

The Forrester New Wave™: SaaS Marketplaces, Q2 2020

The Eight Providers That Matter Most And How They Stack Up

by Liz Herbert
June 11, 2020

Why Read This Report

In Forrester's evaluation of the emerging market for software-as-a-service (SaaS) marketplaces, we identified the eight most significant providers in the category — Adobe, ADP, Alibaba, Amazon Web Services (AWS), Google, Microsoft, Salesforce, and ServiceNow — and evaluated them. We couldn't include SAP this year, as the vendor was in the process of launching a new online marketplace that wasn't ready by our evaluation date. This report details our findings about how well each vendor scored against 10 criteria and where they stand in relation to each other. Application development and delivery (AD&D) professionals can use this review to select the right partner for their SaaS marketplace needs.

Key Takeaways

Salesforce And AWS Lead The Pack

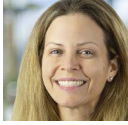
Forrester's research uncovered a market in which Salesforce and AWS are Leaders; Alibaba, ServiceNow, and Microsoft are Strong Performers; and Google, ADP, and Adobe are Contenders.

Scale, UX, And Vetting Are Key Differentiators

Today's SaaS marketplaces feature wildly different quantities and types of SaaS solutions. Easy navigation, levels, and types of vetting also set our Leaders apart.

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June 11, 2020

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Related Research Documents

[The Global SaaS Landscape, 2019 To 2022: Some Categories Grow, While Some Reach Saturation](#)

[Now Tech: SaaS Marketplaces, Q2 2020](#)

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SaaS Marketplaces Alleviate The Risk And Cost Of SaaS Sprawl

SaaS continues to grow in popularity across most categories of software and maintains its appeal for business-led, under-the-radar buying as well as sanctioned and IT-led spend. With its continued growth, many applications executives find themselves dealing with SaaS sprawl — which can result in issues such as excessive costs, redundant functionality, and increased security and compliance risk due to improper vetting. SaaS marketplaces provide a way to alleviate these issues while still supporting business-led purchasing that contributes to increased business agility, better business outcomes, and improved employee experience.¹

Numerous vendors offer SaaS marketplaces, which are designed to make it easier to find relevant (often add-on) SaaS solutions while providing the buyer with capabilities such as access to peer reviews, marketplace-provided vetting, standardized contract terms, and a centralized console for management of a portfolio. While SaaS marketplaces have been emerging for years, they're now getting serious attention as well as gaining new features like chatbots and other intelligence to make them even more useful for anyone with any role related to searching for or buying SaaS solutions.

SaaS Marketplaces Evaluation Overview

The Forrester New Wave™ differs from our traditional Forrester Wave™. In the New Wave evaluation, we assess only emerging technologies, and we base our analysis on a 10-criterion survey and a 2-hour briefing with each evaluated vendor. We group the 10 criteria into current offering and strategy (see Figure 1). We also review market presence.

We included eight vendors in this assessment: Adobe, ADP, Alibaba, AWS, Google, Microsoft, Salesforce, and ServiceNow (see Figure 2 and see Figure 3). We weren't able to include SAP, which was in our previous Forrester New Wave, because it was in the middle of launching a new marketplace that wasn't ready by our evaluation date.² Other large technology vendors, including IBM and Oracle, decided not to participate and either have marketplaces with limited SaaS offerings or aren't yet at a level of maturity or adoption that we required for this evaluation. Each of the included vendors has:

- › **One billion dollars or more in total corporate revenue.** Hundreds of technology vendors are offering B2B marketplaces. We chose to focus on the biggest technology vendors and considered only software or cloud vendors with \$1 billion or more in total corporate revenue.
- › **At least 400 SaaS solutions available for purchase online.** We considered only marketplaces that offer SaaS solutions and that list at least 400 of them.
- › **Relevance to the Forrester client base.** We considered only SaaS marketplaces that sell to larger customers (\$500 million or more in annual revenue), as that represents our reader base. This report doesn't focus on small and midsize business (SMB) SaaS purchasing or consumer-focused marketplaces.

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FIGURE 1 Assessment Criteria

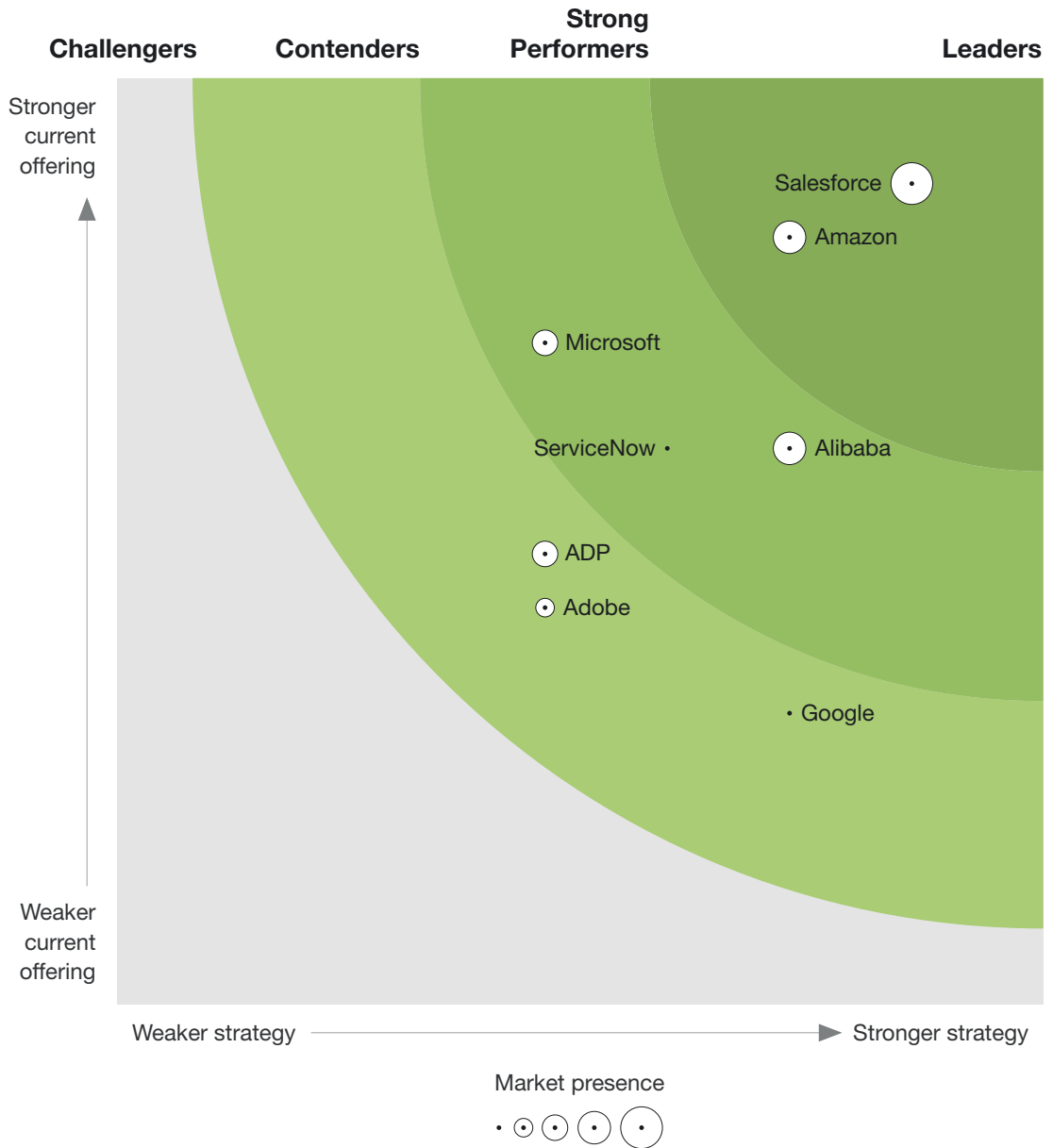
Criteria	Platform evaluation details
Availability of applications	How many total sellers have listings on the marketplace? How many software-as-a-service (SaaS) applications in the marketplace are available? What is the mix of languages and localizations supported? What percent of SaaS applications on the marketplace are produced by third-party sellers?
Buyer interface	What search capabilities are supported? What product content and details are presented to the buyer? How does the buyer know if the information is current? Are there peer reviews, ratings, and comparisons? How easy to use is the interface?
Transacting	How visible is the pricing? What percent of paid apps allow a free trial? Are there restrictions on buying imposed by the marketplace? If so, what are they? Can the customer choose to impose restrictions or granularity on buying permissions (such as a dollar amount or individuals)?
Contract terms	How do contract terms exist? Are they visible, easily accessible to buyers? How can contract terms be negotiated or modified in the marketplace? How broadly is this available? How does the vendor help groups of sellers and buyers develop standard terms for common areas?
Due diligence and assurance	What is the security process for getting into the marketplace? How much vetting is done? What checks does the vendor provide? Does the marketplace vendor certify applications? If so, how rigorous is the security process, and what is entailed?
Management console	Is there a console that the customer can use to see what they have, with usage, upcoming renewal dates, and other key information? What prebuilt solutions are there to integrate with other relevant consoles, such as other catalogs in use or IT finance solutions?
AI and automation	How does the marketplace AI go beyond recommendations — for example, smart bundling of sets of applications or ability to create cross-application workflow and reporting? Are chatbots used to automate functions? If so, which ones?
Vision	How compelling and credible is the vendor's three- to five-year vision? How well does the vision align with SaaS buyer needs? How well do SaaS marketplaces fit into the overall corporate vision? How is the company identifying and addressing competitive threats?
Roadmap	What is Forrester's level of confidence in the vendor's roadmap and view of roadmap alignment with emerging buyer needs in areas such as marketplace enhancements, innovation, commercial model enhancements, and partner ecosystem expansion?
Market approach	How is the company executing a successful go-to-market approach, including by industry, geography, and role? What is the degree of focus on marketplaces, including support from top company executives? Does the marketplace have its own dedicated teams, sales presence and model, and marketing?

FIGURE 2 Forrester New Wave™: SaaS Marketplaces, Q2 2020

THE FORRESTER NEW WAVE™

SaaS Marketplaces

Q2 2020



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FIGURE 3 Vendor QuickCard Overview

Company	Availability of applications	Buyer interface	Transacting	Contract terms	Due diligence and assurance	Management console	AI and automation	Vision	Roadmap	Market approach
Salesforce	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Amazon Web Services	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Alibaba	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
ServiceNow	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Microsoft	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Google	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
ADP	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Adobe	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️

⬆️ Differentiated
 ⬆️ On par
 ⬆️ Needs improvement
 ⊘ No capability

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Vendor QuickCards

Forrester evaluated eight vendors and ranked them against 10 criteria. Here’s our take on each.

Salesforce: Forrester’s Take

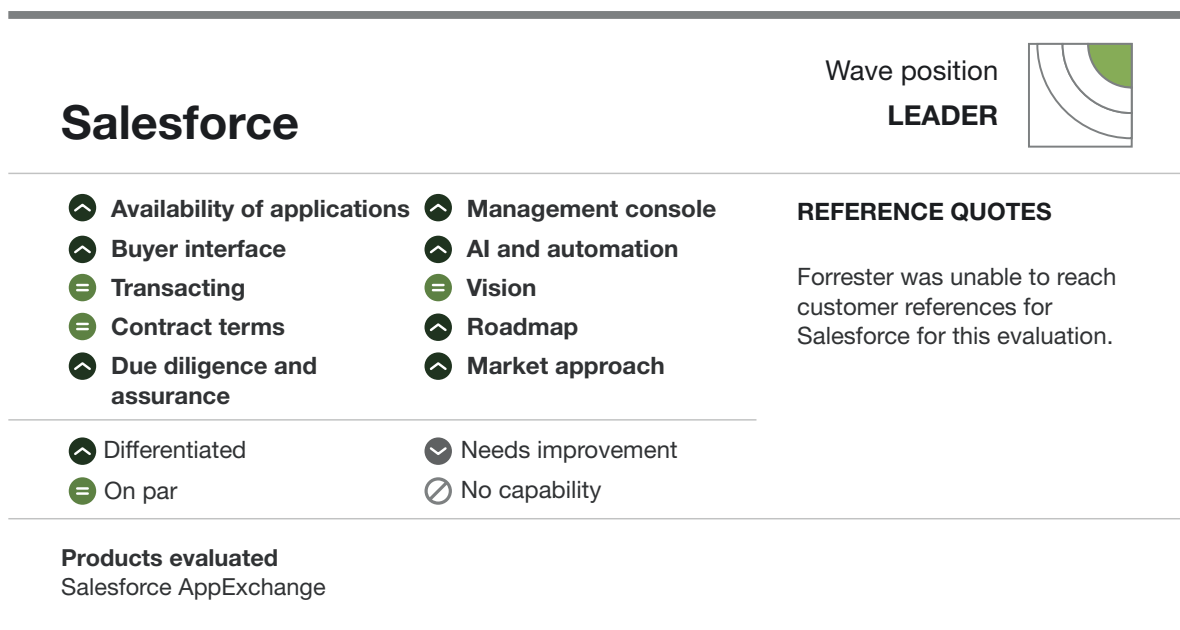
Our evaluation found that Salesforce (see Figure 4):

- › **Leads the pack with a mature marketplace with scale and breadth of SaaS solutions.** Despite this being an overall newer market, Salesforce has a long history of running the Salesforce AppExchange and offers features such as private marketplaces and advanced search. Salesforce has thousands of applications in its marketplace in a range of categories.
- › **Could go further with transaction and contracting capabilities.** Salesforce has come a long way in enabling real “check out” on the AppExchange but still has areas for improvement, such as custom contracts and the time it takes from transaction to enablement.
- › **Will generally appeal to anyone in the Salesforce ecosystem.** Despite a very wide range of SaaS applications, Salesforce AppExchange continues to be best suited for Salesforce customers looking for Salesforce add-ons.

Salesforce Customer Reference Summary

We were unable to speak with any Salesforce customer references for this research.

FIGURE 4 Salesforce QuickCard



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Amazon Web Services: Forrester’s Take

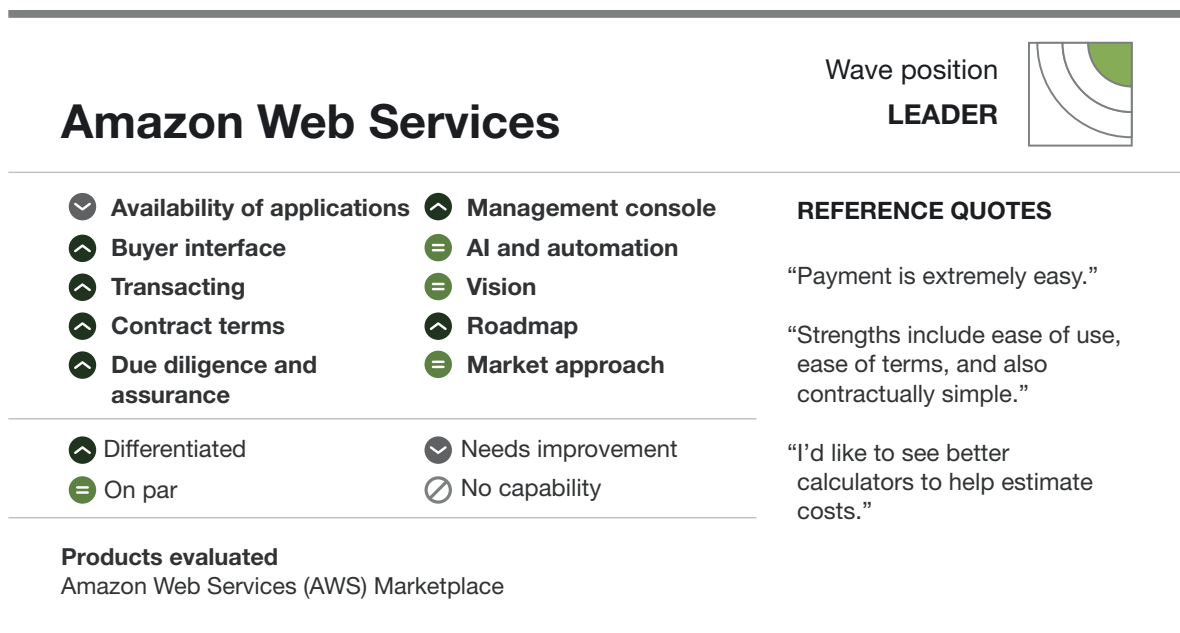
Our evaluation found that AWS (see Figure 5):

- › **Provides advanced features relevant for procurement in areas such as contracting.** AWS has invested significantly in its marketplace and continues to push the envelope in areas like standard contract terms, custom contract negotiation in its marketplace, and integration with leading procurement tools such as Coupa.
- › **Needs to keep broadening the availability of SaaS solutions in scale and type.** Though AWS is a very large company doing a lot of business in SaaS from its marketplace, the number of SaaS apps it offers is small versus other marketplaces, and the range of types is narrower. AWS does not yet offer many business applications versus the competition.
- › **Is well suited to procurement execs and developer teams.** AWS has broken new ground in areas that procurement cares about and offers a new way to streamline SaaS buying and thereby increase efficiency while lowering risk. AWS Marketplace will also appeal to AWS developers who like deeply integrated add-ons in areas such as security.

Amazon Web Services Customer Reference Summary

Customers like the ease of use and ease of payment but want better calculators to estimate price.

FIGURE 5 Amazon Web Services QuickCard



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Alibaba: Forrester's Take

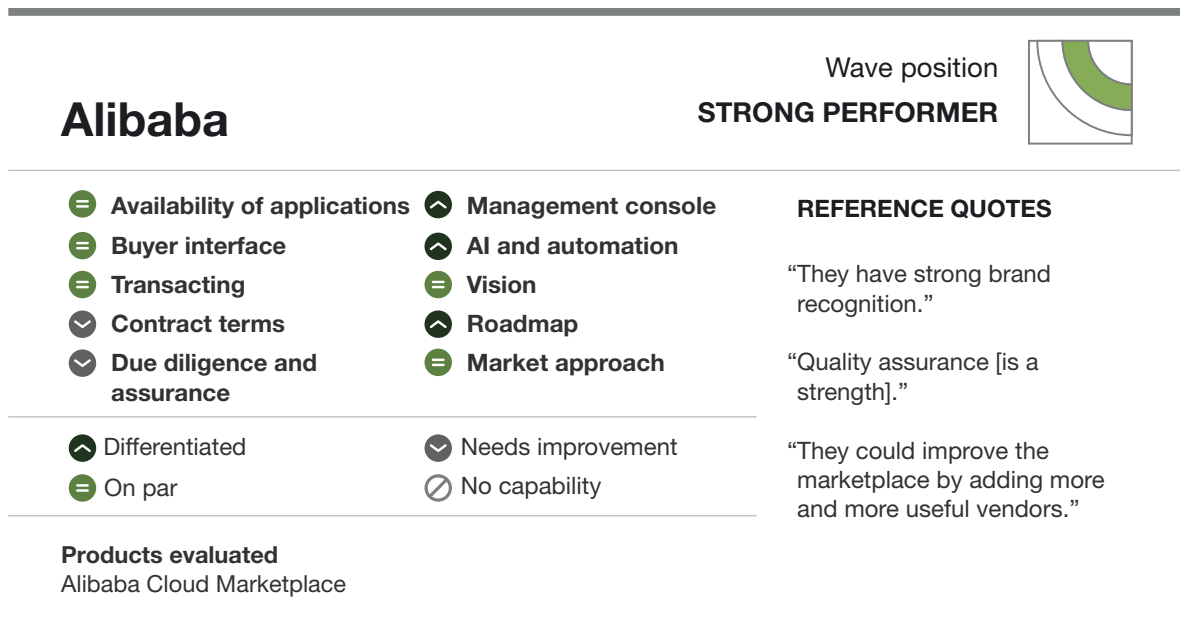
Our evaluation found that Alibaba (see Figure 6):

- › **Can match up with any firm for scale and features.** Though you may not be too familiar with Alibaba outside China, Alibaba has thousands of SaaS applications and sophisticated features across all major areas of the marketplace — including search, transaction, and management console.
- › **Still needs to broaden out for the global buyer.** Alibaba is still China-centric, with a smaller portion of applications on the global/English versions of the marketplace and several advanced features available in China but not yet available for all markets.
- › **Is the best fit for Chinese companies or divisions today.** In addition to the scale of applications available in Chinese and for the China market, Alibaba has processes to ensure compliance with Chinese law (and approval by Chinese government) in areas such as security.

Alibaba Customer Reference Summary

Customers like the number of resources available and the quality assurance but wish for more vendors on the marketplace and clearer classification rules.

FIGURE 6 Alibaba QuickCard



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ServiceNow: Forrester’s Take

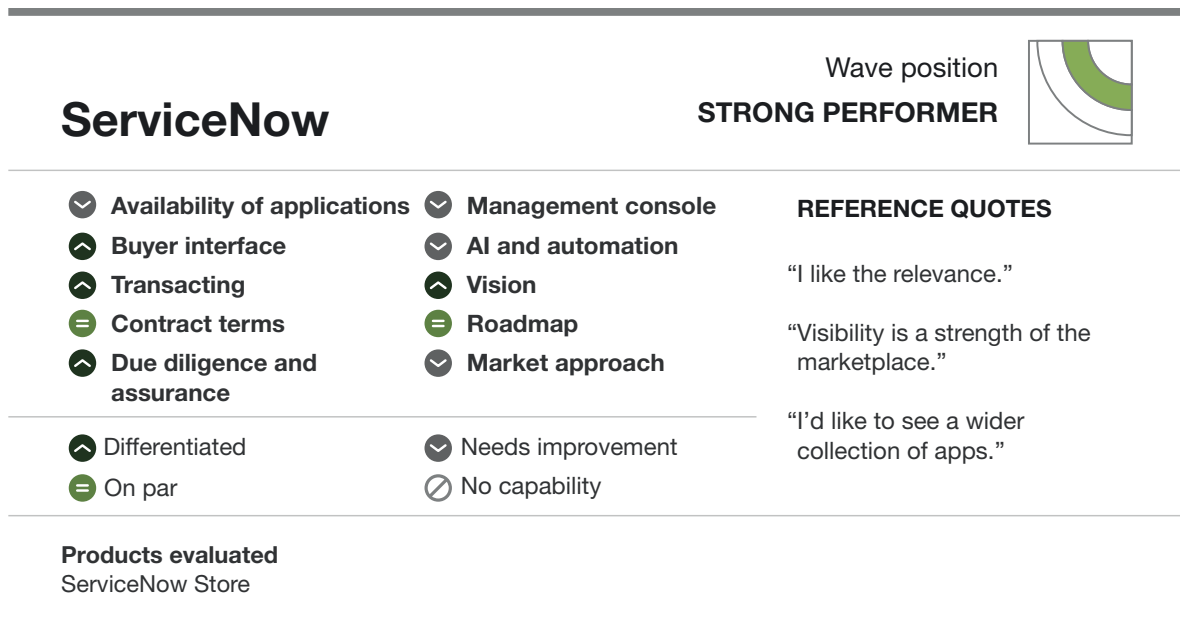
Our evaluation found that ServiceNow (see Figure 7):

- › **Offers a wide range of contracting and transaction capabilities.** ServiceNow continues to invest in its marketplace and offers numerous capabilities that buyers want, including the ability to transact, support for free trials, and a standard set of recommended terms and conditions that can be modified and re-uploaded into the store.
- › **Still needs to grow its catalog.** The biggest weakness of ServiceNow’s marketplace is the smaller number and variety of applications available, making it less useful than more populated marketplaces, as many search categories will come up short.
- › **Is the best fit for IT executives, especially for those already using ServiceNow.** So much of today’s ServiceNow catalog is geared for IT, with top-selling apps in areas like expense and asset management. Of course, this is even more worth a look if you’re an existing ServiceNow customer.

ServiceNow Customer Reference Summary

Customers praise the relevance and visibility but wish the marketplace had more apps on it.

FIGURE 7 ServiceNow QuickCard



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Microsoft: Forrester’s Take

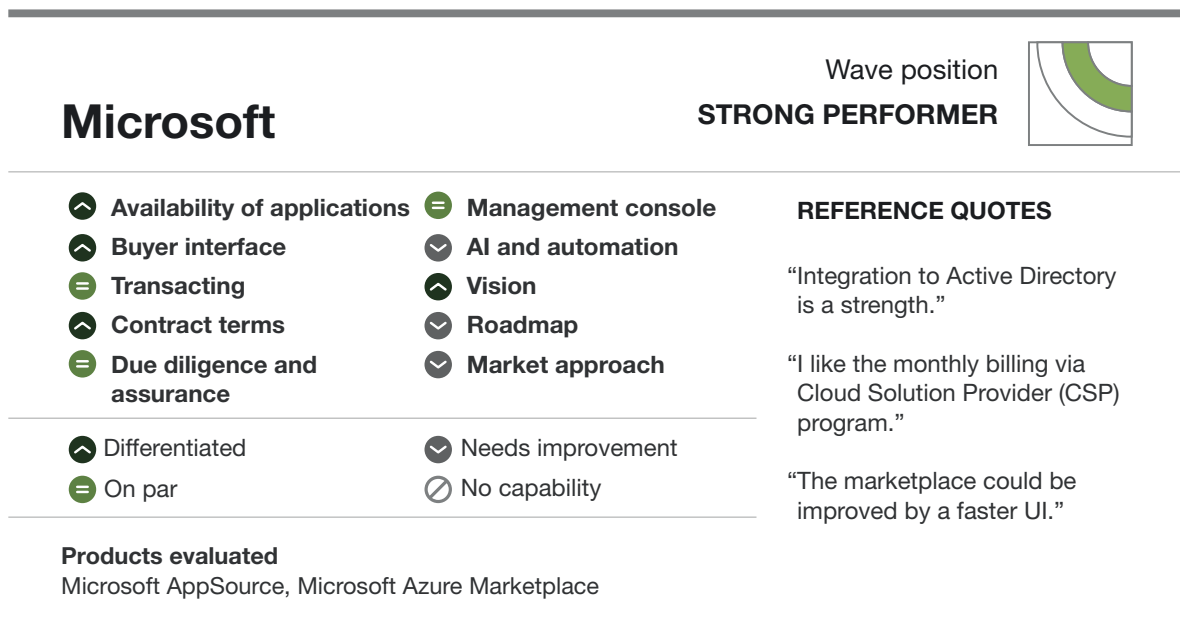
Our evaluation found that Microsoft (see Figure 8):

- › **Offers a wide range of solutions and integration with other Microsoft technology.** Microsoft offers a very wide range of SaaS applications for business and IT. Customers benefit from ready-to-go integration to other Microsoft technology, such as Active Directory and Microsoft Dynamics solutions.
- › **Is playing catch-up in areas such as transaction and private marketplace.** Microsoft is behind in areas like the number of applications it can transact in the store and the ability to offer private marketplaces. Also, AppSource and Azure Marketplace are disjointed today, and Microsoft doesn’t plan to consolidate the two in the foreseeable future.
- › **Has broad appeal to business constituents, developers, and other IT professionals.** Microsoft will appeal most to organizations already using Microsoft tools. Microsoft’s strong brand and install base also continue to attract new vendors to the marketplace at a fast pace.

Microsoft Customer Reference Summary

Customers like having everything in one place and are positive about the integration with Active Directory but wish for a faster UI and more ways to transact.

FIGURE 8 Microsoft QuickCard



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Google: Forrester’s Take

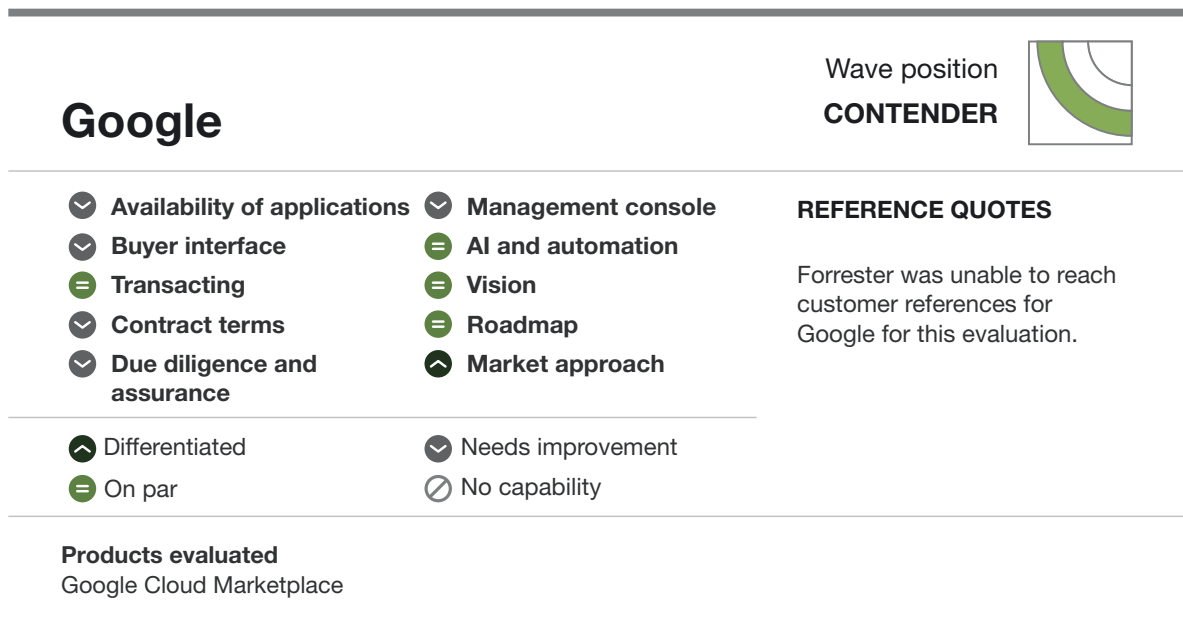
Our evaluation found that Google (see Figure 9):

- › **Has a compelling strategy but is playing catch-up today, especially for SaaS.** Google has some leading-edge technology and search features, as you’d expect from the global tech giant, but is still nascent in the world of enterprise SaaS marketplace features, missing basic functionality like reviews and ratings.
- › **Needs to attract and make it easier to find SaaS, specifically, versus other apps.** Google has a relatively small set of SaaS applications and no clear way to isolate them when users are searching.
- › **Is most relevant for developers and IT buyers today.** While Google will likely expand into a broad range of categories, its top sellers right now are predominantly IT and analytics solutions in areas like database, security, monitoring, and machine learning.

Google Customer Reference Summary

We were not able to speak with any Google customer references for this research.

FIGURE 9 Google QuickCard



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ADP: Forrester’s Take

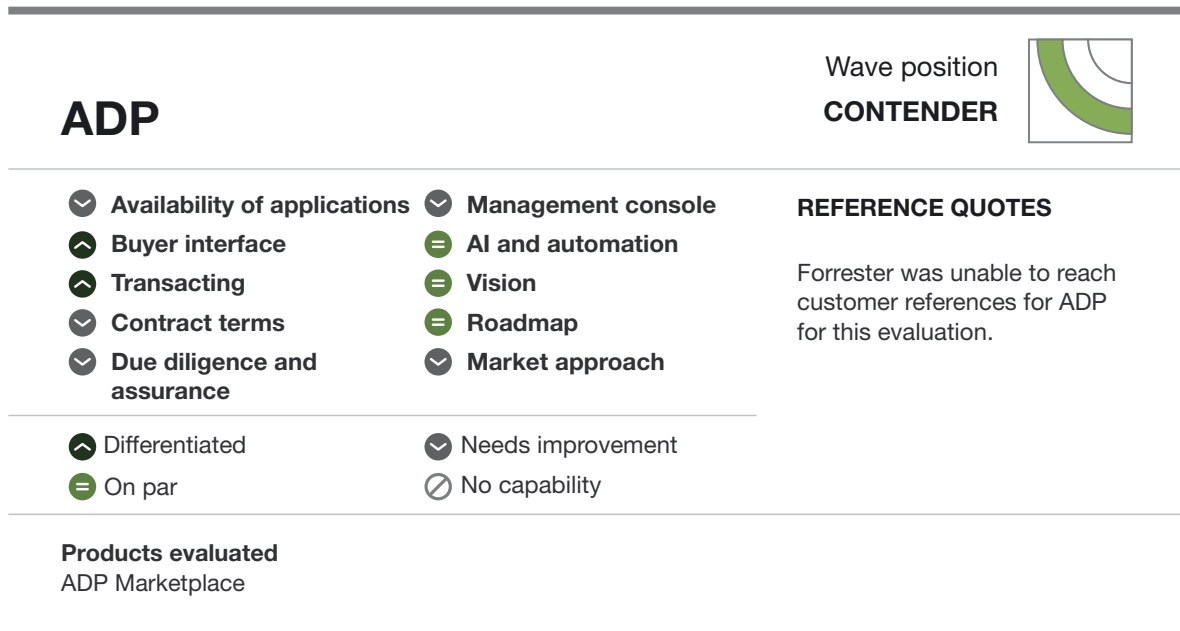
Our evaluation found that ADP (see Figure 10):

- › **Is a strong choice for anything related to HR.** ADP is a giant in HR, with hundreds of thousands of clients. Its marketplace is very much designed to serve these customers, with a smaller but highly relevant set of applications. ADP has chosen to use a leading marketplace builder for its tech, which allows it to focus more on content and relevance rather than its platform.
- › **Needs to globalize.** ADP has only recently focused on expanding its marketplace outside North America, and becoming globally relevant will take time.
- › **Is well suited for HR as well as operational roles that need solutions linked to payroll.** ADP doesn’t intend to be a be-all, end-all marketplace and is staying highly focused on its core customers in HR areas. However, its offering will also appeal to operational executives, such as a store manager who needs to integrate sales with payroll for commissions.

ADP Customer Reference Summary

We were not able to speak with any ADP customer references for this research.

FIGURE 10 ADP QuickCard



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Adobe: Forrester’s Take

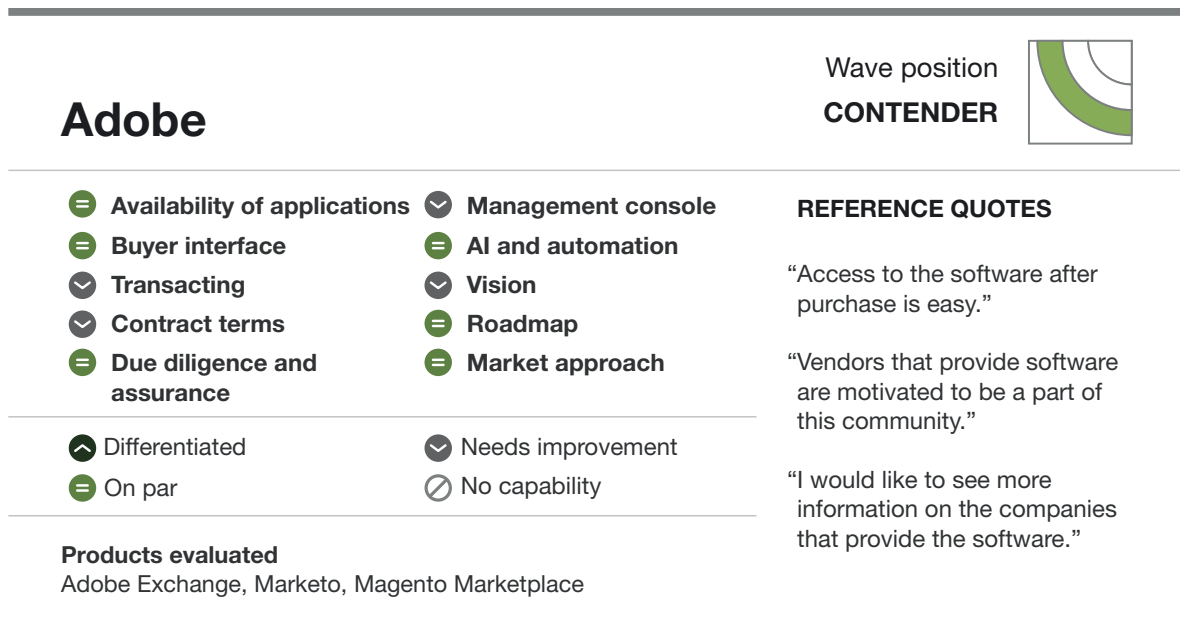
Our evaluation found that Adobe (see Figure 11):

- › **Leads the pack for marketing, commerce, and store add-ons.** Adobe has multiple marketplaces with thousands of SaaS solutions for a wide range of marketing, commerce, and store needs — including solutions from major brands. One innovative feature is the Stack Builder, which provides a visual way to assemble your marketing technology stack with recommendations.
- › **Still needs to reconcile its various marketplaces.** Adobe has some good capabilities, but these vary by marketplace. For example, Magento Marketplace allows transactions, but Exchange does not yet allow in-marketplace transactions.
- › **Is the best fit for marketers and commerce execs looking to extend Adobe products.** Adobe’s marketplaces will generally appeal to marketing and commerce teams looking to browse or buy Adobe-related solutions.

Adobe Customer Reference Summary

Customers like that they can easily access the solution after purchase but wish for more details on the sellers and better search capabilities.

FIGURE 11 Adobe QuickCard



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Supplemental Material

The Forrester New Wave Methodology

We conducted primary research to develop a list of vendors that met our criteria for the evaluation and definition of this emerging market. We evaluated vendors against 10 criteria, seven of which we based on product functionality and three of which we based on strategy. We also reviewed market presence. We invited the top emerging vendors in this space to participate in an RFP-style demonstration and interviewed customer references. We then ranked the vendors along each of the criteria. We used a summation of the strategy scores to determine placement on the x-axis, a summation of the current offering scores to determine placement on the y-axis, and the market presence score to determine marker size. We designated the top-scoring vendors as Leaders.

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Integrity Policy

We conduct all our research, including Forrester New Wave evaluations, in accordance with the [Integrity Policy](#) posted on our website.

Endnotes

¹ See the Forrester report "[Out Of The Shadows: How Marketplaces Will Disrupt Tech Buying.](#)"

² See the Forrester report "[The Forrester New Wave™: SaaS Marketplaces, Q4 2018.](#)"

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