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Everest Group Digital Commerce Services PEAK Matrix® Assessment 2024

Focus on **Merkle**

September 2024

Introduction

The digital commerce landscape has seen remarkable growth, driven by the surge in online shopping, the proliferation of new channels, and rapid technological advances. As enterprises adapt to the evolving expectations of consumers, the demand for integrated and seamless digital commerce experiences is intensifying. The increasing adoption of composable commerce is set to transform the industry by allowing businesses to customize their solutions with best-of-breed tools, thereby providing flexibility and scalability. Additionally, the B2B commerce market is expanding rapidly, reflecting a significant shift toward digital transactions and solutions among businesses.

Understanding these trends and dynamics is essential for enterprises aiming to optimize their digital commerce strategies and maintain a competitive edge. Digital commerce service providers are crucial in this environment, facilitating the smooth integration of diverse technology platforms, enhancing operational efficiency, and aiding business growth.

In the report, we present an assessment of 29 service providers featured on the Digital Commerce Services PEAK Matrix® Assessment 2024, a comprehensive matrix that evaluates and categorizes service providers in terms of their digital commerce capabilities. The assessment is based on Everest Group's annual Request for Information (RFI) process for the calendar year 2024, interactions with leading digital commerce service providers, client reference checks, and an ongoing analysis of the digital commerce services market.

The full report includes the profiles of the following 29 leading digital commerce service providers featured on the digital commerce services PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Deloitte Digital, IBM, Infosys, Merkle, Publicis Sapient, TCS, and WPP

- **Major Contenders:** Brillio, Cognizant, Credera, EPAM, GSPANN, HCLTech, IPG, LTIMindtree, Mastek, Orium, Pivotree, SkillNet Solutions, Tech Mahindra, Valtech, and Wipro

- **Aspirants:** 247 Commerce, AyataCommerce, Concord, Stefanini, and Vaimo

Scope of this report

Geography: Global

Industry: 29

Services: Digital commerce services

Digital commerce services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Deloitte Digital, IBM, Infosys, Merkle, Publicis Sapient, TCS, and WPP

- Leaders showcase high expertise in end-to-end digital commerce services engagements with a consulting-led approach and a credible suite of Intellectual Property (IP) backed by global delivery capabilities and a skilled talent pool

- These providers have established deep partnerships with both established and emerging digital commerce platforms. They engage in joint Go-to-market (GTM) strategies to develop accelerators designed to expedite time-to-market

- They are focused on next-generation technologies such as generative AI, immersive experiences, composable commerce, and unified commerce to deliver enhanced digital commerce services. They evangelize their capabilities by consistently publishing thought leadership and leveraging relevant industry events to deliver keynote sessions, thereby growing and strengthening their network

Major Contenders

Brillio, Cognizant, Credera, EPAM, GSPANN, HCLTech, IPG, LTIMindtree, Mastek, Orium, Pivotree, SkillNet Solutions, Tech Mahindra, Valtech, and Wipro

- These providers have a strong focus on implementation, run and operate, and post-implementation support services for digital commerce

- They are actively making investments in building frameworks, accelerators, and solutions to enable faster value realization for their clients with a balanced organic vs. inorganic approach to expand their global delivery footprint and enhance capabilities

- These providers are focused on upskilling talent and developing innovation hubs to expand their delivery capabilities with a focus on composable commerce and generative AI by engaging in thought leadership through blogs and articles

Aspirants

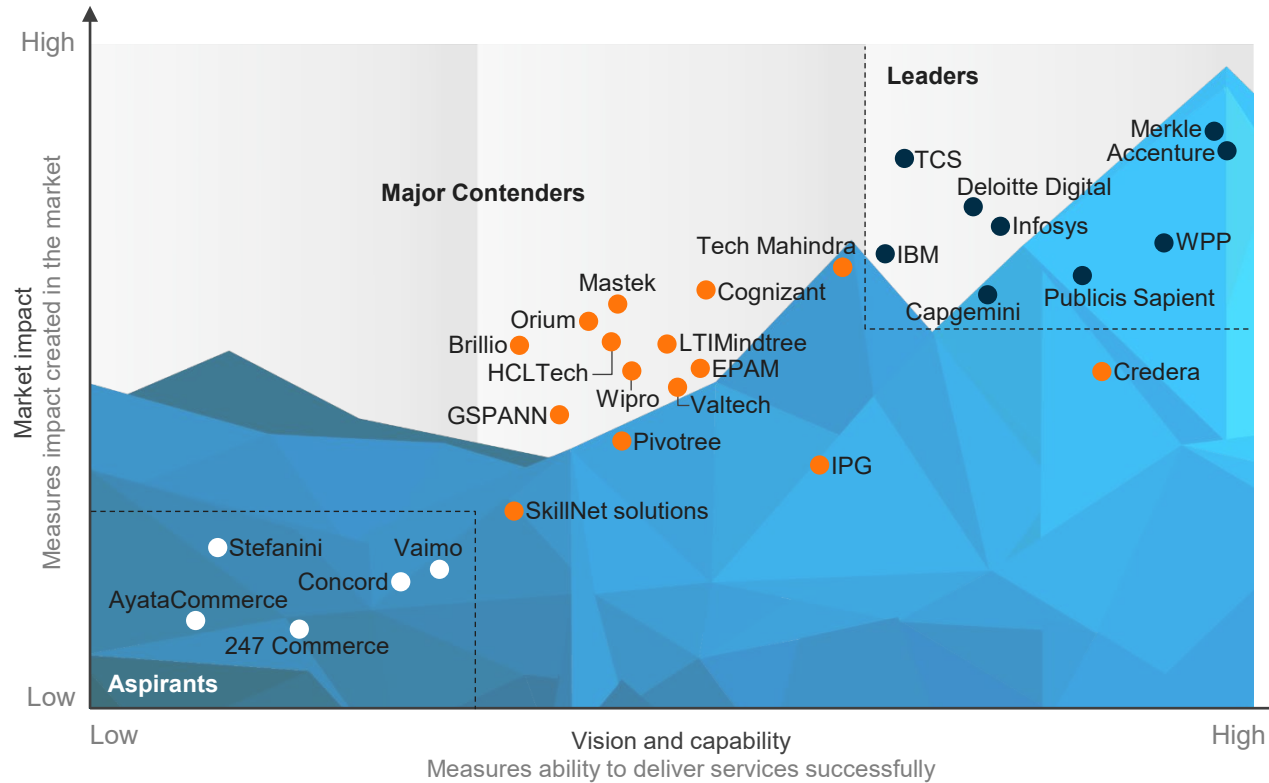247 Commerce, AyataCommerce, Concord, Stefanini, and Vaimo

- Aspirants are focused on partnering with specific digital commerce platforms and have a delivery footprint in select geographies

- They have good proof points of delivering implementation and/or managed services for digital commerce engagements of low to medium complexity for small and midsize enterprises

- They focus on building a skilled talent pool and developing their portfolio of IP and accelerators

Everest Group PEAK Matrix®

Digital Commerce Services PEAK Matrix® Assessment 2024 | Merkle is positioned as a Leader

Everest Group Digital Commerce Services PEAK Matrix® Assessment 2024[1,2,3,4]

- ● Leaders
- ● Major Contenders
- ○ Aspirants

Market impact
Measures impact created in the market

High

Leaders

● Merkle
● Accenture
● TCS
● Deloitte Digital
● Infosys
● WPP
● IBM
Tech Mahindra ●
Capgemini ● Publicis Sapient
● Credera

Major Contenders

● Cognizant
● Mastek
● Orium
● LTIMindtree
Brillio ●
HCLTech ● EPAM
● Wipro ● Valtech
GSPANN ●
● Pivotree
● IPG
● SkillNet solutions

Aspirants

○ Stefanini   ○ Vaimo
○ Concord
○ AyataCommerce
○ 247 Commerce

Low

Low — Vision and capability — High
Measures ability to deliver services successfully

Merkle profile (page 1 of 5)

Overview

Vision for digital commerce services

Merkle's vision for digital commerce services is to make business-to-business (B2B) and business-to-consumer (B2C) commerce accessible everywhere. Its approach integrates end-to-end solutions with a focus on performance-driven strategies and comprehensive consumer interaction which includes commerce, content, technology, design, optimization, promotions, and loyalty.

Digital commerce services revenue (2023)

<US$50 million	US$50-250 million	US$250-500 million	**>US$500 million**

Digital commerce services revenue mix

By business function ● Low (1-15%) ● Medium (15-30%) ● High (>30%)

● Strategy   ● Implementation   ● Run and operate

● Managed services

Adoption by industry ● Low (1-10%) ● Medium (10-15%) ● High (>15%)

● Banking and financial services and insurance ● Electronics, hi-tech, and technology ● Healthcare and life sciences

● Retail, distribution, and CPG ● Telecom, media, and entertainment ● Travel and transport

● Energy and utilities ● Manufacturing ● Public sector

● Others

By buyer size (annual revenue) ● Low (1-10%) ● Medium (10-25%) ● High (>25%)

● Small (annual client revenue <US$100 million) ● Medium (annual client revenue US$100 million-US$1 billion) ● Large (annual client revenue US$1-3 billion)

● Very large (annual client revenue US$3-5 billion) ● Mega (annual client revenue >US$5 billion)

By delivery footprint ● Very low (0-10%) ● Low (10-30%) ● Medium (30-50%) ● High (>50%)

● Onshore[1]   ● Offshore[2]

1 Onshore – US, UK, and Europe
2 Offshore – India, Vietnam, the Philippines, etc.
Source: Everest Group (2024)

Merkle profile (page 2 of 5)
Case studies

CASE STUDY 1

Implemented solution to enhance customer experiences for a global mobility company

Business challenge

The client wanted to address challenges such as subpar mobile experiences, complicated booking processes, and the inability for customers to make reservations independently.

Solution

- Developed native front-end application and utilized React for web applications
- Engineered custom solutions and implemented GraphQL for API development and business logic
- Powered personalization and content delivery using Adobe Experience Manager (AEM) backed by Real-Time Customer Data Platform (RTCDP)
- Integrated with the internal enterprise booking platform

Impact

- Redeveloped and operated all platforms globally with regional optimization, business logic, and global features
- Achieved 2.8 million downloads and attained a 4.5+ rating on the Apple Store application
- Generated over US$3 billion in revenue globally and a 30% growth
- Conversion rate optimization and multi-variate team activities resulted in US$200 million in incremental revenue over the last 12 months

CASE STUDY 2

Streamlined shopping experience for a global apparel brand

Business challenge

The customer needed a better shopping experience; however, there were issues with low quality, rigid platform functionality, and delayed feature releases. The high development costs hindered progress, and it struggled to meet its business objectives.

Solution

- Implemented headless Salesforce Commerce Cloud
- Built a custom front-end and global design system
- Implemented a composable custom build to boost performance
- Developed new features including enhanced search functionality
- Transferred EMEA and the US business to a unified global platform

Impact

- Restructured all delivery processes, increasing code releases from once every two months to twice a day
- Achieved US$500 million in revenue growth over the last 2 two years through enhancements

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Merkle profile (page 3 of 5)
Solutions

Proprietary digital solutions (representative list)

Solution	Details
Digital Shelf Analytics	It is a platform that includes price analytics and category analytics, along with tracking and optimization capabilities for retail. It facilitates marketplace, social, search, and partner channels (distributors, wholesalers, etc.) as well as the brand's digital commerce experience. It caters to Consumer Packaged Goods (CPG) enterprises in both B2B and B2C commerce.
Rocket for B2B	It is a B2B accelerator for Salesforce that provides pre-built front-end modules, configuration types for common B2B scenarios, and data models. It includes pre-integrations into Product Information Management (PIM) and Enterprise Resource Planning (ERP) solutions. It serves industries such as communication and technology and CPG.
LoyaltyPlus	It is a platform that offers customers a global loyalty program and a way to manage their loyalty points. It pre-integrates with Adobe and AWS and supports international brands. It serves the food and beverage, hotel, retail, and consumer products industries.
Salesforce Composable Commerce Accelerator	It is a B2C accelerator for Salesforce that integrates with Magnolia and Contentful. It provides pre-built front-end modules and connectors, and Contentful and/or Magnolia capability upgrades. This includes stock content modules and extended functionality for the Salesforce headless architecture. It targets the retail and consumer goods industries.
Commercetools China accelerator	It is an accelerator made to pre-hook into Alibaba and WeChat in China. It targets the consumer products and retail industries.
Merkury	It is Dentsu's global identity platform. Its identity solution features website tags for personalization integration, and connectors for Adobe, Salesforce, Snowflake, and AWS to improve consumer data. It is utilized for e-commerce personalization, media targeting, CRM personalization, and audience enrichment across industries including complex lead flows (such as automotive), consumer goods, insurance, and financial services.

Merkle profile (page 4 of 5)
Investments

Key investments / Partnerships (representative list)

Investment	Details
Acquisition	• Acquired LiveArea to bring expertise in e-commerce consultancy, design, and end-to-end services, particularly focusing on social commerce and systems integration • Acquired Shift7 to gain domain expertise in Salesforce B2B, complex PIM and supply chain solutions (e.g., inriver), Order Management System (OMS), and end-to-end sales transformation • Acquired Isobar, a digital firm, to provide end-to-end experience services related to commerce • Acquired Aware Services to enhance Salesforce, data, and engineering capabilities for the ANZ region • Acquired Pexlify and Extentia to leverage their expertise in Salesforce in the UK and Ireland (UK&I) region
Partnership	• Salesforce Platinum Partner to leverage global scale and business expertise and achieve value realization of Salesforce's technologies to add value in winning deals • Adobe Platinum Partner, which includes end-to-end content services and extensive knowledge of RTCDP; brought global scale and business expertise, along with optimal configuration of Adobe technologies • First global partner for WhatsApp for business • Partnered with FluentCommerce for its OMS platform • Partnered with inriver for its PIM solution and awarded as 2022 Global Partner of the Year as part of the inriver Champions Program

Merkle profile (page 5 of 5)

Everest Group assessment – Leader

Measure of capability: ◔ Low ⬤ High

	Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◑	⬤	◔	◕	⬤	◔	◔	⬤	◕

Strengths

- Merkle's investments in data and AI-driven solutions such as GenCX platform and the Digital Shelf Analytics offering helps it carve a distinctive position

- It has significant capabilities to deliver commerce services across enterprises of all sizes

- It has a strong focus on market evangelization through consistent publication of thought leadership pieces and research studies such as Loyalty Barometer and CX Imperatives report

- Buyers have praised its account management skills as Merkle aims to keep channels of communication open by setting up regular cadences with various stakeholders

- It has made multiple inorganic investments to build up its commerce capabilities with acquisitions such as LiveArea and Shift7, which strengthen its expertise in digital commerce and the B2B domain

Limitations

- It has a perception of premium pricing; referenced clients stated that while Merkle delivers quality work, it has priced its services on the higher end of the spectrum

- Its managed services for specific commerce platforms are not at par with leading Global System Integrators (GSIs) in the industry

- Clients mentioned that Merkle is good at delivering against a fixed strategy, but they would value more strategic guidance
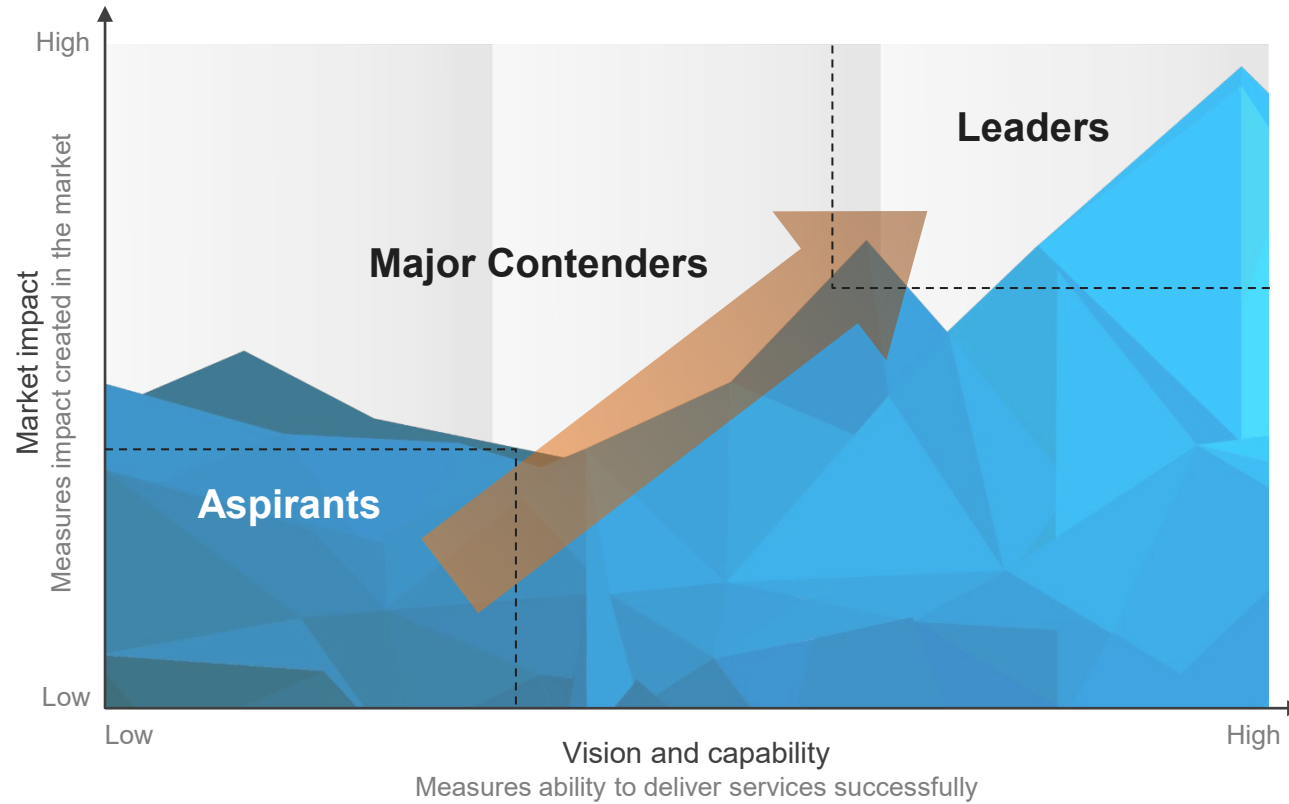
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APPENDIX
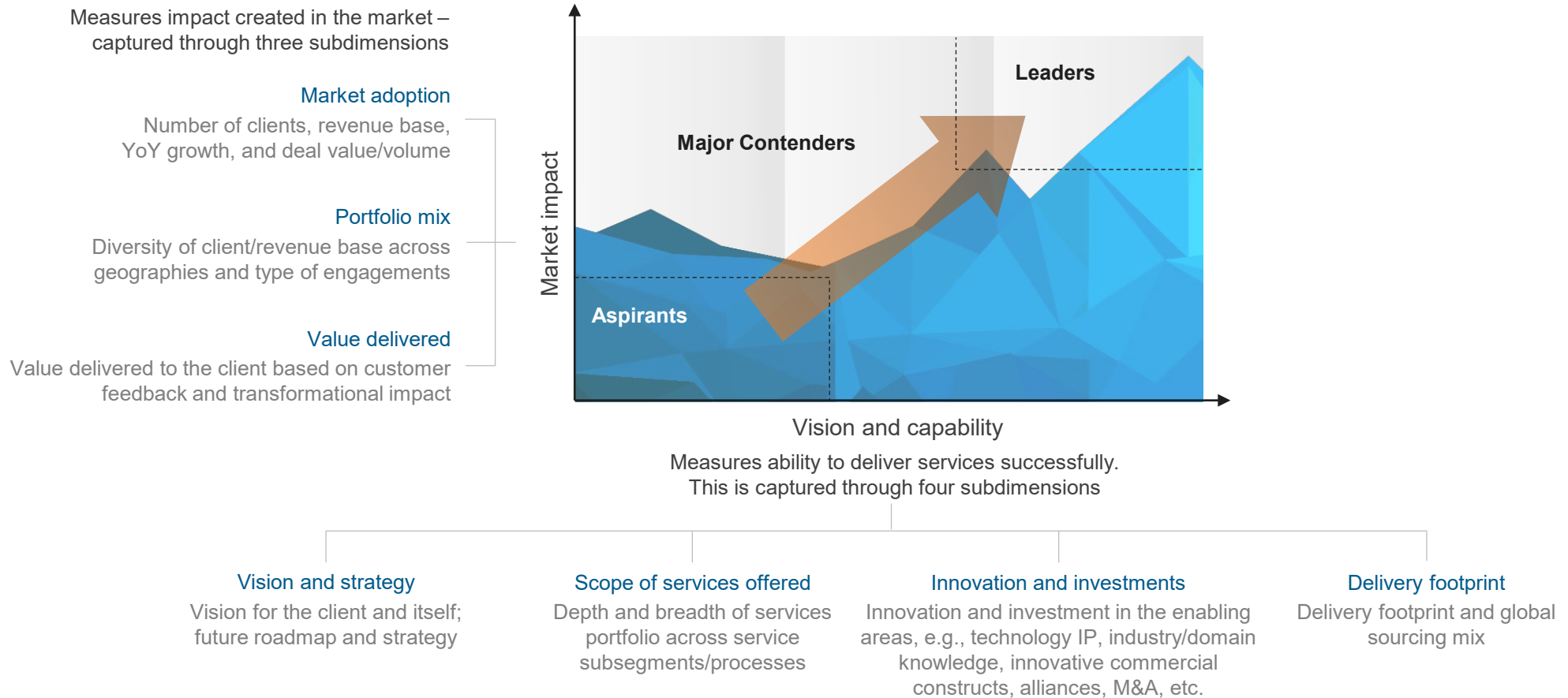
PEAK Matrix® framework

FAQs

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Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability

Everest Group PEAK Matrix

Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact (vertical axis)

Vision and capability (horizontal axis)

Leaders

Major Contenders

Aspirants

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

For providers

- The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries

- In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies

- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR

- Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)

The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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