IR RESEARCH
the global leader in ecommerce data

INTERNET RETAILER

2020 LEADING VENDORS TO THE TOP 1000 E-RETAILERS

Ranking, data and analysis of the top ecommerce technology providers.

Adobe

INTERNET RETAILER VENDOR TO THE TOP 1000 E-RETAILERS
ECOMMERCE PLATFORMS 2020

Internet Retailer, a Digital Commerce 360 brand

OVERVIEW

A growing number of retailers are seeing the benefits of utilizing the services of a vendor rather than handling every facet of their ecommerce operation themselves.
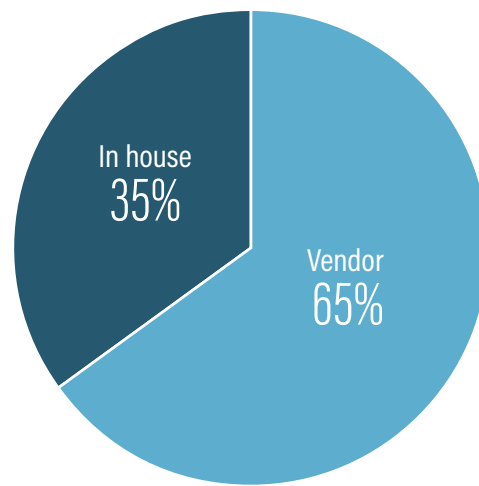
In fact, 66.0% of Internet Retailer's 2019 Top 1000 retailers use a vendor to power their ecommerce platform, compared with 34.0% who manage all, or at least some, of their platform management in house; 84.2% of Top 1000 retailers use a vendor for email marketing, compared with 15.8% that handle it in house or at least partially in house; and 79.2% of Top 1000 retailers use a vendor for personalization services compared with 20.8% that handle it in house or partially in house.

Additionally, 65% of retailers choose to use a vendor—compared with 35% who selected in house—when implementing a new technology, according to Internet Retailer's 2019 Ecommerce Technology Survey of 160 retailers conducted in August 2019.

NEW TECHNOLOGY: IN HOUSE VS. VENDOR

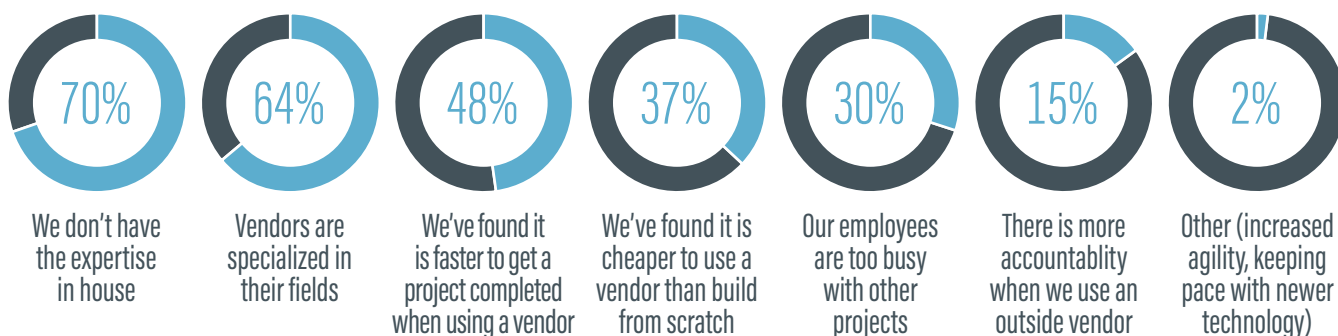When implementing a new technology, do you typically use a vendor or try to build the technology in house?

In house 35%

Vendor 65%

Source: Internet Retailer Ecommerce Technology Survey of 160 retailers in August 2019

TOP REASONS RETAILERS USE A VENDOR

What are your reasons for using a vendor? (Multiple responses allowed)

70%	64%	48%	37%	30%	15%	2%
We don't have the expertise in house	Vendors are specialized in their fields	We've found it is faster to get a project completed when using a vendor	We've found it is cheaper to use a vendor than build from scratch	Our employees are too busy with other projects	There is more accountablity when we use an outside vendor	Other (increased agility, keeping pace with newer technology)

Source: Internet Retailer Ecommerce Technology Survey of 160 retailers in August 2019

RETAILER SPENDING PROJECTIONS FOR ECOMMERCE TECHNOLOGY

Will your spending on ecommerce technology and services increase, decrease or remain the same over the next year?

Increase 81%

Remain the same 17%

Decrease 2%

Source: Internet Retailer Ecommerce Technology Survey of 160 retailers in August 2019

And retailers trust vendors have the expertise that their own staff don't to upgrade or implement new technology. 70% choose a vendor because they don't have in-house expertise and 64% do so because vendors are specialized in their field, according to the survey. (Respondents could select multiple responses). 48% of retailers found it faster to get a project completed when using a vendor, and 37% said it is cheaper to use a vendor than build the technology from scratch in house.

Across nearly every aspect of ecommerce—from ecommerce platforms to site design to marketing to fulfillment—vendors offer a slate of services that can provide retailers with everything they need to get their ecommerce operations up and running, or to improve upon outdated practices. Plus, many retailers are ready to invest in more technologies. 81% of survey respondents said they plan to increase their spending on ecommerce technology and services in the next year to add more services and technology to their operations. That suggests the time is ripe for vendors to market their services to retailers that are ready to boost their offerings to keep up with growing ecommerce demand.
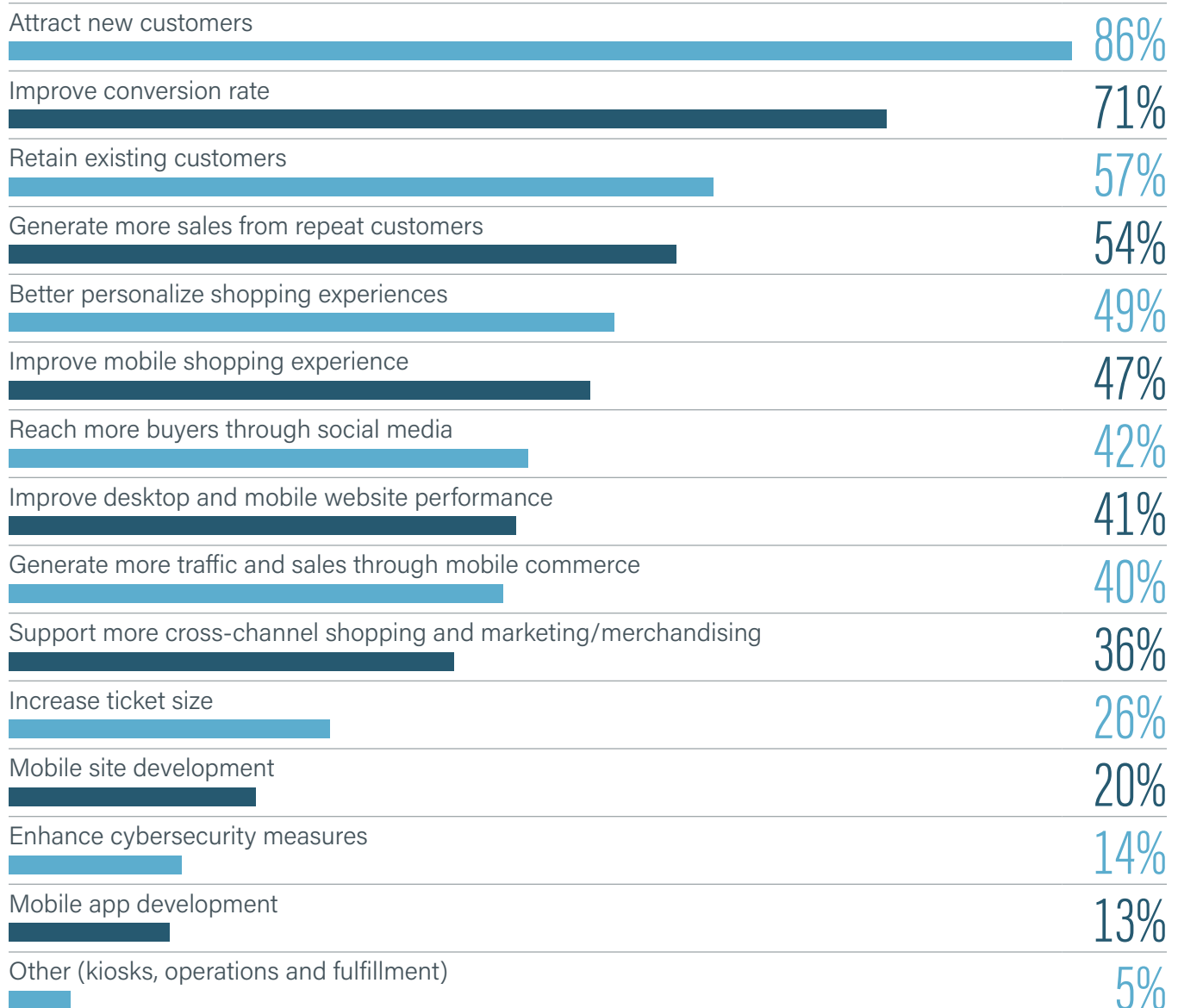
86% of online merchants plan to increase their ecommerce technology spending to attract new customers, according to the survey, making it the top response. (Respondents could select more than one answer.) Other reasons to increase spending include the following: improve conversion rate (71%), retain existing customers (57%), better personalize shopping experiences (49%), improve mobile shopping experience (47%), reach more buyers through social media (42%), and enhance cybersecurity measures (14%).

RETAILER SURVEY
REASONS RETAILERS SPEND ON ECOMMERCE TECHNOLOGY
What are your main reasons for spending more on ecommerce technology over the next year? (Multiple responses allowed)
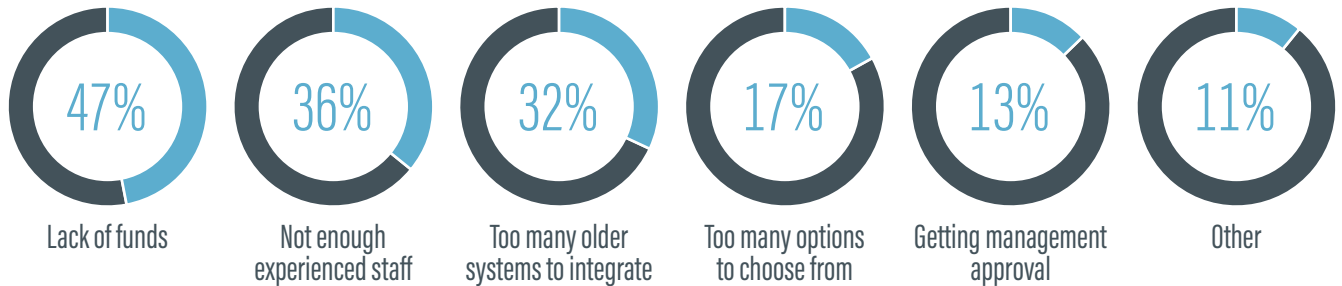
Reason	%
Attract new customers	86%
Improve conversion rate	71%
Retain existing customers	57%
Generate more sales from repeat customers	54%
Better personalize shopping experiences	49%
Improve mobile shopping experience	47%
Reach more buyers through social media	42%
Improve desktop and mobile website performance	41%
Generate more traffic and sales through mobile commerce	40%
Support more cross-channel shopping and marketing/merchandising	36%
Increase ticket size	26%
Mobile site development	20%
Enhance cybersecurity measures	14%
Mobile app development	13%
Other (kiosks, operations and fulfillment)	5%

Source: Internet Retailer Ecommerce Technology Survey of 160 retailers in August 2019

CHALLENGES IN UPGRADING ECOMMERCE TECHNOLOGY

In general, what are the main challenges you face in upgrading your ecommerce technology? (Multiple responses allowed)

47%	36%	32%	17%	13%	11%
Lack of funds	Not enough experienced staff	Too many older systems to integrate	Too many options to choose from	Getting management approval	Other

Source: Internet Retailer Ecommerce Technology Survey of 160 retailers in August 2019

But upgrading technology is not always easy. The No. 1 challenge for retailers that want to upgrade technology is lack of funds, which 47% of survey respondents selected. Even so, plenty of merchants plan to significantly increase their spending: 9% will increase their ecommerce technology spending more than 50% over the next year, while 50% of respondents plan to increase spending 10-25%.

Other challenges to upgrading ecommerce technology include not enough experienced staff (36%), too many older systems to integrate

(32%), too many options to choose from (17%) and getting management approval (13%).

The message is clear: Ecommerce retailers want better-performing sites on all devices, to reach more customers, convert more shoppers to buyers and encourage those shoppers to come back by providing fast shipping and top-tier customer service. But checking all those boxes on their own can seem insurmountable to some. Vendors can take over some, if not all, of those tasks to deliver a seamless shopping, shipping and customer service experience for retailers' customers. ⚙

HOW MUCH RETAILERS PLAN TO SPEND ON ECOMMERCE TECHNOLOGY

How much of an increase in ecommerce technology spending do you anticipate over the next year?

5% or less	5.1%-10%	10.1%-15%	15.1%-25%	25.1%-50%	More than 50%
10%	19%	25%	25%	12%	9%
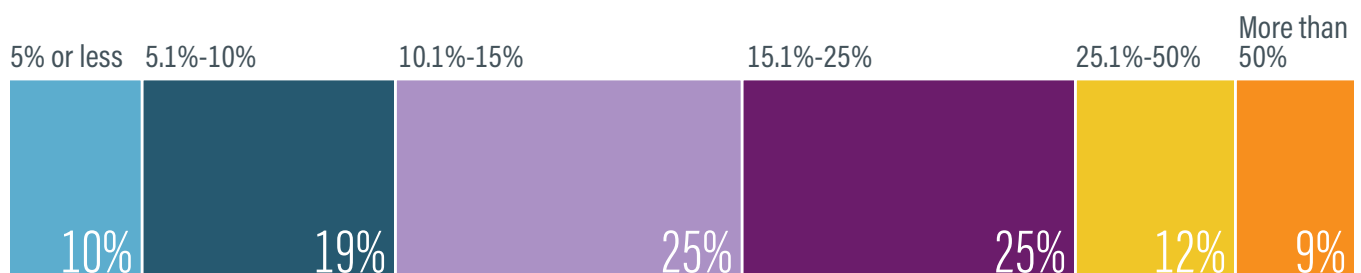
Source: Internet Retailer Ecommerce Technology Survey of 160 retailers in August 2019

ADOBE (MAGENTO)

RANK IN CATEGORY 1

Adobe

2019 TOP 1000 RETAIL CLIENTS 136

Adobe offers open commerce software to build and run web stores, handle online purchases, and support B2C and B2B experiences. It also helps merchants sell products through social media ads and integrates with online marketplaces like Amazon. Adobe's platform is supported by a community of more than 300,000 developers and includes services like pre-built extensions, including payment, shipping, tax and logistics. In addition to its digital commerce platform, Adobe offers SaaS-based omnichannel software that's designed to allow merchants to successfully integrate digital and physical shopping experiences, and business intelligence software to enable data-driven decision making.

PRIMARY URL
Magento.com

YEAR LAUNCHED 2008

TOTAL 2019 TOP 1000 CLIENT WEB SALES $53.50 BILLION

TOP 1000 CLIENTS BY CATEGORY

Web only: 71   Chain: 15   Manufacturer: 36   Catalog/Call Center: 14

TOP 1000 CLIENTS BY WEB SALES

$40M or less: 32 $40-125M: 67 $125-500M: 31 $500M or more: 6

KEY CLIENTS

Walmart
Kroger
Shutterfly
Bed Bath & Beyond
Advance Auto Parts
Scholastic

PRODUCTS & SERVICES

Flexible ecommerce platform with options for business intelligence dashboards and data, order management applications and a marketplace of free and premium software extensions.

Pricing: Pricing and fees vary.

CORPORATE

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MANAGEMENT

Gary Specter, VP, Global Head of GTM, Commercial Business
Jason Woosley, VP, Commerce Product & Platform

Q&A

The right ecommerce platform can help retailers provide unique customer experiences

An executive conversation with **Peter Sheldon,** senior director of commerce strategy, Adobe

Commerce is going through an evolution. While historically ecommerce sites have focused on selling products to shoppers, today it's much more about providing customers with bespoke experiences that fit their shopping needs and engaging them on the channels that matter to them. To discuss how ecommerce platforms can help retailers meet their customers' expectations and evolve with the changing ecommerce landscape, Internet Retailer spoke with Peter Sheldon, senior director of commerce strategy at Adobe.

What current trends around ecommerce platforms are impacting retailers?

The shift from desktop to mobile is really accelerating. Mobile is the predominant source of ecommerce traffic today, and therefore it's becoming the predominant source of revenue for retailers. This means that there's an obligation for all retailers to improve their subpar mobile experience. An evolution in web technology in the form of Progress Web Apps (PWA) is enabling retailers to re-invent and optimize mobile experience for their customers.

What common mistakes do retailers make with regard to their ecommerce platforms?

Many retailers take too short term a view of the investment they're making in their commerce platform. Commerce platforms today are very strategic. For many retailers, ecommerce sales make up a significant portion of their revenue, and it's by far the most strategic and fastest growing channel, outperforming physical stores. So, it's imperative that they choose a platform vendor that has long-term viability while ensuring the platform has the capability to scale with the business, and how consumers shop.

Retailers need to ask themselves: What do we need from our platform not just today, but also five years from now? If they pick the wrong platform, it's a huge risk to their business and their bottom line to replace it in a few years.

What ecommerce platform challenges do they face?

Retailers who had partnered with purely software-as-a-service (SaaS) platform vendors are now feeling boxed into a path and destiny they don't have control over. They're completely dependent on that vendor to provide updates and innovations to the platform. In today's era, retailers must differentiate by providing highly unique customer experiences. If you don't have a platform that gives you the agility to build unique business processes and to test new business models, and you are constrained to a particular template, that is potentially very dangerous. Therefore, the most complex challenge is having the flexibility and agility to differentiate in the market.

What strategies can retailers implement to address these trends and challenges?

Gaining a competitive advantage today is less about products and more about experiences. Simply put, people today buy experiences, not products. And to create these unique experiences, retailers need to be able to clearly articulate their brand story. They should be investing in unique content that not only highlights the products they sell but also engaging content that illustrate their brand values and mission. To do this effectively, they need the right tools and a platform that is flexible enough to allow them to do that.

How can retailers easily implement a platform to do this?

They can partner with a vendor like Adobe, for example. Our whole DNA is focused on experiences. With a platform like Magento Commerce, retailers can tell their whole end-to-end brand story. And, ultimately, they have complete control and the extensibility to build and innovate at their own pace, as well as grow and evolve with the changing ecommerce landscape.
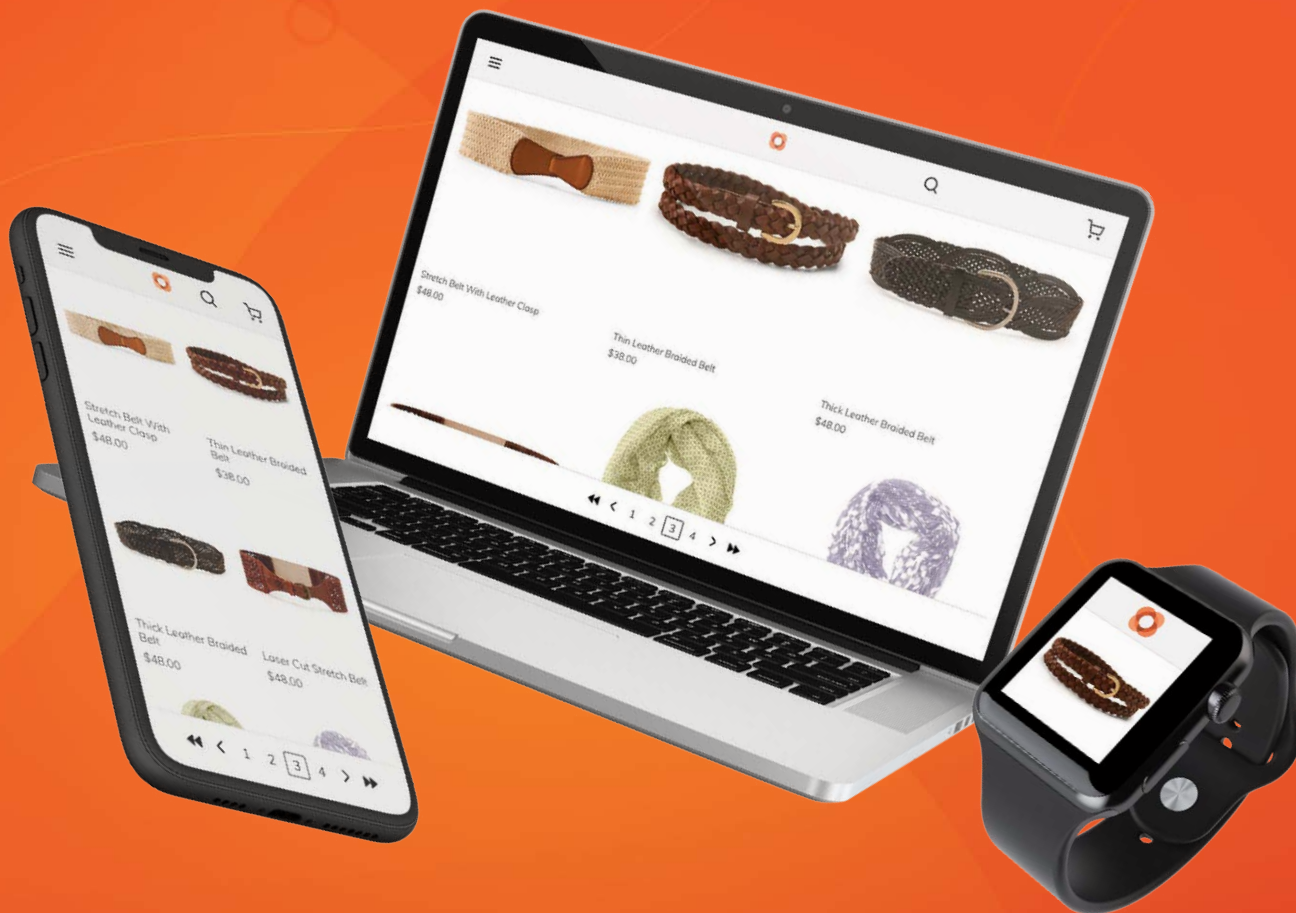
Make every experience shoppable.

For the 8th year in a row, Magento is the digital commerce platform of choice for more of the Internet Retailer Top 1000 than any other vendor.

magento.com