Top Trends in E-Commerce and the 2010 E-Commerce Magic Quadrant

Gene Alvarez
Bill Clark
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Gene Alvarez
Bill Clark

Gartner
Web 2.0 Social and Mobile Trends Are Affecting E-Commerce

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Our Laptop-Based Tools:
- E-mail
- Instant Messaging
- Browsers
- Applications
- Camera

Mobile and the Web Make a Great Match

Our Mobile-Based Tools:
- E-mail
- SMS, MMS, Instant Messaging
- Browsers
- Applications
- Camera
Strategic Planning Assumptions

By 2012, 30% of smartphone users will browse the Web to shop, resulting in 3% of the smartphone population conducting an e-commerce transaction.

The total number of subscribers for location-based services worldwide will exceed 298 million by year-end 2011.

At year-end 2012, more than 75% of new search installations will include a social search element for relevancy calculation.
Key Trends in E-Commerce

- Client inquiries and projects significantly increased in 2009 and continue to rise.
- Companies want to replace outdated e-commerce systems and improve their online customer experiences with Web 2.0 and community capabilities.
- Software as a service (SaaS) is providing e-commerce capabilities to organizations that may not have had the resources or management support for Internet sales endeavors.
- Organizations are going global for new customers.
- Mobile e-commerce is on everyone’s mind.
# Evaluation Criteria — 2010

<table>
<thead>
<tr>
<th>Weighting</th>
<th>Completeness of Vision</th>
<th>Ability to Execute</th>
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<td><strong>High</strong></td>
<td>• Geographic Strategy</td>
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<td>• Overall Viability</td>
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<td>• Customer Experience</td>
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<td>• Marketing Understanding</td>
<td>• Sales Execution/Pricing</td>
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<td>• Offering (Product) Strategy</td>
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<td>• Geographic Strategy</td>
<td>• Market Responsiveness and Track Record</td>
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Magic Quadrant Analysis

From "Magic Quadrant for E-Commerce," 18 May 2010

challengers

leaders

niche players

visionaries

As of May 2010

(From "Magic Quadrant for E-Commerce," 18 May 2010)
Smartphones' Impact on E-Commerce Sets the Foundation for Context-Aware Commerce

- User interfaces of smartphones are easy to use
- iPhone and other applications are easy, simple and fun
- Customers are hungry for these innovations
- Consumerization-driven impact on enterprises

Ease of use is driving adoption and demand for your website to be mobile-friendly

Source: apple.com, nokia.com
How Does Mobile Context-Aware Computing Impact E-commerce?

**Technology Trigger**
- Social CRM: Community Marketing
- Customer Interaction Hub
- Business Process Networks
- Social CRM: Customer Service
- Mobile Consumer Application Platforms
- B2B Integration Outsourcing
- Web 3.0
- Master Data Management for Multicommerce
- Cloud/Web Platforms
- Campaign Optimization
- Business Process Networks
- Social CRM: Community Marketing
- Customer Interaction Hub
- Social Networks for Sales
- Campaign Management SaaS
- E-Invoicing
- Customer-Centric Web Strategies
- Transactional Ad Units
- Rich Information Visualization
- **Persona Management**
- Open-Source
- E-Commerce Software
- Online Advertising Data Exchanges

**Peak of Inflated Expectations**
- E-Commerce on Demand
- Electronic Payment Fraud Management Applications
- Consumer Web Mashups
- Content Analytics
- Enterprise Feedback Management
- Predictive Campaign Analytics
- Multichannel Campaign Management
- Social Tools for Retail Websites
- Virtual Environments for Consumer Sales
- Web-to-Print Applications
- Event-Triggered Marketing
- Integration as a Service
- Electronic Bill Presentment and Payment for Telecom Providers
- Knowledge Management for Customer Self-Service
- Wikis
- E-Marketing
- Content Delivery Networks
- Preference-Driven Personalization
- E-Mail Marketing
- E-Commerce Web 2.0 Sales Tools
- Consumer Digital Rights Management
- As of September 2009

**Trough of Disillusionment**
- Customer Profitability Management
- Online Video
- Consumer-Generated Media
- Distributed Order Management
- Virtual Assistants
- Really Simple Syndication for Marketing
- Consumer Content Creation Tools
- E-Service Suites
- Online Supplier Directories
- Really Simple Syndication

**Slope of Enlightenment**
- E-Commerce on Demand
- Electronic Payment Fraud Management Applications
- Consumer Web Mashups
- Content Analytics
- Enterprise Feedback Management
- Predictive Campaign Analytics
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- Social Tools for Retail Websites
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**Plateau of Productivity**
- Secure Web Stores
- Enterprise Portals
- Sales Order Management
- Web Analytics
- Web and Application Hosting
- Loyalty Programs
- Podcasting
- Blogs
- Sales Configuration
- Campaign Segmentation
- Integration as a Service
- Electronic Bill Presentment and Payment for Telecom Providers
- Knowledge Management for Customer Self-Service
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- Content Delivery Networks
- Preference-Driven Personalization
- E-Mail Marketing
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**Years to mainstream adoption:**
- ○ less than 2 years
- ● 2 to 5 years
- ●● 5 to 10 years
- △ more than 10 years
- ❌ before plateau

Source: "Hype Cycle for E-Commerce, 2009" (G00170992)
What Is Context All About?

Context-enriched services will use information about the end user to anticipate an end user's immediate needs and **proactively** offer more-sophisticated, situation-aware and usable functions.

- Enterprises can better target consumers and deliver on the promise of increased customer intimacy
- Compound context-enriched services will emerge between 2010 and 2015
Mobile Commerce — Steppingstone to Context

E-Commerce → M-Commerce → Context-Enriched Commerce
Example of "Me" and a Mobile Application

Source: http://www.disneyparksmobile.com/mobilemagic/
Strategic Planning Assumption

By 2013, mobile phones will overtake PCs as the most-common Web access device worldwide.

By 2015, context will be as influential to mobile consumer services and relationships as search engines are to the Web.
Mobile Consumer Application Platforms — The Big Picture

Texting
- Message Router
- Notification Service
- Subscription Manager
- Carrier Lookup
- Prerouter

Message Gateway

Mobile Browsers
- Embedded URLs, Alerts
- Browser
- Application Storefront
- Mobile Portal
- Device/Browser Detection
- Device Database
- Transcoding Engine
- Content Broker

Mobile Web Adaptation Server

Rich Mobile Applications
- Voice app
- Runtime
- Application Storefront
- Application Provisioning
- Cross Platform Studio*
- Web Service APIs

Native Mobile Platform

Analytics/Reporting
Billing
Bus Proc Engine
Development/Versioning Tools

* optional
The Evolution of Context Will Never Be Complete

Proactive
relevant and socially appropriate suggestions based on knowledge

Increasing
automation, personal knowledge, social content and behavior analysis

Reactive
on-demand

For example:
Location, attitude/acceleration, compass/tilt, calendar, spending habits, imaging, audio, adjacent devices (e.g., via Bluetooth), bio sensors (e.g., temperature), presence, social location ...
Recommendations

- It's time to upgrade your site customer experience and capabilities — get going now!
- Make Web 2.0 technology, user-generated content and community capabilities part of the site upgrade.
- Begin to work on mobile e-commerce applications that leverage context aware elements to improve the customer experience.
- Advanced organizations can reframe mobile consumer apps investment as a business strategy for context aware.
- Survey, segment and pilot new apps and experiences.
Related Gartner Research

- Magic Quadrant for E-Commerce, G00174404
- Toolkit Sample Template: How to Create an E-Commerce Sales Application RFP, (G00154669)
- How Mobile E-Commerce Should be Using Context, but Isn't, (G00171203)
- Context-Aware Computing and E-Commerce, (G00200943)
- How CIOs Can Introduce and Set the Scope for Context-Aware Computing Initiatives, (G00200616)
- Context-Aware Computing: The Importance of Mobile Consumer Application Platforms
  William Clark, Michael J. King (G00170815)
- "Magic Quadrant for Mobile Consumer Application Platforms," Michael King, William Clark, Nick Jones (G00171503)

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<tr>
<td>September 14–16</td>
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<td>October 17–21</td>
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<td>October 25–27</td>
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<td>November 8–11</td>
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