerce relies on SSR simplifies the range of technologies and approaches that can be used in a headless setup, such as static site generation or client-side rendering with dynamic hydration. However, for the purpose of this specific IDC MarketScape document, the focus will be deliberately broad and conscientious of the information needs of line-of-business professionals.)

SEO Benefits

- **Faster page load speeds/improved Google Lighthouse scores:** By decoupling the front end from the back end, websites can load faster. Search engines like Google prioritize fast-loading mobile sites, which means performance can boost your rankings potentially more than keyword strategy or other content. (Note: Some of the benefits also come down to design and

execution; a poorly constructed headless website may actually impede indexing and website performance scores.)

- **Flexible updates:** Since the front end is independent, marketers and designers can implement SEO changes, such as modifying meta tags or adjusting content for better keyword targeting, without needing back-end adjustments. This agility helps in maintaining and improving SEO more efficiently.
- **Enhanced user experience:** A faster, more responsive, and highly personalized site directly contributes to better user engagement, which is a critical factor for SEO rankings and customer satisfaction.

CX Benefits

- **Personalized experiences:** With headless commerce, the front end can be tailored to create unique shopping experiences for users. Customer data can be leveraged to deliver dynamic content and product recommendations more effectively, helping customers discover relevant products, offers, and user-generated content in response to click stream and other behavioral data inputs.
- **Omni-channel consistency:** Because the back end serves as a central point that delivers content and functionality to any front end, businesses can ensure consistent experiences across all digital touch points – whether it's a web store, mobile app, or even through IoT devices.
- **Rapid iterations and updates:** Companies can quickly test and deploy changes in the customer interface without disturbing the operational back end. This means that customer feedback and behavior can be rapidly integrated into the design and functionality, significantly improving the precision of targeted dynamic CX delivery.

Beyond these aforementioned tangible benefits, headless commerce provides an uninterrupted environment for transacting that is well suited for rapid experimentation while giving businesses a much-needed reprieve from tight vendor lock-in.

Caveat Emptor – Not All Headless Commerce Products Are Created Equal

The inability to "decompose" (another gruesome commerce euphemism) the stack may leave businesses with technical debt in the form of unused front-end elements, particularly when the commerce system is not designed up front with headless deployments in mind. The problem stems from the fact that the unused front-end code will still need to be maintained and can encumber back-end performance, even if those unused embedded front ends are not visible to customers.

Furthermore, vendor lock-in (i.e., the inability to replatform the back or front of the commerce stack) defeats a major benefit of the headless exercise. Technology buyers should be cautious to avoid headless commerce platforms that are built with proprietary coding languages, inflexible legacy architectures, and/or dependencies on back-end elements that would possibly prevent the level of technical front-end agnosticism that headless architectures are ideally designed to deliver.

When selecting a headless commerce platform, it's important to remember that you are not merely choosing a single monolithic product. Instead, you are potentially committing to an entire ecosystem of products that may or may not be compatible with your existing technology stack.

This IDC MarketScape provides essential insights to help enterprise technology buyers make well-informed decisions that delve into the long-term implications of adopting specific SaaS ecosystems for digital commerce. The stakes of choosing the right headless commerce platform are high, involving the

potential to save (or waste) months of time and tens of millions of dollars on technology that may not align with your strategic goals. Rigorous evaluation is imperative to prevent substantial financial losses and ensure that your business wins the day as a truly innovative, customer-centric, consistently high-quality pioneer in digital commerce in any channel, with any customer, at any time the opportunity comes knocking.

Areas of Differentiation for Digital Commerce Software Buyers

IDC tracks over 100 vendors specifically for digital commerce software – many of which use similar market messages to sell their applications. 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 machine learning [ML] and generative AI [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 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.

Digital commerce software should be a harmonious extension of your chosen differentiation strategies. The path to success in 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.

This IDC MarketScape Focuses on the Needs of Enterprise Commerce Buyers

For the purposes of this document, enterprise is defined as upper midmarket or above. The buyers of these products are typically multinational, multibrand firms transacting at a volume of \$500+ million in annual revenue. This document includes a mix of diverse firms, allowing IDC to assess a spectrum of vendors for enterprise headless digital commerce. This assessment includes digital commerce platforms, suites, and applications, as well as products for composable modular headless commerce.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

- Product must meet IDC's functionality requirements for digital commerce.
- Commerce product is capable of supporting and/or orchestrating API connections to third-party "heads."
- Product assessed *must* be in the cloud (no on-prem products).
- Product must be appropriate for high-volume enterprise businesses.
- Product can be intended for B2B, B2C, or both.
- Product must be able to support more than one industry and is actively deployed in more than one industry.
- Vendor has at least 20 customers that are in the upper midmarket or above (\$500+ million in annual revenue).
- Product website must specifically mention that headless and/or composable deployments are a primary use case.
- Product can be sold with or without a head.
- Product must be sold (no free or "community model" products).

ADVICE FOR TECHNOLOGY BUYERS

- Start with a competitive differentiation strategy and purchase software that helps you make it a reality. Don't let the software dictate your headless strategy, as you will likely find yourself encumbered by inflexible legacy systems with big-name recognition and no room to maneuver. Instead, work with competent consultants, systems integrators (SIs), and in-house technical talent to create flexible strategies and source software that allows you to pivot with maximum agility into new CX opportunity horizons.

It is not enough to have an API for headless commerce, as this is fairly typical among enterprise and midmarket digital commerce SaaS products in 2024. Instead, pay closer attention to the role the API plays in the composition of the platform prior to integrating with other best-in-breed technologies. Is the API a star player ("API first") or a bolt-on second fiddle to a legacy product? Your headless performance can vary greatly depending on the answer.

- Adopt a headless approach to integrate cutting-edge interfaces like IoT, AR/VR, and AI-driven interfaces, addressing the need to innovate across multiple consumer touch points.
- Assess readiness to leverage advanced developer tools and platforms that include low-code/no-code options, accommodating both technical and less technical staff.

- Ensure the headless commerce solution supports flexible, cloud-agnostic deployments and hybrid cloud capabilities to handle global privacy regulations and data residency requirements efficiently.
- Utilize advanced AI and machine learning capabilities within the headless platform for real-time personalization and predictive analytics to optimize content and user experiences dynamically.
- Focus on a robust microservices architecture that allows for independent scaling, faster innovation cycles, and better system resilience.
- Choose platforms that consider environmental impact and ethical AI use, enhancing user experiences responsibly. Choose commerce products that have AI capable of risk minimization, compliance automation, and operational optimizations that will lead to long-term efficiency and CX gains.
- Opt for solutions that offer comprehensive support for localization needs in emerging markets, including local payment methods, languages, and cultural nuances.

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 in this IDC MarketScape for worldwide enterprise headless digital commerce platforms.

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 digital commerce product, Sitecore Commerce Cloud, consists of two products: Sitecore OrderCloud (headless commerce platform) and Sitecore Discover (personalization and merchandising product). Sitecore OrderCloud is a headless commerce platform with MACH architecture that the company built to be channel and use case 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 2021 IDC MarketScape digital commerce assessments; 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 U.S. dollar amount of line items processed annually; Discover pricing is based on unique annual visits.)
- **Partner ecosystem:** Over 100 implementation partners and more than 5 strategic technology partners for B2C digital commerce
- **Interesting fact:** Sitecore's uptime performance is very consistent; the company has not had a major outage in over a decade (at the time this document was written).

Sitecore headless commerce quick facts:

- **API coverage:** 100% of functionality exposed via REST APIs
- **Scope of APIs:** The OrderCloud API encompasses the full life cycle of an ecommerce platform providing essential functionalities such as product, order, user, pricing, and promotions and inventory management. It enables integration with external systems, supports customization and extensibility, and offers robust reporting and analytics capabilities.
- **API rate limits:** Yes; OrderCloud implements rate limiting to control the number of API calls that can be made within a specific time period. The specific rate limits imposed by OrderCloud may vary depending on the API endpoint, the type of API request, and the user's account type or plan, which are all negotiated at the time of the contract. The rate limits are typically defined in terms of the maximum number of requests that can be made per minute, hour, or day.
- **Vendor-reported time to MVP:** 1-2 months
- **Developer tools:** Vendor provides SDKs, GitHub integrations, and an open source version of the front-end buyer and admin experience; OrderCloud was featured in the Sitecore User Group (SUGON) global event that attracted over 300 developers.
- **Other UI for headless commerce:** Product does provide an optional no-code and low-code interface for nontechnical creative professionals; CLI is available for admins.
- **Front-end frameworks for headless commerce:** Sitecore's OrderCloud supports a variety of front-end frameworks for building and customizing the user interface of commerce applications, including Angular, React, Vue.js, Ember.js, Backbone.js, Knockout.js, and vanilla JavaScript/CSS/HTML.
- **Transcendent commerce:** The OrderCloud data model for commerce can support B2B and B2C, though skews toward B2B; Sitecore provides tooling to create the omni-channel integrations needed for point of sale.
- **Experience scalability:** Product can support up to theoretically unlimited different heads (front-end experience) in parallel.
- **Most common headless commerce experiences:** Hyper-personalization, hyper-localization, omni-channel, syndicated commerce, PWA

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:** 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.
- **Emphasis on manufacturing:** 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.
- **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 a commerce orchestration 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.
- **Struggles to communicate current strengths:** 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, Sitecore's long-standing expertise in CMS could engender the perception that the company's commerce solutions are secondary to its content management offerings.

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 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.

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.

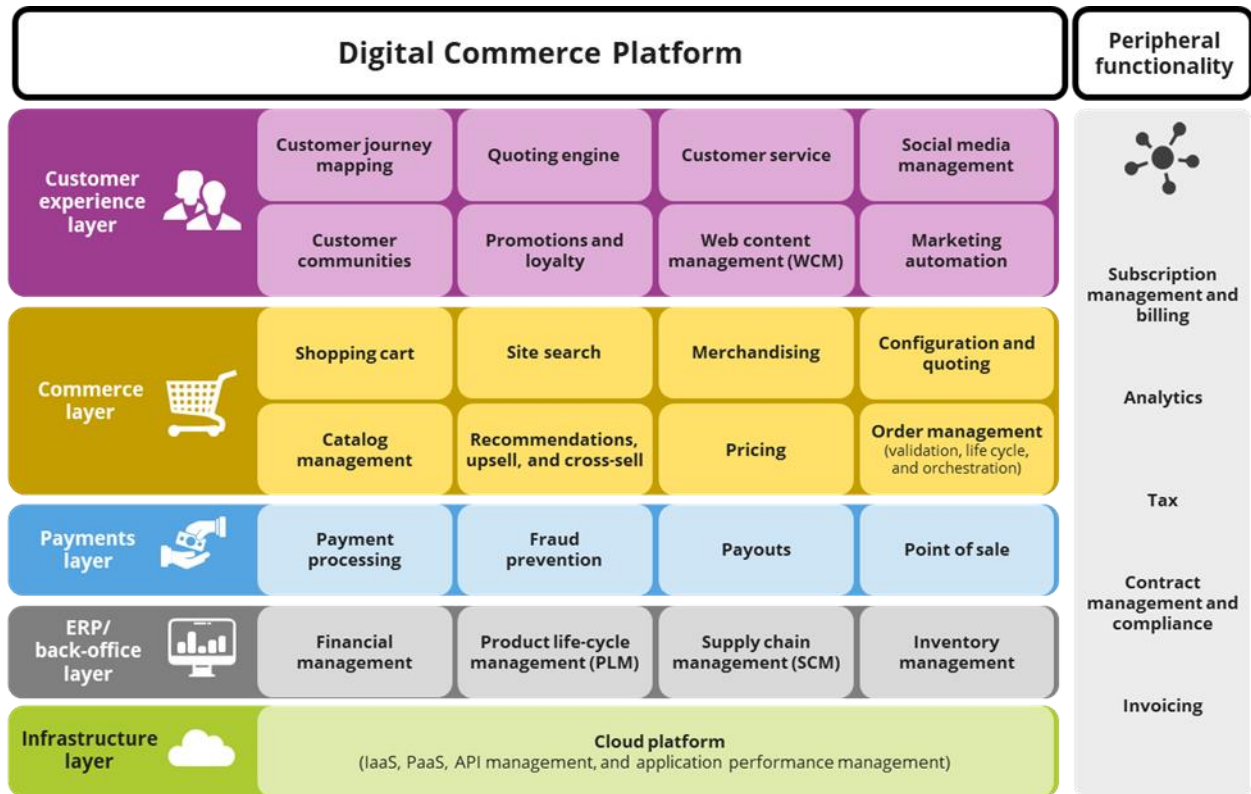
Market Definition

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



Source: IDC, 2024

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Enterprise B2C Digital Commerce Applications 2024 Vendor Assessment* (IDC #US49742623, March 2024)
- *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 provides an assessment of the principal digital commerce platforms capable of headless deployments with suitability for enterprises with an annual GMV of \$500+ million. This document also discusses what criteria are most important for these companies to consider when selecting a digital commerce platform system.

"As Bob Dylan famously said, 'The times, they are a-changin.'" The same is true in digital commerce. With channel proliferation and ever-increasing tension between customer demands and pressure on margins, the strategic significance of separating truth from fiction in headless commerce has never been more intense," says Heather Hershey, research director of Worldwide Digital Commerce at IDC. "Enterprises must rigorously evaluate potential platforms not only for their current capabilities but also for the foundation they potentially provide to drive and support future growth and innovation. Buyers must also be careful to avoid purchasing solutions that are a bad fit, whether that's a matter of technology, ecosystem, or economics."

About IDC

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