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E-commerce Platforms Buyer's Guide 2011

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E-commerce Platforms Buyer's Guide 2011



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1. Introduction

Econsultancy's buyer's guides are the ideal starting place for anybody researching new suppliers in digital market sectors. They contain **in-depth vendor profiles**; to help you quickly evaluate suppliers and service providers, as well as **market analysis** to help you put things into perspective.

Vendors are selected for the report based on a combination of factors, not limited to, but including:

- **Analysis of capabilities** (services / products)
- **Clients**
- **Experience** (qualifications / trade bodies / case studies / client lists)
- **Expertise** (by sector / topic)
- **UK / US status** (a UK and / or US office is preferred, occasional exceptions are made)
- **Ability to take on and fulfil new projects**
- **Recommendations from trusted sources** (or anecdotal evidence to the contrary)
- **Google visibility**
- **Business model** (a high % of turnover should be related to these services)
- **Company website**

Econsultancy does not explicitly recommend any of the suppliers featured in these guides, principally because it is impossible for us to work with all of them to form a first-hand opinion. But we do believe - based on an intensive and careful selection process - that the chosen vendors represent quality.

Buyer's Guides are updated on an annual basis, so the information contained within is recent and thus valid. Send any questions or comments to Linus.Gregoriadis@Econsultancy.com

The following companies / platforms either declined to be featured or failed to submit a profile on time:

- ATG
- Digital River
- Drupal
- ePages
- EROL
- eSellerPro
- eShopworks
- IBM
- Magento
- Microsoft Commerce Server
- osCommerce
- Venda

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1.1. About Econsultancy

Econsultancy is a [digital publishing and training group](#) used by more than 200,000 internet professionals every month.

The company publishes [practical and time-saving research](#) to help marketers make better decisions about the digital environment, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy has offices in New York and London, and hosts more than [100 events](#) every year in the US and UK. Many of the world's most famous brands use Econsultancy to [educate and train](#) their staff. Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Virgin Atlantic, Barclays, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works. Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).

Further reading

E-commerce Statistics

<http://econsultancy.com/reports/e-commerce-statistics>

How to Run a Successful E-commerce ITT

<http://econsultancy.com/reports/how-to-run-a-successful-e-commerce-itt>

Mobile E-commerce Best Practice Guide

<http://econsultancy.com/reports/mobile-e-commerce-best-practice-guide>

MVT Buyer's Guide

<http://econsultancy.com/uk/reports/multivariate-testing-mvt-buyers-guide>

Econsultancy / Tealeaf Reducing Customer Struggle Report

<http://econsultancy.com/reports/reducing-customer-struggle>

The Internationalisation of E-commerce: A Best Practice Guide

<http://econsultancy.com/reports/the-internationalisation-of-e-commerce>

Delivering Successful E-commerce Projects

<http://econsultancy.com/reports/delivering-successful-e-commerce-projects>

Checkout Optimization Guide

<http://econsultancy.com/reports/checkout-optimization-guide>

Econsultancy / RedEye Conversion Report

<http://econsultancy.com/reports/conversion-report>

Product Pages Best Practice Guide

<http://econsultancy.com/reports/product-pages-a-best-practice-guide>

E-commerce Projects - Digital Marketing Template Files

<http://econsultancy.com/reports/e-commerce-projects-digital-marketing-template-files>

E-commerce Request for Proposal (RFP)

<http://econsultancy.com/reports/e-commerce-request-for-proposal-rfp>



2. Executive Summary

This report is an overview of the e-commerce market, with a focus on the different technology platforms available to organisations trading online.

Key trends and developments which are currently shaping the e-commerce platforms and technology market include:

- Digital giants strive to develop e-commerce capabilities
- Mobile commerce matures as a bridge to multichannel retail
- Commerce continues to get more social
- Facebook evolves into its own e-commerce platform
- Retailers seek to join up online and offline channels
- International e-commerce provides opportunity for growth

Profiles of the following vendors appear in the report: *20:20 Technology, Actinic, advansys, ATG, BT Fresca, ChannelAdvisor, Colony Commerce, CrimsonWing, CSI, Demandware, dotDigital, eCommera, eibDIGITAL, ekmPowershop.com, Elastic Path Software, EPiServer, GSI Commerce, Javelin Group, hybris, IBM, LavaSuite (Design UK), Magento, Magicalia Commerce, Maginus, Microsoft Commerce Server, Moneyspyder, Motive, ()pen, osCommerce, Paraspar, Pod1, Portaltech, Quantiv, Red Technology, Salmon, Screen Pages, Snow Valley, Venda.*

Acknowledgements

As well the suppliers who have submitted profiles and information, Econsultancy would like to thank Chris Lofts, an independent e-commerce consultant, for his assistance in compiling this report.

About Chris Lofts

Chris has worked in e-commerce for the past 11 years, helping companies set up and run transactional websites. Starting out in the agency sector, where his clients included Halfords, Lakeland, Links of London, TM Lewin and Herbert Smith, for the past four years, Chris has worked on a freelance basis providing business analysis, project management and consultancy to a range of companies including L’Oreal, TLC Marketing and The Post Office.

Alongside this, Chris delivers training in web technology across the publishing industry and works as a senior associate of e-commerce consultancy, Biglight. There, he has delivered various projects for the likes of New Look, Blacks, World Design and Trade, Habitat, Bowers and Wilkins, Global Media Vault and Ben Sherman.

To date, his projects have included: business cases for loyalty points schemes, new product launches, intranet-based transactional websites, supplier selection, programme management of new and second generation transactional websites, design of new functionalities and technical briefs.

He can be contacted at: chris.lofts@noetikecommerce.co.uk

Econsultancy would also like to thank the following experts for their time and opinion contributions:

- **Steve Borges**, Co-founder, Biglight
- **James Gurd**, Independent E-commerce Consultant
- **Ian Jindal**, Founder/Editor-in-Chief of InternetRetailing, Independent E-commerce Consultant
- **Martin Newman**, CEO, Practicology



3. The Market

3.1. Market definition

This report is an overview of the e-commerce platforms market, with a focus on the different technologies and delivery models available to organisations trading online. The main focus is the UK market, although some of the vendors are global.

For this year's version of the report, Econsultancy has divided the profiled vendors into two categories: "*Platform Base*" and "*Platform Implementer*". Each vendor has been selected on the basis of criteria which are explained in the introduction (*Section 1*) to this guide.

This division is intended to reflect the difference between a piece of re-usable software (that can either be implemented by a third party or by in-house developers) and the services of a solution provider, which may use third party or proprietary software as a starting point in delivering a fully functional online store for a retailer.

We have included e-commerce platform providers who have their own code base for delivering a complete transactional website that is re-used across multiple clients. The listed vendors within the report offer either a standalone technology platform (which can be bought as a distinct and branded technology solution), packaged applications or on-demand, bespoke e-commerce platforms.

We have also included e-commerce platforms provided by full-service agencies, so long as they have a standalone platform where the code is re-usable.

The supplier matrices (*Section 8*) give readers an at-a-glance overview of the market each vendor is focused on (i.e. enterprise, mid-market or SME) and which services and types of functionality they can deliver.

The market positioning charts after each individual platform implementer profile are another resource which allow buyers to understand key differences in each vendor's proposition. There is a full explanation as to how these charts should be interpreted.

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3.1.1. Differences between e-commerce solutions

If you're considering an e-commerce solution, you need to find a solution that will fit your business, rather than your business fitting the platform.

One of the key areas to consider is whether you need an enterprise, mid-market or SME solution. This is often a stumbling point for many online retailers, who chose the wrong solution based upon misjudgement about the size of their operations – usually this is through over-estimation and can be a costly mistake. The size of an organisation's customer base is an obvious difference that will define a platform, yet many retailers still appear to not quite understand this.

The second key difference lies within how the package is sold. As already explained, it is important to understand the difference between a piece of re-usable software that can either be implemented by a third party or by in-house developers (*a base e-commerce platform*) and the services of a solution provider who may use third party or proprietary software as a starting point in delivering a fully functional online store for a retailer (*implementer platforms*).

Another way of understanding differences between e-commerce vendors is whether their proposition is for *packaged applications*, *on-demand e-commerce* or as a *full-service agency*.

The table below looks at the differences between these business models, in the context of various considerations, namely intellectual property, implementation, hosting, scalability and pricing.

	Packaged applications	Full-service agency	On-demand e-commerce
Intellectual property	Licensed to the customer.	Customer either owns the source code outright, or licenses the solution in perpetuity from the agency.	Customer owns no IP in the solution; they are renting a service.
Software, solution or service?	Software – turned into a solution by an agency / integrator or customer's own IT team.	Solution – based on packaged application, agency's own platform, or bespoke development.	Service.

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3.2. Market value and growth

Market Value

The UK market for e-commerce technology will grow by 14% during 2011 to a value of £690m.

Econsultancy

The e-commerce platforms market is thriving because of the scale of online retail and the crucial role technology plays in this sector.

According to the IMRG Capgemini e-Retail Sales Index published in January 2011, £58.5 billion was spent online last year in the UK alone. In the US, e-commerce sales in 2010 amounted to \$228 billion, according to figures published by comScore.

More recent IMRG figures for the UK show that £5.3 billion was spent online during May alone this year, which equates to a year-on-year increase of 18%.¹

Despite strong growth in online retail, the market for e-commerce is inevitably showing signs of maturing. A report from Verdict² has suggested that the growth rate of online sales in the UK will average out at around 12% over the next couple of years.

3.3. Drivers of growth and market trends

The e-commerce platforms market is constantly evolving, in order to keep up with consumer behaviour and increased opportunities afforded by technology. Econsultancy has identified the following trends which are all having a significant impact on the e-commerce sector.

3.3.1. Digital giants strive to develop e-commerce capabilities

It is simultaneously an exciting and challenging time for e-commerce, as the platforms underpinning the industry are in an unprecedented state of flux.

The need to integrate technology and marketing tools, such as CMS, CRM platforms, analytics, email and social media, is increasingly forcing existing vendors to develop their capabilities. At the same time, consumer expectations are now much greater, with users expecting a rich and seamless experience of online shopping across a range of devices.

What the experts say

“If I were a retailer, mobile would be very high on my agenda. I’d want to ensure that we had a mobile-compatible site but I’d also be looking at mobile more strategically in terms of how I could leverage it to increase customer engagement and sales across all my channels.”

Example

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<http://econsultancy.com/reports/e-commerce-platforms-buyers-guide>

¹ IMRG press: <http://bit.ly/iJfZqS>

² Telegraph Finance: <http://bit.ly/gky32b>



4. Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section contains a 'SWOT' analysis for the e-commerce market, from the perspective of suppliers. It also serves as a summary of some of the points made above.

4.1. Strengths

- The e-commerce platforms market is thriving because of the continued **growth of online retail** and the pivotal role technology plays in underpinning this sector.
 - Best-of-breed technology is becoming a **hygiene factor** for business as consumers increasingly expect to have a seamless customer experience and the ability to make transactional purchases using a range of devices.
- A new generation of e-commerce solutions means that **multichannel companies can effectively integrate** online with other channels.
 - Platforms are typically low maintenance for clients, reducing or eliminating the need for IT expertise in-house.

What the experts say – strengths

“Online retailers have two key strengths, which is supported by the platforms they use: product and customer data ready to export to new interfaces or media platforms, alongside access to customer behaviour information through their web analytics.”

Example

4.2. Weaknesses

- **The purchase cycle can be very protracted** for vendors trying to sell to corporates because of operational complications as well as the need to influence and persuade a number of stakeholders with different agendas.
- **Customised solutions can be expensive** for businesses because they have to pay for agencies and integrators as well as for the technology. On-demand/hosted solutions are often cheaper but the customer will lose a degree of control over their technology and ability to customise.
 - Ongoing maintenance costs can be a headache for companies, especially when the customer bears the entire cost of any upgrades or improvements.

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<http://econsultancy.com/reports/e-commerce-platforms-buyers-guide>



5. Finding the Right Supplier – Tips and Pitfalls

5.1. Introduction

In order to identify the most suitable e-commerce platform and supplier it is important to understand that different vendors / solutions providers have different selling points, in terms of both their technology and their services.

This section, in addition to the detailed company profiles and market positioning charts contained in the next sections, will help you focus on what your company needs and help you to find the right match.

Here are some key questions and considerations which can act as a checklist to help you avoid any pitfalls. By asking these questions, and thinking about some of the issues, you should be able to find a partner which is suitable for your business requirements.

Resource

We strongly recommend that you consult Econsultancy's [E-commerce ITT](#) and [Request for Proposal \(RFP\)](#) documents for more detailed guidance in the process of procuring a supplier and defining requirements.

5.2. What type of supplier are you looking for?

Companies looking for an e-commerce supplier should be aware that there are important differences in the types of e-commerce companies profiled in this report.

Most of those suppliers profiled are customer-facing but be aware that some technology providers rely on partners to sell and implement their solution. Some of the platforms are provided by agencies specialising in e-commerce.

You need to decide on which platform package is best for your organisation.

- A hosted e-commerce solution, which will typically involve a monthly charge, can potentially remove the pressure on in-house IT requirements.
- An 'on-demand' / SaaS / 'utility' service means that you are only paying for the capacity or level of services you need. Using licensed software can give you more ownership and control of your e-commerce technology.

Sample only, please download the full report from:



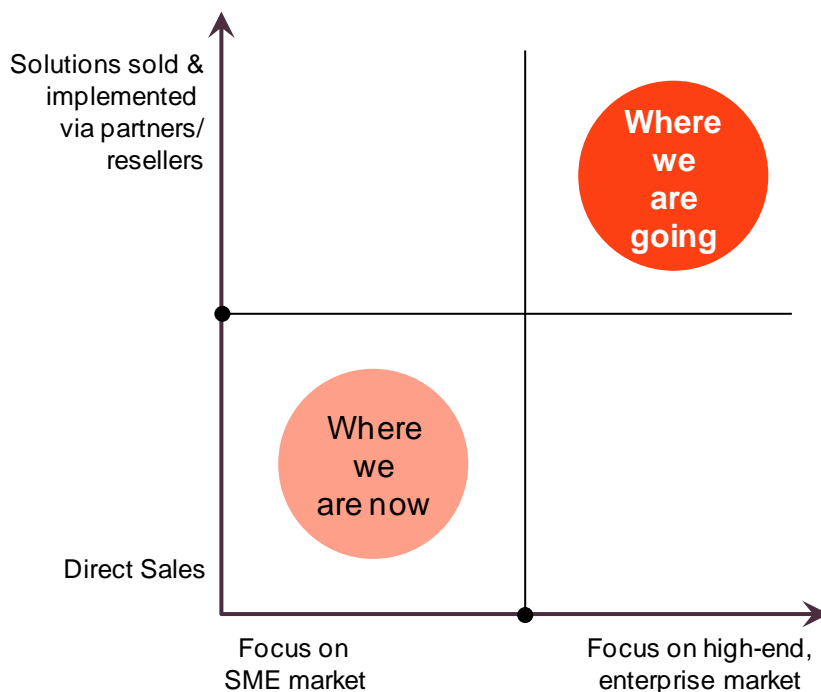
<http://econsultancy.com/reports/e-commerce-platforms-buyers-guide>



6. Market Positioning Charts

6.1. Explanation for Chart 1: Business Model

Business Model



The vertical axis charts to what degree the technology provider sells its solutions directly versus having an indirect model whereby it sells its technology via partners / resellers.

The horizontal axis charts the target market the profiled supplier is targeting in terms of whether it is more aimed at small and medium companies or high-end, blue chip clients.

The pale orange circle denotes the company's current position while the bright orange reflects their medium and long-term aspirations. If the circles are in the same position, the company is happy with its current market positioning and has no plans to change.

For example, on the chart displayed, the company is currently focusing on direct sales within the SME market, but is aiming to move into the enterprise market, selling via a partner.

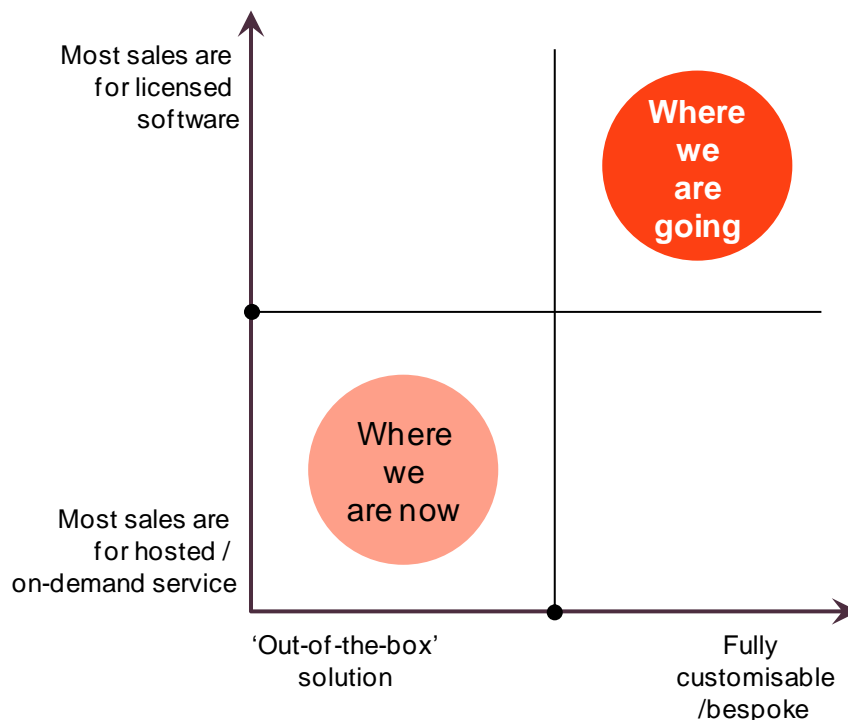
Sample only, please download the full report from:



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6.2. Explanation for Chart 2: Type of Solution

Type of Solution



The vertical axis charts the extent to which the e-commerce technology provider is geared towards selling licences for its product versus offering a hosted e-commerce solution.

The horizontal axis charts the extent to which the solutions are designed to work 'out-of-the-box' as opposed to lending themselves to customisation.

The pale orange circle denotes the company's current position while the bright orange reflects its medium and long-term aspirations. If the circles are in the same position, the company is happy with its current market positioning and has no plans to change.

For example, on the chart displayed, the company currently sells an "out-of-the-box" solution, where most sales are to customers wanting a hosted service. But, in the future, the company is looking towards producing a fully customisable product, to be sold as licensed software.

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6.3. Positioning: summary diagrams

Business Model



Please note: this chart does not include market positioning for 'base platforms'.

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8. Supplier Marketplace and Profiles

8.1. Example

<h3>Example</h3>							
Company Proposition	UK HEAD OFFICE ADDRESS						
Brief Company History	OFFICE LOCATIONS						
Target market <table border="1" data-bbox="102 1261 1163 1339"> <thead> <tr> <th data-bbox="102 1261 440 1296">SME solution</th> <th data-bbox="440 1261 821 1296">Mid-market solution</th> <th data-bbox="821 1261 1163 1296">Enterprise solution</th> </tr> </thead> <tbody> <tr> <td data-bbox="102 1296 440 1339"></td> <td data-bbox="440 1296 821 1339"></td> <td data-bbox="821 1296 1163 1339"></td> </tr> </tbody> </table>	SME solution	Mid-market solution	Enterprise solution				CONTACT
SME solution	Mid-market solution	Enterprise solution					

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Company Information	
Turnover 2010	
Projected growth for 2011	
Projected turnover 2011	
Number of UK employees	
Background Information	
Years in business	
International capability	
White papers/published documents	
Membership of industry bodies/Professional associations	
Standards complied with	
Partnerships with other companies	
Clients	
Total number of clients delivered to	
Total number of clients currently supported	
Clients	
UK client list	
Testimonials	

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Client size	Online revenue		Number of clients with revenues	
Core product				
Packaged software				
Packaged software provided to third parties for customisation				
Your packaged software, customised by you				
Hosting, support, maintenance and development				
Delivery Model				
	One-off upfront fee	Fixed monthly	Monthly (traffic dependent)	Revenue share
Software licence				
Design & customisation				
Customer-specific features				
Integration				
Support & maintenance				
Platform enhancements				
Ongoing development				
Hosting				

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Partners and Integration

Implementation / Consultation / Delivery	
Hosting & managed services	
Payment service Providers	
Logistics service providers	
ERP Systems	
CRM systems	
Email platforms	
Analytics	
E-commerce expertise	
Social media	
Mobile-commerce	
Other	

Promotional & Marketing capabilities

Cross-sell/up-sell functionality (e.g. recommendations/ product associations)	
Promotions (discounts, free gifts, coupons, gift certificates, wish-lists etc)	
E-mail services (e.g. order confirmation e-mails)	
Text messaging services	

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Social media	
SEO (e.g. Specify how your technology supports SEO/level of automation/etc)	
Other	
Product & Content Management	
Product Inventory Management	
Personalisation/ profile building	
Product search engine	
Multi-lingual capability	
Product data feeds (import & export)	
Product Content Syndication	
Metadata management	
Workflow automation	
Roles-based access	
Replication / deployment / archiving	
Roll back/versioning	
Other	

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Analytics	
Sales reporting	
Customer Segmentation	
Conversion Analysis	
Basket Analysis	
E-marketing effectiveness reporting (e.g. affiliate-referred sales, paid search referred sales etc)	
Other	
Transactional capabilities	
Real-time pricing	
Invoicing	
Tax calculations (across different countries)	
Shipping calculation	
Multi-currencies	
Currency converter	
Fraud protection procedures/	
PCI DSS Compliancy level	
Purchase on account	

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Operational Support	
Please provide details about the level of UK support you provide	
Costs and pricing	
How do you typically charge clients?	
Account management costs (if applicable). Fixed monthly fee/% of revenue/ included in package/etc.	
Costs – including support fees, training, upgrades, day rates etc	
Additional Services	
Site design & development	
Consultancy/web marketing	
Training	
Other	



Example – Market Positioning Charts

Chart 1 – Business Model



Chart 2 – Type of Solution

