

IDC MarketScape: Worldwide eSignature Software 2023 Vendor Assessment

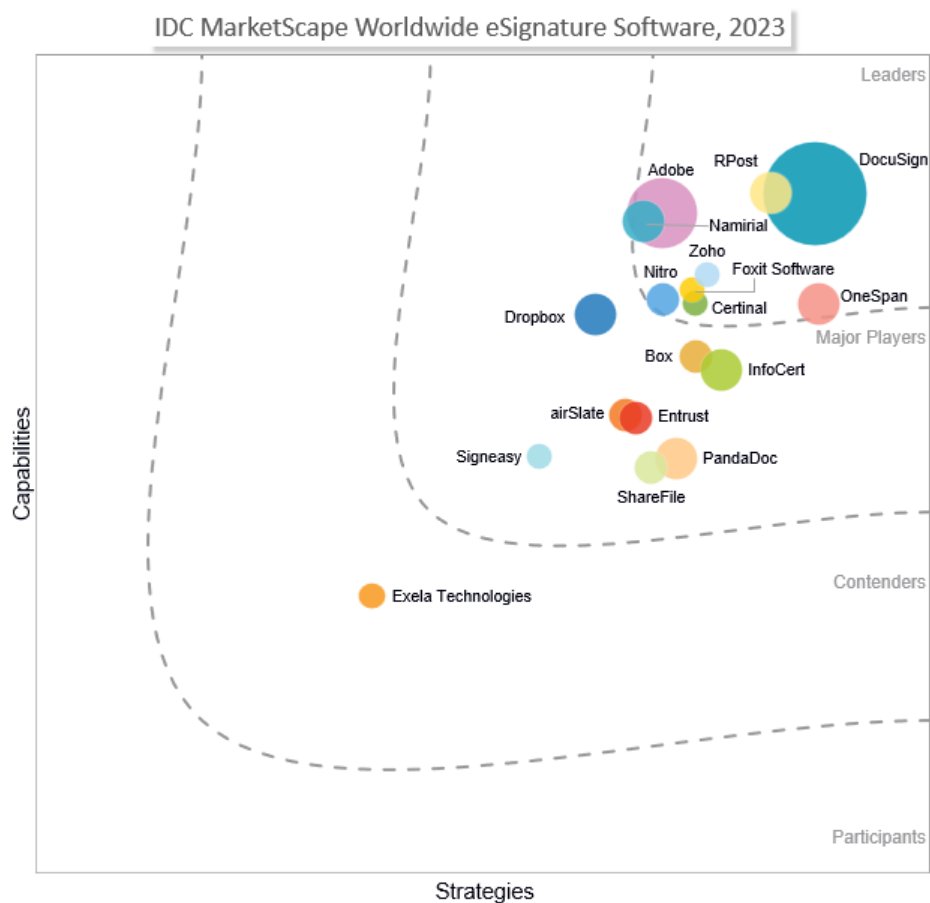
Holly Muscolino

THIS IDC MARKETSCAPE EXCERPT FEATURES NITRO

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide eSignature Software Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide eSignature Software 2023 Vendor Assessment (Doc # US49646923). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

An electronic signature, also known as esignature, is a legally agreed upon replacement for uniquely identifiable physical acceptance or agreement to a form, document, or other digital source. Digital signatures are an advanced form of esignature that require the signer to authenticate their identity using a digital certificate issued by an independent certificate authority (CA).

eSignature software refers to software and cloud service solutions that:

- Issue an encrypted digital document from a sender requesting a signature.
- Transport the document via a secure communications channel.
- Present the document to one or more signers.
- Capture the electronic equivalent of a handwritten signature.
- Record the signers' actions.
- Re-encrypt the document.
- Return the document to the originator via secured communications.

The software or service may include certain other features or functions, such as workflow automation and analytics, but must, at minimum, meet the aforementioned requirements.

eSignature software is an important element in improving both the efficiency and the experience surrounding business-to-business and business-to-consumer content-centric workflows. Frequently, these workflows involve parties outside the organization that are engaged in a business relationship that requires verified contractual consent by either the business, one or more external parties, or both. As an increasing number of documents are "born digital" and organizations continue to digitally transform content-centric workflows, esignature technology has enabled those workflows to remain digital and drives multiple benefits including reduction in transaction time and cost, increased security, and improved employee, supplier, partner, and customer experiences.

Many organizations experienced these benefits firsthand during the recent COVID-19 pandemic, when esignature software quickly changed from "nice to have" to mission-critical software, as remote workers sought alternative methods to keep the business moving.

eSignature Trends

The benefits of esignature software are compelling, and organizations that adopted these solutions in recent years are unlikely to abandon them. We expect these organizations to continue to expand esignature use cases across the organization. In an IDC survey conducted in North America in June 2023, 86% of IT decision makers said that they had invested in esignature software in the past year and 85% said that they planned to do so in the next 12-18 months (source: IDC's *State of Content Services Survey*, June 2023).

In addition, flexible work models are here to stay. In a recent global research, IT and line-of-business decision makers indicated that 20% of employees in organizations are primarily remote (i.e., they work from home three or more days a week) and 20% are primarily hybrid/flexible (i.e., they work from any location depending on business need) (source: IDC's *Future Enterprise Resiliency and Spending Survey, Wave 5*, June 2023). eSignature software will be required for any of those employees who deal with agreements or other documents requiring signatures.

Other trends of note are:

- Development of capabilities based on large language models and generative AI (GenAI), with early announcements from some vendors (for more details, see The Impact of Generative AI section)
- An increased number of esignature capabilities embedded as part of a broader content services or contract life-cycle management (CLM) platform
- Tighter integration with enterprise applications via connectors and APIs to extend automation and support a broader range of use cases
- Intelligent forms, automated document generation, and bidirectional data management (including "smart contracts")
- Flexible deployment models (e.g., on premises, private cloud, and public cloud) to support content security and data residency requirements
- Compliance with global government electronic identification (eID) platforms
- Growing demand for, and regulatory acceptance of, digital signatures that use hosted keys and transient keys, particularly in response to the perceived difficulties of rendering and verifying qualified digital signatures that use persistent keys in the users' absolute possession and control
- Continued development of advanced technologies such as artificial intelligence (AI), blockchain, and biometric capabilities to authenticate, verify, identity, audit, and provide robust non-repudiation services
- Growth of video signing and use of video as an authentication type (along with ID verification and matching facial features), and by extension, of online notaries

The Impact of Generative AI

IDC defines generative AI as a branch of computer science that involves algorithms that enable computers to create new content using previously created content, such as text, audio, video, images, and code. An example is ChatGPT. Almost three quarters (72%) of companies surveyed in North America say that it is somewhat or very likely that they will seek out solutions that incorporate GenAI for content-centric workflows and use cases in the next 12 months (source: IDC's *State of Content Services Survey*, June 2023).

Though not included in the criteria for this IDC MarketScape, several vendors presented esignature-related capabilities that are enabled by GenAI. Example capabilities include:

- Making a document more understandable and/or readable before sending
- Summarizing the most important parts of an agreement or other document
- Highlighting specific key words or phrases within a document
- Flagging clauses within contracts that need attention
- Querying an entire repository for specific documents

- Automating demographic-based translation
- Setting up renewal reminders or reminders for other activities
- Enabling biometric checks to confirm signers are who they say they are

eSignature vendors that are not exploring how generative AI can enhance signing workflows are at risk of losing competitive ground. However, all vendors must gain the trust of customers in these solutions. It goes without saying that this includes ensuring that customer data remains secure.

Differences from the Worldwide eSignature Software 2021 Vendor Assessment

This research is an update to the research documented in *IDC MarketScape: Worldwide eSignature Software 2021 Vendor Assessment* (IDC #US46742320, September 2021). There are a number of differences between the 2021 research and the current IDC MarketScape, so we strongly caution against a direct comparison between the two vendor evaluations. There is no doubt that some vendors have made significant improvements in their offering; however, that is only one factor to be considered. Approximately 25% of the criteria in the vendor RFI have changed. We also modified the weighting for each criterion. The most important changes are:

- We removed criteria related to:
 - Customer deployment type and customer acquisition details
 - Some partner details
 - Pricing models
- We added criteria related to:
 - Options for authentication
 - Trust services providers
 - Ability to archive documents independently
 - Data included in the audit trail
 - Contract life-cycle management

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

eSignature software refers to software and cloud service solutions that issue an encrypted, signed document from a sender, transport the document via a secure communications channel, present the document to one or more signers, record the signers' actions, re-encrypt the document, and return the document to the originator via secured communications.

Though this IDC MarketScape evaluates esignature software as its own market, the reality is that there are few "pure-play" esignature software vendors, particularly when we consider the larger vendors that met the inclusion criteria for this IDC MarketScape (described in this section). eSignature software is frequently a component of a broader portfolio of content, identity, or trust services. This makes sense because an electronic signature must be part of a digitized signing workflow, and the more that workflow is truly transformed from its paper-based origins, the more those electronic signatures can be leveraged for efficiency, productivity, and security gains.

Any vendor participating in this IDC MarketScape had to showcase that it met the following inclusion criteria:

- The vendor must have a minimum of 10,000 paid esignature end users.
- The solution is sold and supported in three or more regions (North America; Latin America; Europe, the Middle East, and Africa [EMEA]; Asia/Pacific).
- The solution offers, as a minimum, simple or basic electronic signature.
- The vendor must be able to provide three responding customer references.

ADVICE FOR TECHNOLOGY BUYERS

eSignature must be part of a broader strategy for digitizing, automating, and transforming document processes and will be most successful as part of an organization's overall digital transformation initiatives. Before adopting an esignature solution, or when considering a new solution, organizations should perform an assessment to clearly understand the current state of signing workflows within the business, identify gaps, and develop a plan for moving forward. Other recommendations are:

- Understand how the vendor will be leveraging generative AI in its solution, and what guardrails are in place to protect proprietary and sensitive data.
- Understand each signing use case and the security requirements and risk profile of that use case. For example, an employee signing off on an internal expense report has quite a different profile from a high-value sales contract with a new partner. Learn about the various options provided by your esignature solution, and ensure that all stakeholders know which options to select for each type of transaction.
- Select technologies that can support a broad number of enterprise use cases and that integrate well with the organization's existing front-office and back-office business applications.
- Identify specific use cases that can benefit from deploying an esignature solution, and develop a pilot program (if you have not already done so). Develop metrics to measure progress including reduced cost, increased productivity, improved security and compliance, and improved customer and employee satisfaction.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Nitro

Nitro is positioned in the Leaders category in this 2023 IDC MarketScape for worldwide esignature software. Nitro Software is a private company founded in 2005 and headquartered in San Francisco, California.

Quick facts about Nitro Software are as follows:

- **Employees:** 342
- **Market coverage:** North America, Latin America, EMEA, and Asia/Pacific
- **Industry focus:** Financial services; professional, technical, and business services; manufacturing; energy; healthcare; government; real estate; and construction

- **Ideal customer size:** SMB through enterprise
- **Products evaluated:** Nitro Sign
- **Deployment:** On premises, private cloud, public cloud single tenant, and multitenant
- **Type of esignatures offered:** Click-to-sign, basic signature, advanced signature, and qualified digital signature
- **Key differentiator:** Nitro offers a lower total cost of ownership through a variety of plans designed to match business-specific requirements. The Nitro solution has no limit on the number of users, so customers can deploy across their organization to maximize productivity. Customers have access to all features and API at no additional cost.
- **Interesting fact:** Nitro's Connective acquisition provided a competitive advantage as it is a well-known vendor in the European esignature market. Connective's Identity Hub supports country-specific identification and signing methods, including direct integrations with government, private, bank, telecom, and other eID services. 67% of the Fortune 500 are Nitro customers.

Strengths

- Nitro offers a full range of deployment choices, from on premises to private and public cloud setups. Nitro's delivery architecture also facilitates white-label branding and extends to an as-a-service model for third-party solutions.
- Nitro's esignature solution is part of a full suite of PDF creation, editing and document automation, document generation, and analytics tools.
- Nitro helps support its customers' sustainability goals by providing data on CO₂ emissions, paper saved, and energy saved on an account basis.

Challenges

- Nitro lacks some out-of-the box reporting capabilities for both business users and administrators.
- Nitro lacks some dedicated contract life-cycle management features, though many features are applicable to the contract management use case.
- Nitro does not expose its feature set as microservices, though 100% of its functionality is exposed via APIs. The company provides robust support for developers.

Consider Nitro When

Organizations of all sizes looking for an enterprise-grade signing solution integrated with a full-featured PDF suite should consider Nitro. Customers are backed by global support with implementation and change management assistance. Nitro continues to innovate, including plans to add additional AI-enabled capabilities.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the

company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the relative market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

eSignature Software

eSignature software is a submarket of the document applications functional market. Document applications enable users to create, author, edit, and publish content, including text documents, spreadsheets, and presentations. These documents may include embedded images, audio, and/or video.

eSignature software refers to software and cloud service solutions that issue an encrypted, signed document from a sender, transport the document via a secure communications channel, present the document to one or more signers, record the signers' actions, re-encrypt the document, and return the document to the originator via secured communications.

Types of eSignatures

In this IDC MarketScape, we consider four types of esignatures:

- **Click-to-sign (click wrap):** Users "sign" and agree by clicking a button or checking a box.
- **Simple (basic):** Signing is accomplished with scanned images, handwritten and/or typed names with no cryptographic protection. The signature must be applied by the individual associated with the signature, and the signature must be associated with the document that the signer intended to sign.
- **Advanced electronic or digital signature:** In addition to the requirements for the simple signature, advanced signatures must be uniquely linked to, and capable of identifying, the signer and must be linked to the agreement. It must be possible to detect changes to the document after signing.

- **Qualified electronic or digital signature:** This type of signature requires signers to use a certificate-based digital ID issued by a qualified trust service provider. The digital certificate is a secure, personal, and unique electronic identity credential that must be issued to the signer in a form they can keep under their control. The term *qualified esignature* is based on the EU regulation known as eIDAS, but other regions have similar models.

LEARN MORE

Related Research

- *Worldwide eSignature Software Forecast, 2023-2027* (IDC #US49992623, forthcoming)
- *Worldwide eSignature Software Market Shares, 2022: Preparing for the New AI Era* (IDC #US49992723, forthcoming)
- *IDC MaturityScape Benchmark: Content-Centric Workflow 2.0 in the United States, 2023* (IDC #US50426223, May 2023)
- *IDC PlanScape: Secure eSignatures* (IDC #US50403723, February 2023)
- *IDC MaturityScape: Content-Centric Workflow 2.0* (IDC #US47774322, August 2022)

Synopsis

This IDC study evaluates esignature software vendors worldwide. eSignature software is an important element in improving both the efficiency and the experience surrounding business-to-business and business-to-consumer content-centric workflows. As an increasing number of documents are "born digital" and organizations continue to digitally transform content-centric workflows, esignature technology has enabled those workflows to remain digital and drive benefits including reduction in transaction time and cost, increased security, and improved employee, supplier, partner, and customer experiences.

"Many organizations experienced the benefits of esignature software firsthand during the recent pandemic, when these solutions quickly changed from "nice to have" to mission critical, as remote workers sought alternative methods to maintain business continuity," says Holly Muscolino, group vice president, Content Strategies and the Future of Work. "The benefits of esignature software are compelling, and organizations that adopted these solutions in recent years are unlikely to abandon them. We expect these organizations to continue to expand esignature use cases across the organization."

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