



SMB eCommerce Solutions 2012

by Brian K. Walker, April 12, 2012

KEY TAKEAWAYS

A Wide Variety Of Vendors To Choose From

Over the past few years, eCommerce solutions for SMBs have evolved to provide more well-rounded and configurable platforms; however, they do have restraints around the levels of customizability. Generally solutions fall into four categories: on-premises licensed software, hosted/managed, software-as-a-service, or full-service platforms.

Three Key Evolutions In The SMB Solutions Market Future

In the near future, Forrester expects to see the advent of full-service offerings such as Amazon's suite of solutions and continued growth off the open source ecosystem. We also expect web services-based solutions through RESTful APIs to become more prominent, as they allow clients to extend platform use in creative and potentially disruptive ways.



SMB eCommerce Solutions 2012

A Guide To Selecting Your eCommerce Solution Across North America And EMEA

by [Brian K. Walker](#)

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

WHY READ THIS REPORT

This report is an update of our July 2010 “Market Overview: SMB eCommerce Solutions” report. Since the report was first published there have been a number of changes to the solutions market for small to medium-size businesses (SMBs) selling via the Web. New vendors have emerged on the scene, solutions have evolved, mobile commerce has become important, and global commerce is within reach for even small businesses selling online. This report aims to help answer which SMB eCommerce solution you should consider for your business.

Table Of Contents

2 **Finding The Right eCommerce Solution For You**

Who Is Included And Why

Platform Selection For SMBs Can Be Daunting

SMB Solutions Continue To Evolve

RECOMMENDATIONS

10 **Prepare To Select An eCommerce Platform Carefully**

HOW FORRESTER CAN HELP

11 **Forrester Can Aid In Strategy Assessment And Vendor Selection**

12 **Supplemental Material**

Notes & Resources

Forrester surveyed 29 vendors including Adobe Systems, Amazon.com, Cleverbridge, Magento, Oxatis, and Venda.

Related Research Documents

[Is An Open Source Platform Right For You?](#)
June 29, 2011

[eCommerce Technology Selection Checklist](#)
April 4, 2011

[Market Overview: SMB eCommerce Solutions](#)
July 26, 2010

FINDING THE RIGHT ECOMMERCE SOLUTION FOR YOU

Even the largest companies need solutions aimed at smaller businesses. New products, new markets, new divisions, or new initiatives may require eCommerce solutions that serve smaller teams with fewer complex requirements than a larger more mature multichannel business requires.¹ To support our SMB clients in finding eCommerce solutions best suited to their needs, Forrester surveyed the capabilities of 29 B2C eCommerce platform providers in North America and Europe that focus to a significant extent on serving SMB online retailers across North America and Europe.

Who Is Included And Why

In an effort to bring forth a curated sample of the SMB eCommerce solutions providers, we developed a list of vendors that met our criteria for evaluation. We surveyed the vendors in order to better understand their current offerings and market presence and then narrowed the selection. Each vendor included in this list is focused on (see Figure 1):

- **Providing eCommerce solutions to small or medium-size businesses.** The vendor provides solutions to a significant number of clients with \$1 million to \$10 million in annual online revenues or is otherwise explicitly geared toward the SMB eCommerce client. The vendor may also serve larger clients, but the SMB segment must make up a significant portion of their customer base.
- **Providing a comprehensive tool set for SMBs selling direct-to-consumer online.** The vendor provides technology and services aimed at retailers, branded manufacturers, digital goods publishers, and other businesses selling direct to consumer online. That may include web, mobile, and web services-based interfaces to support transactions, and may also include other services such as fulfillment, customer service tools, marketing tools, payment services, and creative services.
- **Serving North American and/or European markets.** Eleven of the 29 eCommerce platform providers surveyed have offerings that are global in scope; however, all vendors' geographical focus is centered on North American and/or European clients.

Forrester covers a great number of eCommerce applications and service providers from around the world. If a vendor is not present in this or other relevant reports and you wish to learn more, we encourage clients to ask about them via our inquiry process.²

Figure 1 SMB B2C eCommerce Platform Solutions

Company	Solution type	Cost model	Business models supported	Primary markets served	Target market	Professional services available
Acadaca	Hosted/managed	Acadaca offers a fixed implementation fee, plus a post-launch fixed monthly fee that is based on overall scope, integrations, capacity needs, and included ongoing professional services. Also available are revenue share or tiered monthly payment models.	Primarily B2C	North America, Europe	Fashion, luxury, jewelry, apparel, footwear, entertainment, and health and beauty branded manufacturers	Yes
Adobe Systems	SaaS	Adobe's pricing is based on hosting. Adobe bills this monthly fee to web designers/developers who then set up a direct billing relationship between Adobe and the end client if they wish.	Primarily B2C	Global	B2C SMBs supported by independent web designers and/or web agencies	No
Amazon	SaaS	Amazon Webstore pricing is based on a revenue share plus per-order transaction fee. Amazon also allows sellers to leverage selling on Amazon Marketplace and/or use Fulfillment by Amazon (FBA). Marketplace is a revenue share fee model, and FBA uses an order fee plus stocking fees.	Primarily B2C	North America, Europe	B2C SMBs in apparel, media, consumer electronics, food and wellness, home, sporting goods, and toys and games	No
American eagle.com	Hosted, SaaS, license, and professional services	Americaneagle.com offers fixed price contracts based on scope of customization and implementation. Post-launch there is ongoing hosting and management fees.	Primarily B2C	North America, Europe, Asia Pacific	B2C SMBs with online revenue of \$1M to \$250M	Yes
Asknet	SaaS	Asknet's pricing is based on revenue share. It also provides professional services priced on a per-project basis.	Primarily B2C	Global	B2C SMBs in the software and education market with \$1M to \$50M in annual online sales	Yes
Avangate	SaaS	Avangate's pricing is typically based on a revenue share or per-order transaction cost. Professional services are priced on a per-project basis.	B2B and B2C	Global	SMBs in the software and SaaS market with annual total sales between \$20M and \$150M	Yes
Big Commerce	SaaS	Big Commerce's pricing is based on a monthly subscription.	Primarily B2B	Global	B2B SMBs with fewer than 100 employees	Yes

Figure 1 SMB B2C eCommerce Platform Solutions (Cont.)

Company	Solution type	Cost model	Business models supported	Primary markets served	Target market	Professional services available
Bridgeline Digital	SaaS, hosted, license, professional services	Bridgeline Digital's pricing is based on a tiered monthly fee (SaaS) or owned software license purchase (Perpetual). Professional services are priced on a per-project basis.	B2B and B2C	North America, Europe, Asia Pacific	B2C SMB retailers and branded manufactures, B2B manufacturers and services, healthcare, and technology	Yes
BV Software	SaaS, license, open source	BV Software has three different pricing models: open source, commercial license with an up front fee, and hosted/managed with a fee.	Primarily B2C	Global	B2C and B2B SMBs	Yes
Cleverbridge	SaaS	Cleverbridge's pricing is based primarily on revenue share. Price is determined by volume/average cart order value. Professional services priced on a per-project basis.	B2B and B2C	Global	B2B and B2C sellers of SaaS and subscription-based products in the midmarket and enterprise space	Yes
CORESense	SaaS	CORESense's pricing model is based on an annual subscription plus per order transaction cost. CoreSense also provides professional services on a per-project or monthly retainer basis.	Primarily B2C	North America	B2C SMB Internet retailers and branded manufactures	Yes
Digital River	SaaS	Digital River's pricing structure is based on revenue share based on monthly gross revenue. Professional services are priced on a per-project basis.	Primarily B2C	Global	SMB software publishers, SMB game publishers, SMB consumer electronics manufacturers	Yes
Exact Abacus	SaaS and professional services	Exact Abacus's pricing model is a fixed monthly fee that varies depending on solution package. Professional services are priced on a per-project basis.	B2B and B2C	Europe	SMBs with annual online revenue between £1M and £10M. Current client base focused on horticulture, fashion, sports, industrial supplies, and housewares.	Yes

Figure 1 SMB B2C eCommerce Platform Solutions (Cont.)

Company	Solution type	Cost model	Business models supported	Primary markets served	Target market	Professional services available
GoEcart	SaaS	GoEcart's pricing model includes a flat subscription fee plus flat transaction fee. Professional services are priced on a per-project basis.	Primarily B2C	North America, Europe	B2B and B2C SMB multichannel retailers, branded manufacturers, Internet retailers and distributors	Yes
Ignify eCom-merce	SaaS, license	Ignify's pricing model includes either software license for outright purchase or monthly subscription fee based on revenue. Professional services are priced on a per-project basis.	B2B and B2C	Global	B2C or B2B SMB in apparel, office supply, furniture, sports, and consumer goods	Yes
Jagged Peak	SaaS, managed services, license	Jagged Peak's pricing model has fixed fees for SaaS platform, managed services, or licensed models.	B2B and B2C	North America, Europe	B2C SMB consumer packaged goods, branded product manufacturers, multichannel retailers, online retailers	Yes
Kalio	SaaS	Kalio offers both a fixed and tiered monthly subscription fees based on client company's annual revenue.	Primarily B2C	North America	B2C and B2B SMB multi-channel merchants with online revenues from \$3M-\$100M.	Yes
Magento	License, SaaS	Magento requires an annual license fee for the enterprise and professional editions. Community edition may be downloaded for free. Professional services and training are available on a per project basis, typically through partners.	Primarily B2C	Global	B2C SMBs with online sales of \$1M to \$100M	Yes
Miva Merchant	Hosted, license, and professional services	Miva Merchant has two different pricing models. Customers pay a monthly fee for hosted/managed or an annual fee for the license when it is hosted on-premises. Professional services are priced on a per-project basis.	Primarily B2C	North America, Europe	B2C SMB from many categories	Yes

Figure 1 SMB B2C eCommerce Platform Solutions (Cont.)

Company	Solution type	Cost model	Business models supported	Primary markets served	Target market	Professional services available
Monsoon Commerce	Licensed	Monsoon Commerce offers a revenue share model. Professional services are priced on a per-project basis.	Primarily B2C	North America, Europe	B2C SMB brands and merchants that sell on marketplaces and may have web stores or multiple channels	Yes
NetSuite	SaaS	NetSuite's pricing model has fixed subscription fees based on volume with costs for additional add-on modules.	B2B and B2C	North America, Europe	B2C and B2B SMBs with 10 to 1,000+ employees and revenues from \$10M to \$100M+. Specific industries include online and multichannel retail, wholesale/distributors, manufacturers, and high-tech.	Yes
Order-Dynamics	SaaS	OrderDynamics has fixed subscription fees. Professional services fees are made up of a mix of standard setup fees and a professional services fee retainer.	Primarily B2C	North America, Latin America	B2C SMB multi-channel retail, direct marketers, Internet retailers, branded manufacturers	Yes
Oxatis/Actinic	SaaS plus services	Oxatis has fixed subscription fees depending on the size of the site and traffic to the site.	B2B and B2C	Europe	B2C SMBs across many categories	Yes
ProStores (eBay)	SaaS; licensed (to channel partners)	ProStores has fixed subscription fees with an additional transaction fee. Clients pay license fees only on the channel offering.	B2C	Primarily North America	B2C SMBs across many categories	Yes
Red Technology	Hosted, professional services	Red Technology provides tiered hosting services for the solution based on size with an additional project delivery fee. Annual maintenance for the platform is provided on a time-and-materials basis.	Primarily B2C	North America, Europe, Asia Pacific	B2C SMB multi-channel retail, B2B, multi-brand, mixed B2C/B2B	Yes

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Source: Forrester Research, Inc.

Figure 1 SMB B2C eCommerce Platform Solutions (Cont.)

Company	Solution type	Cost model	Business models supported	Primary markets served	Target market	Professional services available
ShopVisible	SaaS plus services	ShopVisible's pricing model includes a monthly or quarterly subscription fee plus revenue share. Implementation fees are based on client needs. Professional services are available on a per project basis.	Primarily B2C	Global	B2C SMBs with annual online sales of \$5M+	Yes
Shopify	SaaS	Shopify's pricing model is a subscription fee based on selected plan, plus a possible transaction fee up to 2%.	Primarily B2C	North America, Europe, Asia Pacific	B2C SMBs in apparel, electronics, art, sports apparel, food, and digital goods	Yes
Sitecore	License; SaaS available through partners	Sitecore's pricing is based on licensing model.	B2B and B2C	Global	B2C enterprise and upper mid-market organizations	Yes
Venda	SaaS	Venda's pricing model is a flat subscription fee plus transaction fees.	Primarily B2C	North America, Europe	B2C SMBs with annual online sales of \$1M to \$150M	Yes

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Source: Forrester Research, Inc.

Platform Selection For SMBs Can Be Daunting

Small to medium-size companies selling direct-to-consumer online have a wide variety of vendors to choose from. Solutions pitched to SMBs are often simply evolutions from projects that a small agency or development firm completed for a client. But over the past number of years, a group of solutions have emerged to provide well-rounded and configurable platforms for SMB clients. That configuration extends to the customization of the front-end experience to enable companies to reflect their brand and differentiation in the end user experience, while having a base of tools upon which to manage the business online. Certainly these solutions aimed at SMBs will come with varying constraints on the business processes supported, tools provided, and level of customizability available to their clients.

However, as your mother always said, you should bite off only as much as you can chew. These solutions may indeed be all you can reasonably operate as an SMB with a small team, developing best practices with a limited budget. View these solutions as two-to-three year decisions, understanding that your needs will change and your platform and services providers may need to change along with them.

eCommerce platforms today fall into four general categories (see Figure 2):

- **On-premises licensed software platforms.** Run in-house by internal IT resources, on-premises licensed platforms offer the most flexibility over time and can be modified to the client's specifications without vendor assistance. Though well suited for internal IT resources to support, often systems integrators (SIs) implement and support these solutions, or they may be supported in various outsource models on a client's behalf. In the case of many SMBs, these solutions may also be individuals or freelance resources. Open source solutions are a subset of on-premises licensed applications, typically with very modest or no licensing costs. But they will still require implementing an ongoing resource or professional services support. On-premises licensed solutions are a good fit for clients that will want to modify, adapt, and change their platform significantly over time or those that have unique requirements requiring significant customization.
- **Hosted/managed platforms.** Vendors in this category implement, run, and maintain the solution on the client's behalf. This, in turn, reduces or removes internal IT resources that on-premises licensed solutions require. This approach is similar in many ways to on-premises licensed software but is combined with services to support the hosting, maintenance, and ongoing development of the client's platform. Hosted/managed solutions are a good fit for clients that need the flexibility offered by on-premises licensed solutions but that also need services to support the application over time due to a lack of internal skilled resources. An advantage of this approach is the ability to change hosting providers or bring the support for the application in-house later, though this may be easier said than done.
- **Software-as-a-service (SaaS).** A SaaS solution is a multi-instance application where all clients use the same technology and hosting environment. It is typically implemented considerably faster than the previous two options. Providers of these solutions typically charge via a revenue-share model, utilization model, or flat monthly fees. The solutions may also be implemented considerably faster for clients than on-premises or hosted/managed solutions since much of the software will be the same for each client. SaaS is commonly used in SMB eCommerce platform solutions and is a good fit for a relatively simple online and mobile execution where little customization is needed. SaaS solutions have matured significantly over the past few years and today represent a much more compelling solution to SMBs than they did only a few years ago.
- **Full-service offerings.** These solutions are exactly as they sound — inclusive of all aspects of an eCommerce platform, clients may also rely on these vendors to support creation, management, content, transcoding, fulfillment, and payment settlement. Relatively few full-service solutions exist for SMB online retailers due to low order volumes. Full-service solutions are particularly good for high-margin businesses with little to no existing direct-to-consumer business experience or infrastructure, or for largely digital goods SMB businesses.

Figure 2 SMB eCommerce Solutions Are Not One-Size-Fits-All

Type of platform	Description	Best fit
On-premises licensed	Often run in-house by internal IT resources, on-premises licensed platforms offer the most flexibility over time and can be customized or augmented to the client’s specifications. Open source applications are a type of licensed application. May be run as a hosted solution as well by agencies and commerce service providers (CSPs).	On-premises licensed solutions are a good fit for clients that will look to modify, adapt, and change their platform significantly over time or those that have unique requirements requiring significant customization.
Hosted/managed	Vendors in this category implement, run, and maintain the solution on the client’s behalf. This in turn reduces or removes internal IT resources that on-premises licensed solutions require.	Hosted/managed solutions are a good fit for clients that need the flexibility offered by on-premises licensed solutions but that also need services to support the application over time due to a lack of skilled resources internally.
SaaS	A SaaS solution is a multi-instance application where all clients use the same technology and hosting environment. It is typically implemented considerably faster than the previous two options.	SaaS is commonly used for SMB eCommerce platform solutions and is a good fit for a relatively simple online and mobile execution where little customization is needed.
Full-service	These solutions are exactly as they sound — inclusive of all aspects of an eCommerce platform, clients may also rely on these vendors to support site design, management, content, transcoding, fulfillment and payment settlement.	Full-service solutions are particularly good for high-margin businesses with little to no existing direct-to-consumer business experience or infrastructure, or for largely digital goods SMB businesses.

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Source: Forrester Research, Inc.

SMB Solutions Continue To Evolve

Over the past few years, we have seen significant evolution within the SMB eCommerce solution market. Maturing solution providers, new entrants, and a growing ecosystem of support providers have led to an improved solution landscape for merchants and marketers with small businesses. Today SMBs must market to and serve end customers in a way that meets their expectations. The largest direct-to-consumer businesses selling online and via mobile today are setting expectations. Key evolutions we can expect in the near future in the SMB solutions market include:

- **The advent of full-service solutions.** Amazon has now a set of solutions including Webstore, Fulfillment by Amazon (FBA), Amazon Payments, and Amazon Product Ads — together they form a strong assemblage of solutions SMBs can use to support many eCommerce capability needs. Meanwhile eBay’s X.commerce, Magento, and PayPal are developing a somewhat similar range of eCommerce, marketing, payment, and fulfillment solutions for merchants. While costs of a full-service solution can run higher than an assemblage of other services, many SMBs have very limited resources to run technology and support operational processes like fulfillment.

- **The continued growth off the open source solution ecosystem.** Magento and other open source solutions from Zen Cart and OXID have grown substantially over the past few years. Together with that growth has come growth in the services firms supporting these solutions. This ecosystem of freelance developers, agencies, and dev shops has sprung up to launch clients on open source solutions. Clients should understand all sides of the decision to go down this route.³
- **The rise of web-services-based solutions.** As web services have matured over the past few years, RESTful APIs have become a foundation of mobile application development and have now begun to extend well beyond that into development of web experiences and other touchpoints. Commerce platforms are responding, and as SMB eCommerce solutions such as ShopVisible build their products in a services-oriented manner, it will increase the flexibility for clients to extend how they use the platforms in creative and potentially disruptive ways.

RECOMMENDATIONS

PREPARE TO SELECT AN ECOMMERCE PLATFORM CAREFULLY

An eCommerce platform is a critical piece of technology. In some cases your entire business will depend on it, and in other cases it powers key digital touchpoints with consumers and will influence much more business than you will transact directly with consumers through your sites and apps. Treat this as a three-to-five year decision, so before you select your B2C eCommerce platform, and in particular a solution geared at serving a small business, you should carry out the following steps:

- **Develop a five-year eCommerce and multichannel business plan.** If you want this platform to take your business to the next level, you need to know what that level looks like. Forecast your sales and order volume growth online and understand the influence of the web channel on your total business, including wholesale sales. Understand and plan your support costs based on the models you are considering, such as in-house or outsourced technology support.
- **Understand how you will integrate with a solution.** A successful eCommerce business requires effective integration of the eCommerce platform with multiple systems, even for a small business. Key integration points include product content, inventory, customer data, web content, order-level data, business intelligence, and financial reporting. Desired site functionality may or may not be supported by a poor integration with these systems. Focus on these integration points by understanding them carefully with a goal to have a rational and sustainable integration approach that will meet your business needs over time.
- **Analyze the complete eCommerce platform landscape.** Understand the full range of platform models and support options available, your ability to find and retain talent, and how solutions will meet your mobile, cross-channel, wholesale, and retail requirements —

both today and in the future. The solution you select may have ramifications in terms of long-term cost of ownership, how easy it is to support and staff, and of course how flexible it is to meet your business needs over time.

- **Use Forrester's STEP evaluation approach.** Using Forrester's scenario-based technology evaluation process (STEP), focus on your core business processes and customer experience scenarios as well as understand how a platform and your total eCommerce technology environment will support them. This is a critical method to ensure you are aware of the solutions fit with your business. STEP will ensure that you understand how your sites will be managed day to day and what your customers will experience.

HOW FORRESTER CAN HELP

FORRESTER CAN AID IN STRATEGY ASSESSMENT AND VENDOR SELECTION

Many organizations have specialists supporting vendor selection processes, such as request for information (RFI), request for proposal (RFP), or bid processes. Others look to third-party consultants for best practices and expertise in vendor selection and solution strategy. Forrester can support these activities in the following ways:

- **eCommerce technology strategy assessment.** Forrester can help you optimize your opportunities to leverage existing and new investments in eCommerce platforms and technology based on your business goals and the changing needs of your customers. Forrester can provide a perspective grounded in research and experience in supporting road map development, business cases, and eCommerce and multichannel solution strategy with the goal of ensuring our clients' success.
 - **eCommerce platform vendor selection.** Forrester analysts are regularly briefed by eCommerce platform providers. Analysts also publish research on major vendors in areas such as business-to-business (B2B) eCommerce platforms, B2C commerce platforms, full-service providers, global eCommerce solutions, and solutions focused on digital product delivery. Forrester analysts can provide objective, rigorous, and independent advice and perspectives on which vendors are best suited to support your eCommerce requirements and can guide you in executing a STEP process. Forrester Consulting also supports RFP development and complete vendor selection processes if needed.
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SUPPLEMENTAL MATERIAL

Companies Interviewed For This Report

Acadaca	Jagged Peak
Adobe	Kalio
Amazon Webstore	Magento
Americaneagle.com	Miva Merchant
Asknet	Monsoon Commerce
Avangate	NetSuite
Big Commerce	OrderDynamics
Bridgeline Digital	Oxatis
BV Software	ProStores (eBay)
Cleverbridge	Red Technology
CORESense	Shopify
Digital River	ShopVisible
Exact Abacus	Sitecore
GoECart	Venda
Ignify eCommerce	

ENDNOTES

- ¹ For more research on eCommerce platforms and solutions serving large-scale eCommerce requirements see the January 14, 2010, "[Interim Update To Forrester Wave™ Evaluation Of B2C eCommerce Platforms](#)" report and see the October 21, 2010, "[The Forrester Wave™: B2C eCommerce Platforms, Q4 2010](#)" report.
- ² Refer to the How Forrester Can Help section of this report for more information on the ways in which clients work with Forrester to gain support for their eCommerce technology selection processes.
- ³ eBusiness leaders operating high-growth or maturing businesses must exercise caution and be clear on limitations they will likely face in implementing and using open source solutions today. See the June 29, 2011, "[Is An Open Source Platform Right For You?](#)" report.

About Forrester

Global marketing and strategy leaders turn to Forrester to help them make the tough decisions necessary to capitalize on shifts in marketing, technology, and consumer behavior. We ensure your success by providing:

- Data-driven insight to understand the impact of changing consumer behavior.
- Forward-looking research and analysis to guide your decisions.
- Objective advice on tools and technologies to connect you with customers.
- Best practices for marketing and cross-channel strategy.

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