



Magento®

vs.

SAP Hybris



Which is the right platform
for your enterprise business?



Table of Contents



I. Introduction: Planning for future growth

II. Business Considerations

III. Criteria for Selection

A Cost

B Time-to-Market

C Scalability

D Security

E Omnichannel

F Marketing

G Customization

H Hosting

IV. The Decider

I. INTRODUCTION: PLANNING FOR FUTURE GROWTH



Ecommerce merchants have long enjoyed a steady growth in business, growing from a small segment of the consumer's wallet 15 years ago to an impressive 16% of total retail in 2019. Then along came the global stay-at-home orders, which accelerated its upward trajectory. By the beginning of Q2 of this year, online sales were up 68% over Q2 sales in 2019.

As a growing eCommerce brand, you feel the opportunities and challenges of the consumer's increasing reliance on online sales daily. You realize that your brand is outgrowing the platform on which you built your site. To keep up with your growing business, you need more scale, flexibility, and a set of robust features to help you reach, engage, and convert customers across all channels.

The eCommerce platform choice you'll make today will have far-reaching consequences in the years to come. For many, it's a choice between Magento Commerce Cloud and SAP Hybris. Both solutions are well suited for companies whose sales will top \$100 million and continue growing. These platforms will be of prime importance if your business is offering a full set of omnichannel features and needs scale to keep up with business growth.

WHICH DO YOU CHOOSE? ● ● ●

In making your decision, you will no doubt speak to many experts who'll discuss your options and the impact on your business. Consider this paper as a starting point of your process. It looks at key issues at a high level and may jumpstart your decision-making process.



II. BUSINESS CONSIDERATIONS



Both Magento Commerce Cloud and SAP Hybris serve both B2B and B2C brands well. Often B2B players favor SAP because they already have an SAP license, and SAP is willing to negotiate on the cost of the license.

One advantage of Hybris, in terms of skill set, is, developing becomes a breeze if you know Java and Java Spring. You can get aligned with the framework and upskill an employee, but time to market depends. It will take anywhere from 6 to ten months to build a site.

QUESTIONS TO ASK YOURSELF	WHY IT'S IMPORTANT
What are your capex and opex restraints?	While both Magento Commerce and SAP Hybris offer robust services, going with SAP requires higher capital and operational expenses. You'll need to consider: • How much do you want to spend upfront to launch your new site? • How quickly do you want your site built, tested and rolled out so it's fully operational? • How much are you willing to spend to manage the site on an ongoing basis?
Skillset availability	In terms of managing the platform internally, both have equal ease of use. The difference, however, is that Magento Commerce is built in PHP, while SAP Hybris is built in Java Spring. Ready access to those skills should be a key criteria in your selection process.
Number of users who register for your site	Will you have a large community of users who will register with your site? If yes, SAP's named user license can be a consideration. SAP charges about \$1.00 per year per named user.

Open vs. closed community preference?	As an open source platform, Magento allows merchants to customize almost every element of their ecommerce site as well as leverage more than 5,000 modules and add-ons developed via the community of developers. Magento has a strong community with more than 150,000 developers and 300 Magento partners that offer additional compatibilities through extension. SAP Hybris, on the other hand, is closed, which means you're reliant on SAP to provide details for development purposes.
Rate of growth for each vendor	More than 250,000 eCommerce sites use Magento, and it adds new businesses to its rolls every quarter (in Q1 2020, Magento Commerce experienced 40% growth). With so many businesses dependent on Magento (about 1.2% of the Internet), you can be sure the platform will be supported for a long time to come. This contrasts with SAP Hybris, which has a market share of just .03%.



III. CRITERIA FOR SELECTION



COST ●●●●

If you're a big enough customer with a lot of SAP solutions running in your enterprise, SAP may be willing to provide you with a Hybris license at little to no costs, but don't count on it.

For many eCommerce brands, a real cost concern with SAP Hybris is in its named user license. SAP charges about \$1.00 per named user per year. A named user is a visitor who registers for your site as, say, part of your loyalty program or to receive your newsletters. Many of these users may never buy from you, but with SAP, you'll still pay a license fee with them.

Hosting costs for Java applications are generally higher than the price for hosting PHP applications. In addition, with SAP Hybris, you will need to purchase a license for an ad server, such as WebLogic.

MAGENTO COMMERCE CLOUD	SAP HYBRIS
Starts at \$1,988/month	\$54,000/year

TIME TO MARKET ●●●●

	MAGENTO COMMERCE CLOUD	SAP HYBRIS
With no integration *	3 months	6 to 10 months
With integrations	4 to 5 months	

SCALABILITY ●●●

Because of the role of the cloud, scalability is equal mainly between the two players. Both platforms will allow you to scale up seamlessly as your business grows.

The only thing with SAP is that you need to have a better architect to plan your scalability. But if you're going for a cloud, SAP will probably take care of all the pain of scaling up your application as you need.

SECURITY ●●●

As an established player in the enterprise software sector, security is an absolute strength of SAP. The company hasn't experienced any instances of break-ins, even though their financial services customers are enticing targets for hackers.

As a newer player, Magento's security isn't as robust as SAP's, although Magento 2.0 offers a new suite of security enhancements, such as PCI compliance. But keep in mind, many eCommerce managers opt to install a payment gateway rather than store credit card and payment information on their Magento Commerce platforms. These payment gateways offer security that parallels or comes close to SAP's.

Security updates are more seamless with SAP Hybris, meaning all security patches will be applied automatically. With a payment gateway integrated into your Magento Commerce Cloud platform, you will most likely need to keep abreast of security patches yourself.





OMNICHANNEL ●●●

All robust eCommerce platforms, including Magento Commerce Cloud and SAP Hybris, offer a similar set of omnichannel features and functionality. Whichever platform you choose, you can expect to access the same level of omnichannel features.

That said, omnichannel can be a bit of a misnomer these days. eCommerce sites routinely see 90% of their traffic come from a mobile device, so mobile is where you'll want to consider each platform's capabilities most carefully. In our experience, developing eCommerce sites for brands all over the world, both platforms offer similar functionality. For instance, both Magento Commerce Cloud and SAP Hybris offer mobile optimization, mobile responsive design, and support progressive web applications (PWA).

If you have a particular channel, such as point of sale, SAP Hybris may be a better choice, but apart from such a requirement, what both platforms offer will more than satisfy your omnichannel requirements.

MARKETING ●●●

SAP Hybris doesn't have a marketing module, but again, you can always integrate the platform with Marketo (assuming you know how to integrate it and have the skillset). You will need to have access to an integration expert at your disposal who is comfortable with Java Spring.

Magento Commerce Cloud also comes with a host of marketing tools, such as customer segmentation, personalization, product recommendations, and the ability to launch, manage and optimize email, digital, social media, and SMS campaigns. Magento also integrates with standard mar-tech platforms like Marketo and Hubspot. Once integrated, these services are on par with SAP Hybris.

Additionally, Magento has an ecosystem of third-party developers. They offer a variety of plug-ins that can allow you to accomplish a wide range of marketing tasks and campaigns. Using these add on services is a matter of integrating them with your Magento instance.

You will, however, need to integrate those systems into your platform, pay their license fees, as well as keep up with updates and security patches.

CUSTOMIZATION ●●●

MAGENTO COMMERCE CLOUD	SAP HYBRIS
Magento is highly flexible, giving merchants absolute control over the sales channel. Merchants can customize by knowing code, hiring a developer, or using Magento's ready-made extensions.	Hybris is also a robust system, so it requires time and expertise to personalize. There is a multi-layered system with benefits and limitations for customization, which requires an understanding of Model, Service, and Jalo tiers. However, the design flexibility with templates is reasonable.

HOSTING ●●●

As with the case with Oracle, if you host yourself, it will cost about \$6K a month or higher because of the different architectural styles.

SAP Hybris requires you to pay a Named User License or NUL for every single customer who registers for your site.

Both SAP Hybris and Magento Commerce Cloud offer hosting services, and if you opt to go with the service they provide, you will have a seamless experience.



IV. THE DECIDER



Magento Commerce is a clear winner in areas like total cost of ownership and time to market, the two crucial areas for any business aiming to springboard into eCommerce. In terms of security, hosting, and marketing capabilities, both platforms are equally competent.

For small and mid-tier enterprises that are looking for quick go-to-market solutions with a comparatively less total cost of ownership, Magento Commerce is the appropriate choice. If you are a large enterprise looking for a sophisticated platform and also have more budget and time in hand, SAP Hybris Commerce could be the best bet. So, we are leaving it to you.





Give us a call



If you think an expert opinion will help in choosing the platform that's best for your business, email us at contactus@ziffity.com or post your inquiry [here](#). Our experts will connect with your team to discuss.