



Magento®

Magento Commerce VS Oracle Commerce

**A GUIDE TO HELP YOU MAKE THE RIGHT
ECOMMERCE PLATFORM DECISION FOR
YOUR BUSINESS**



TABLE OF CONTENTS

Introduction: Planning for Future Growth 01

Business Considerations 02

Criteria for Selection 03

- A. Cost
- B. Time to Market
- C. Scalability
- D. Security
- E. Omnichannel
- F. Marketing
- G. Hosting

The Winner 05

PLANNING FOR FUTURE GROWTH

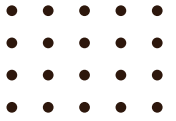
Ecommerce merchants have long enjoyed a steady growth in business, growing from a small segment of the consumer's wallet 15 years ago to an impressive 16% of total retail in 2019. Then along came the global stay-at-home orders, which accelerated its upward trajectory. By the beginning of Q2 of this year, 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 Oracle Commerce Cloud. Both solutions are well suited for companies whose sales will top \$100 million and continue growing in the years to come. 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.



BUSINESS CONSIDERATIONS

QUESTION TO ASK YOURSELF	WHY IT'S IMPORTANT
What are your capex and opex restraints?	While both Magento Commerce and Oracle Commerce offer robust services, going with Oracle 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 website 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?
Skill set 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 Oracle Commerce is built in Java. Ready access to those skills should be a key criterion in your selection process.
Customer service	Oracle Commerce is mostly a platform for enterprise-class customers. In contrast, Magento Commerce is geared towards mid-tier and lower-end enterprise businesses. In the short term, at least, Magento will be more responsive to mid-tier companies than Oracle.
Overall framework: Are you looking for a fully integrated solution "out of the box"?	Both platforms are fully featured, but with Oracle Commerce, you will need to purchase components separately. For instance, Oracle Endeca is renowned for its personalized search experience and is a pioneer of the faceted search feature that will help your users find the exact product they need. Still, it is a costly (up to \$500 million) add on. Same with Oracle Database That said, Oracle Commerce Cloud comes with both Oracle Commerce Oracle Endeca.
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 Oracle Commerce isn't growing much at all.
Internal resources vs. developer community	If you lack the resources to develop new features or integration internally, you'll need to look outside your organization for solutions. As an open-source platform, Magento has a large community of developers that offer thousands of extensions that add functionality and automate integrations. Oracle doesn't have a similar developers community to tap into.



CRITERIA FOR SELECTION

COST :

MAGENTO COMMERCE CLOUD	ORACLE COMMERCE
Starts at \$1,988/month	\$150,000 one-time start-up fee

Understanding the cost of Oracle Commerce is a complex exercise. Take, for instance, the start-up fees. At first glance, it looks as if both will equal out after 6 years of use, after which Magento will be more expensive. But there are other considerations:

- Hosting costs for Java applications are generally higher than for hosting PHP applications
- Oracle Commerce Cloud will require you to purchase a license for an ad server, such as WebLogic
- Most Oracle Commerce customers also purchase Oracle Database, a service with extremely complex pricing ([see the price list here](#))
- Oracle charges Named User License fee for customers, such as loyalty members, who register for your site.

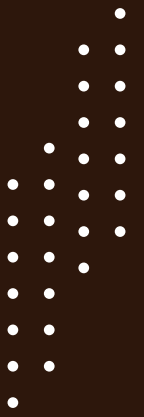
In our experience, the cost of Oracle Commerce Cloud is 4x that of Magento Commerce Cloud; ongoing costs of Oracle are 2x higher than Magento.

TIME-TO-MARKET

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

* Every eCommerce site built in Oracle Commerce Cloud requires multiple integrations. On the whole, building a website in Oracle will take 2x to 3x longer than it will in Magento.

SCALABILITY



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

That said, Oracle contends that it uniquely offers a true all-in-one cloud environment, meaning Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and SaaS. [According to Oracle](#), "Costly to maintain extensions and add-ons lead to hidden costs over time. Magento relies on third-party vendors for major cloud components related to performance and support."

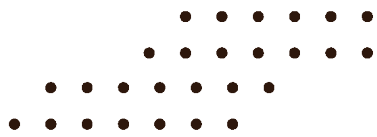
SECURITY

As a three-decade player in the database market, security is an absolute strength of Oracle. 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 Oracle's. However, 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 Oracle's.

Security updates are more seamless with Oracle Commerce Cloud, 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

These days, omnichannel can be a bit of a misnomer. 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 of developing eCommerce sites for brands all over the world, both platforms offer similar functionality. For instance, both Magento Commerce Cloud and Oracle Commerce Cloud offer mobile optimization, mobile responsive design, and support progressive web applications (PWA).

If you have a very specific channel, such as a custom point of sale, Oracle Commerce Cloud may be a better choice. Barring such a requirement, what both platforms offer will more than satisfy most omnichannel requirements.

MARKETING

Oracle Commerce Cloud is fully integrated with Oracle CX Marketing -- an integrated portfolio of digital marketing solutions that help marketers use AI, real-time intelligence and customer signals to deliver personalized experiences.

Magento Commerce Cloud also comes with a host of marketing tools, such as customer segmentation and 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 Oracle CX Marketing.

Additionally, Magento has an ecosystem of third-party developers who offer a wide 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.

HOSTING

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

Neither company has its own data centers. Magento uses AWS; we're not quite sure what Oracle uses on its backend.

With both platforms, you can opt to host your site with the vendor or use a hosting company of your choice.

THE WINNER

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, Oracle Commerce could be the best bet. So, we are leaving it to you.

	Magento Commerce	Oracle Commerce
Cost		
Time to Market		
Scalability	Even	Even
Security	Even	Even
Marketing	Even	Even
Hosting	Even	Even

GIVE US A CALL

Once you've mulled over the considerations presented here, feel free to give us a call or drop an email at contactus@ziffity.com. Our experts will sit down with your team to explore a path forward that's right for your brand.