*isG Provider Lens™

2021

Retail Software and Services 2021

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Overview

In the coronavirus epoch, omnichannel transactions are increasingly becoming the norm. More than two-thirds of customers are resorting to omnichannel buying (such as buy-online pick-up in-store), and online orders have sky-rocketed by more than 28 percent. Unlocking the potential of (physical) stores and integrating them with the ecommerce platform is going to be the biggest digital transformation opportunity for every retailer. Investments are being made in integrating omnichannel, managing merchandise and enhancing the customer experience (CX) in digital stores. Moreover, retailers are experimenting with technologies such as algorithmic retailing, artificial intelligence (AI) and the Internet of Things (IoT) for better inventory tracking, workforce enablement, shrinkage prevention and operational planning.

On the other hand, the traditional back-office functional silos are evolving into an interconnected dynamic network, thereby enabling a greater degree of collaboration, eliminating inefficiencies, generating real-time data for holistic decision-making and infusing a greater degree of transparency across functions.

Definition

The retail software market primarily comprises the following broad categories – supply chain management, warehouse management, merchandise planning and management, digital commerce, ERP, CRM, order management and fulfillment. Whereas the services market comprises point solutions in each of the aforementioned areas, DevOps integration, transformation services, platform migration, and managed IT services.

This ISG Provider Lens™ study focuses on some of the most sought-after software and services in the retail space.

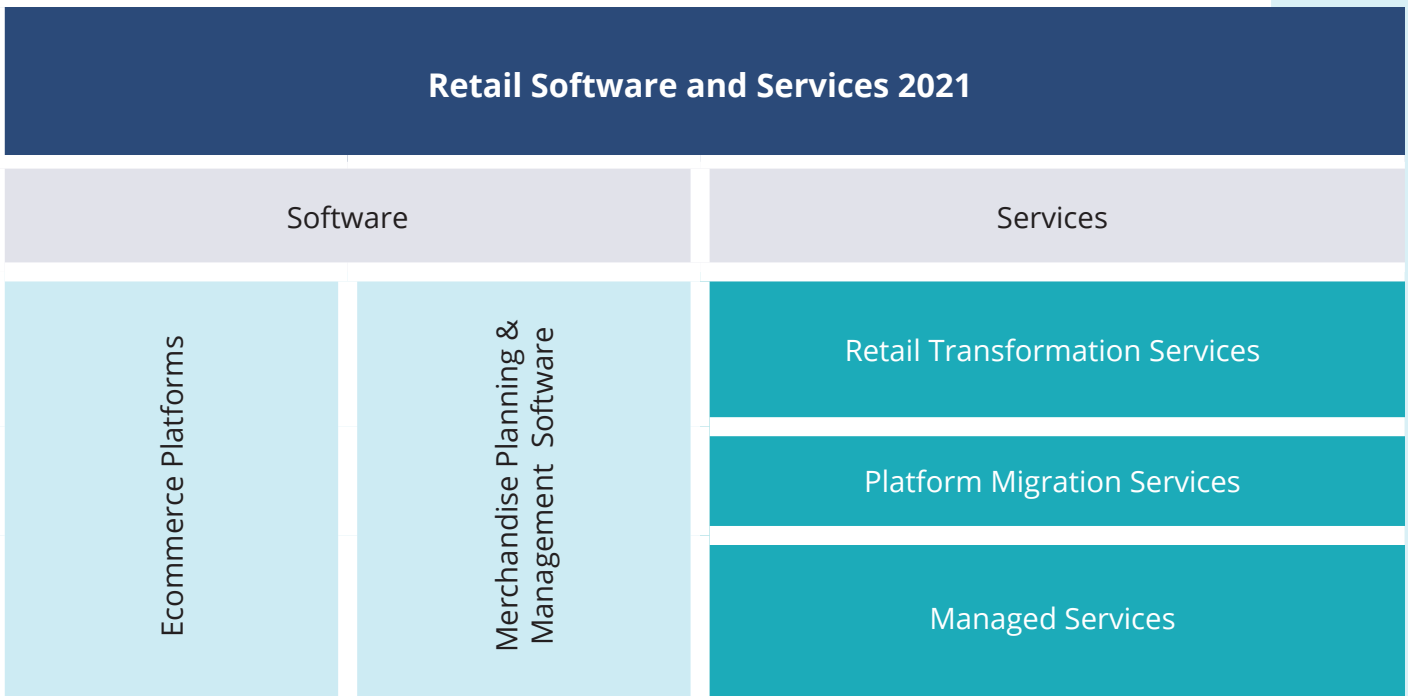This ISG Provider Lens™ study will entail the following:

- A U.S.- and U.K.-centric view of leading vendors, rising stars and contenders in different areas of enterprise retail.
- A differentiated positioning of software companies by segments, which include ecommerce platforms, merchandise planning and management.
- A differentiated positioning of providers by segments such as retail transformation, managed services and platform migration.
- Insights around the strengths and weaknesses of relevant providers for each segment.

This study would serve as an important decision-making basis for market positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients leverage information from these reports to evaluate their current vendor relationships and potential new engagements.

Quadrants Research

This inaugural ISG Provider Lens™ study on Retail Software and Services includes the following five quadrants:

Retail Software and Services 2021		
Software		Services
Ecommerce Platforms	Merchandise Planning & Management Software	Retail Transformation Services
		Platform Migration Services
		Managed Services

Source: ISG 2020

1. Ecommerce Platforms

Ecommerce platforms are continuously evolving to add more functionalities (such as out-of-the-box loyalty programs), offer more flexible pricing models, become more scalable and provide a high degree of customization and support. Product search and selection have become ridiculously user-friendly through the visual search feature, digital stylists and chatbot recommendations. Till now, many believed that personalization at an individual level would be hard to achieve. However, ASOS's website provides a personalized navigation experience based on an individual's previous browsing history.

A full-fledged ecommerce platform typically includes the following out-of-the-box functionalities:

- Profile
- Promotion
- Checkout
- Storefront
- Order management
- Inventory
- Search
- Content
- Catalog and pricing

Eligible vendors (and their solutions) would be evaluated on the following parameters:

- Product/Platform out-of-the-box functionalities
- Ability to integrate with other platforms such as marketing management software, customer relationship management (CRM) and service cloud
- Positioning and planning:
    - o Roadmap development (version upgrades) and adaptation
    - o Platform strategy development
    - o Platform strategy execution

- Cost and effort of maintaining the website (self-managed vs hosted solution)
- Database management, networking and infrastructure monitoring support
- Support provided (direct support and community support) and number of cartridges available
- Overall vendors' ecosystem and how it bodes with the ecommerce platform
- Ability to rapidly scale-up/scale-down and load management
- Interoperability (via APIs) with the order, customer, content and product functionality
- Number of implementations
- Current transaction volume
- Revenue
- Add-on module availability such as shipping and order management
- Marketplace extensions
- Technology partnerships
- Developer and SI ecosystem

2. Merchandise Planning and Management Software

Vendors of merchandise management software are enhancing their offerings by adding automation and AI capabilities, giving retailers the ability to better estimate demand, have a more optimized assortment set (both in the store and at the digital storefront) and devise better pricing strategies for improved topline performance.

Eligible vendors (and their solutions) would be evaluated on the following parameters:

- Software attributes (features, functionality and characteristics)
- Continuous inventory planning
- Data analytics
- AI and automation capabilities
- Demand forecast and management
- Segmentations
- Assortment capabilities
- Implementation experience
- Product strategy and ongoing enhancement roadmap
- Recent innovation
- Sales and regional customers
- Delivery channels and partnership ecosystem
- Integration capabilities (plug-ins and libraries)
- Hosting capabilities

3. Retail Transformation Services

The next level of innovation in ecommerce is intertwined with new physical store strategies. A significant number of downtown standalone stores are morphing into hi-tech experience centers, and there are expected to be more (pop-ups or small formats) shops opened near residential areas that will also double up as micro-fulfillment centers. IT transformation activities will revolve around omnichannel integration, migration to the cloud, digitizing the supply chain, warehouse automation solutions and the emergence of sentient tools with data at their core to support these shifts in the retail ecosystem. Providers will have ample opportunities for big digital wins.

Eligible providers would be evaluated on the following parameters:

- Experience across various functions:
  - Ecommerce; for example, building an immersive and personalized website
  - Store's front-end; for example, self-checkout kiosks and in-store navigation
  - Store operations; for example, in-store analytics and inventory tracking
  - Back-end operations; for example, predictive analytics and warehouse automation

- Experience in the integration and implementation of advanced technologies such as:
  - Use of sensor technology and AI for better store management (stock replenishment and inventory management)
  - Digitizing the supply chain by integrating technologies such as algorithmic retailing, IoT and automation

- Proprietary framework and solution assessment leveraging digital technologies

- Use-case assessment

- Revenue, growth and customer base

- Strategy and vision

- Partnerships (with start-ups, technology vendors and academia)

- Practice maturity

- Investment and innovation

- Commercial models on offer

- Regional presence and support

4. Platform Migration Services

As retailing models change and retailer organizations grow and evolve, re-platforming services will be needed to fulfill the ongoing business requirements of a unified platform and the adoption of new software ecosystems. The providers engaged in these services need to keep themselves updated regarding the latest and greatest version of vendor platforms and develop capabilities around modern enterprise architecture concepts such as cloud-native architectures, API economy and microservices. The strength of such players lies in the capability to work across various vendor ecosystems such as Oracle, SAP and Salesforce.

Eligible providers would be evaluated on the following parameters:

- Solution consulting/solution assessment approach
- Experience across vendor ecosystems such as SAP, Oracle and Salesforce
- New software implementation and re-platforming capabilities
- Capability to implement microservices-based architectures
- Understanding of cost dynamics, process changes and third-party integrations
- Data migration competence and experience
- Partnerships (vendor partnerships)
- Technical expertise (certifications, average employee experience)
- Revenue, growth and customer base
- Practice maturity
- Accelerators built for popular platforms
- Regional presence and support
- Use cases

5. Managed Services

Managed services providers undergird the retailer IT environment. They are primarily driven toward innovation to find the right balance, become more efficient in operations and yet be able to reduce the cost. They are trying to achieve this through fresh approaches such as AIOps.

Eligible providers would be evaluated on the following parameters:

- Experience in fixed-capacity multiyear managed services engagements
- Transition methodology
- Consulting and industry sector competency (retail-specific IP)
- Assessment of application management frameworks
- Assessment of application modernization capabilities
- DevOps implementation experience (continuous development-testing-integration-deployment-configuration-security)
- Cross-tooling experience
- Enterprise resource planning (ERP), CRM and Business Process Management (BPM) competency
- Regional coverage and the scale of operations
- Cloud vision and as-a-service offerings
- Technology partnerships (center of excellence, level of partnership and accelerators developed)
- Case studies
- Integration capabilities
- Delivery model (onshore/nearshore/offshore capabilities)
- Innovation and continuous improvement
- Storage management, managed security, workspace collaboration and application support services
- Commercial models

Quadrants by Regions

This inaugural ISG Provider Lens™ study on Retail Software and Services includes the following regions:

	Quadrants	U.S.	U.K.
Software	Ecommerce Platforms	√	√
	Merchandise Planning & management software	√	√
Services	Retail Transformation Services	√	√
	Platform Migration Services	√	√
	Managed Services	√	√

Schedule

The research phase for this study will occur between **Dec 2020 and Mar 2021**, during which survey, evaluation, analysis, and validation will take place. The results will be presented to the media in **March 2021.**

Milestones	Beginning	End
Survey Phase	Dec 02	Jan 08
Sneak Previews	Feb 22	Mar 9
Press Release	Mar 18	

To view ISG Provider Lens™ 2021 research agenda, please click here.

Access to the Online Portal

To view/download the survey, please click here. You can use your existing credentials or create a new one by following the instructions in the invitation email. Looking forward to your participation.

Research production disclaimer:

ISG collects data to write research and create provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing work identified by the clients. This data is collected as part of the ISG FutureSource process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data about certain countries or regions for the education and purposes of its advisors and not to produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

A partial list of companies being invited for the survey

Are you on the list or do you see your company as a relevant provider that is missing from the list?
Then feel free to contact us to ensure your active participation in the research phase.

2Checkout	dunnhumby	Kibo Commerce	Sitecore
3dcart	DXC	Kinaxis	Skava
7thonline	e2open	LeewayHertz	Softtek
Accenture	EInfochips	LiveArea	Softvision
Analyse2	Elastic Path Software	Logility	Squarespace
Aptos	Epicor	LTI	Stefanini
Apttus	Episerver	Magento	Sutherland
Astound Commerce	Fingent	Manhattan Associates	Symphony Retail AI
Atos	Genpact	Manthan	Synechron
Basware	GEP	Mi9 Retail	TCS
Big Commerce	Gorilla Group	Mindtree	Tech Mahindra
Blue Yonder	HCL	MRM	ThoughtWorks
BluJay	HighJump	NetSuite	TMC (C H Robinson)
BORN Group	IBM	NTT data	TXT e-solutions
Capgemini	Iflexion	o9 solutions	Unilog
CedCommerce	IFS	Oracle	Unisys
Celect	Infor	Prestashop	UST Global
CGI	Infosys	Radial	Volusion
Cognizant	Integra CCS	Relex solutions	VTEX
commercetools	Intershop Communications	Salesforce	Weebly
Concentrix	Isobar	Sana Commerce	Wipro
Coupa	Jaggaer	SAP	WiseTech Global
Descartes Systems Group	Jagged Peak	SAS	Wix
diconium	JDA	Scalefocus	Wunderman Commerce
Digital River	JustEnough	Shopify	Xicom Technologies

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