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European low-code & no-code platforms market

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Interviewees

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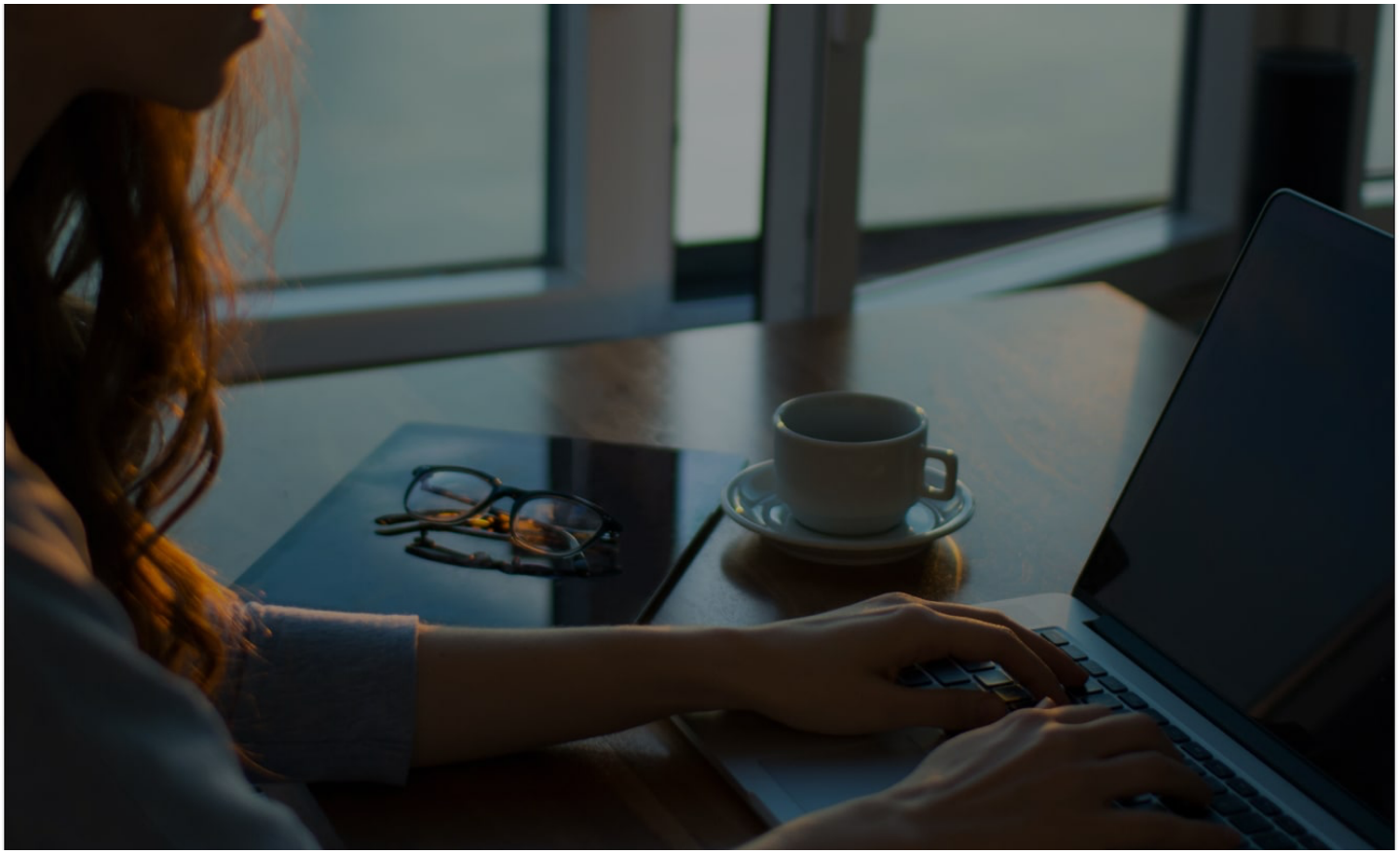

What could slow down growth in the LCNC market?

From a risk perspective, two technology-driven factors stand out. First, the potential disruptive impact of AI. While AI represents an opportunity, it also introduces uncertainty around how value is captured across the software stack. Second, market consolidation driven by large technology players such as Microsoft, Google, SAP, Salesforce, and Oracle. As these incumbents further penetrate the LCNC market, particularly from the enterprise segment moving downmarket, competitive pressure and consolidation are likely to increase. Broader macroeconomic factors also play a role, but these affect most industries and are not specific to LCNC.

Do large enterprise platforms like SAP and Microsoft pose a serious threat to more specialised LCNC players?

They represent a risk, but not an existential one. Large platforms appeal to organisations that value deep integration, complexity management, and embedded best practices, particularly in complex enterprise environments. However, these platforms come with higher costs and greater dependency on a single vendor. Many mid-market customers remain price-sensitive and prefer best-of-breed or niche solutions tailored to specific needs. As long as specialised players continue to deliver clear added value, they retain a strong right to exist alongside large integrated platforms.

How will AI-native LCNC players reshape the competitive landscape?

All LCNC vendors are actively integrating generative AI and LLM capabilities. AI-first players have a right to play, but AI itself is not a durable moat, as the underlying technology is broadly accessible. Success will depend more on execution speed, product roadmap prioritisation, and the ability to monetise AI within existing customer bases. Differentiation increasingly comes from compliance-ready workflows, data sovereignty, particularly in Europe, and vertical-specific offerings such as industry templates and regulated process automation.

Will no-code eventually replace low-code platforms?

No. No-code, low-code, and traditional coding each serve distinct use cases. The less coding required, the more developers depend on predefined functions and frameworks, which simplifies development but introduces limitations. No-code works well for simple applications such as dashboards or basic workflows. However, once requirements exceed the platform's framework, such as custom interfaces, advanced algorithms, or deep system integrations, organisations must

rely on low-code or traditional development. As a result, all three paradigms will continue to coexist.

Are enterprises shifting from single-vendor to multi-platform strategies?

There is no single pattern. Large enterprises often prefer integrated platforms to reduce complexity, while still selecting best-in-class solutions for specific functions such as CRM or marketing. Smaller organisations tend to prioritise flexibility and cost efficiency. Ultimately, platform decisions are driven by business requirements and growth strategy rather than a strict preference for single-vendor or multi-vendor approaches.

How strong is vendor lock-in in LCNC platforms?

Vendor lock-in is significant. Once an LCNC platform is embedded into an enterprise's infrastructure, switching costs are high due to migration complexity, data dependencies, and operational risk. Switching typically only occurs if a new vendor can deliver substantial incremental value or if broader transformations, such as on-premise to cloud migrations, are underway. As a result, LCNC vendors benefit from long-term, multi-year customer relationships and high retention rates.

How long do LCNC sales cycles typically take?

Sales cycles vary by use case. For first-time adopters, vendor selection can take up to 12 months. Migration scenarios, where a company switches from one platform to another, are more complex and can extend to one to two years, depending on organisational size and system complexity.

What are the main rationales behind recent M&A activity in the LCNC space?

Strategic acquisitions are primarily driven by access to talent, intellectual property, and advanced technical capabilities, particularly in AI. Acquiring existing solutions can be faster and more cost-effective than building them in-house, especially when proprietary models, data, or mature features are involved. M&A allows buyers to accelerate roadmap execution and reduce internal R&D investment.

Do LCNC players prefer to build AI capabilities in-house or acquire them?

This is a classic make-or-buy decision. Companies with strong internal teams and access to training data may develop AI capabilities internally to save capital. However, acquisitions allow for faster market entry and can be preferable when speed is critical or competitive pressure is high. The choice depends on time-to-market requirements, capital availability, and internal capabilities.

Which technical capabilities will become must-haves for LCNC platforms?

Beyond AI itself, data literacy and business-process understanding are becoming essential. Embedding AI effectively requires context around workflows and decision-making. Cybersecurity and governance capabilities are also increasingly critical, as poorly governed citizen development can introduce vulnerabilities. Platforms must support secure access control, compliance, and collaboration with IT security teams.

Can AI support the maintenance and operation of LCNC platforms?

Yes, primarily in a supportive role. AI-assisted engineering can challenge developers, highlight security or compliance risks, and suggest best practices based on prior usage patterns. While AI can already generate software, it is unlikely to fully replace engineers in the foreseeable future. Instead, engineers will increasingly work alongside AI as an augmentation tool.

How important are industry-specific functionalities?

They are becoming increasingly important. Generic platforms often require extensive configuration, which slows adoption. Industry-specific templates, workflows, and best practices enable faster implementation and time-to-value. Verticalisation therefore improves scalability and customer relevance, particularly in regulated or complex sectors.

What organisational changes are required when adopting LCNC platforms?

Successful adoption requires strong data governance, access control, and cultural change. Organisations must define which data LCNC platforms can access and establish clear governance models. Education, training, and upskilling are essential to ensure adoption extends beyond IT teams and becomes embedded across the organisation.

Are there sectors with limited LCNC adoption?

No sector is entirely excluded, but adoption varies. Highly regulated and complex sectors such as finance, healthcare, and manufacturing tend to show higher adoption due to the value of compliant workflow automation. Simpler commerce-oriented sectors typically exhibit lower penetration.

What drives economies of scale in LCNC platforms?

Economies of scale are still evolving, particularly around AI costs. While AI can reduce labour requirements, compute and inference costs remain difficult to forecast. LCNC vendors and customers alike are still working to understand long-term cost structures and optimise cost-benefit trade-offs.

How is pricing evolving in the LCNC market?

Pricing models are diversifying. Usage-based pricing is becoming more common, particularly to reflect AI-driven feature consumption and manage cost uncertainty. Tiered and feature-based pricing models are also emerging, balancing predictability with flexibility.

What drives upsell and margin expansion for LCNC vendors?

Key levers include AI-enabled features, continuously updated cloud-based platforms, advanced libraries and templates, marketplace integrations, and ecosystem expansion. These capabilities increase customer dependency, usage depth, and long-term value.

Do marketplaces and third-party integrations represent a growth opportunity?

Yes, provided security and quality are well governed. Marketplaces accelerate innovation and scalability, but platforms must enforce strict code reviews, security checks, and compliance standards to maintain trust.