

IDC MarketScape

**IDC MarketScape: Worldwide Retail Commerce Platform Service Providers 2020 Vendor Assessment**

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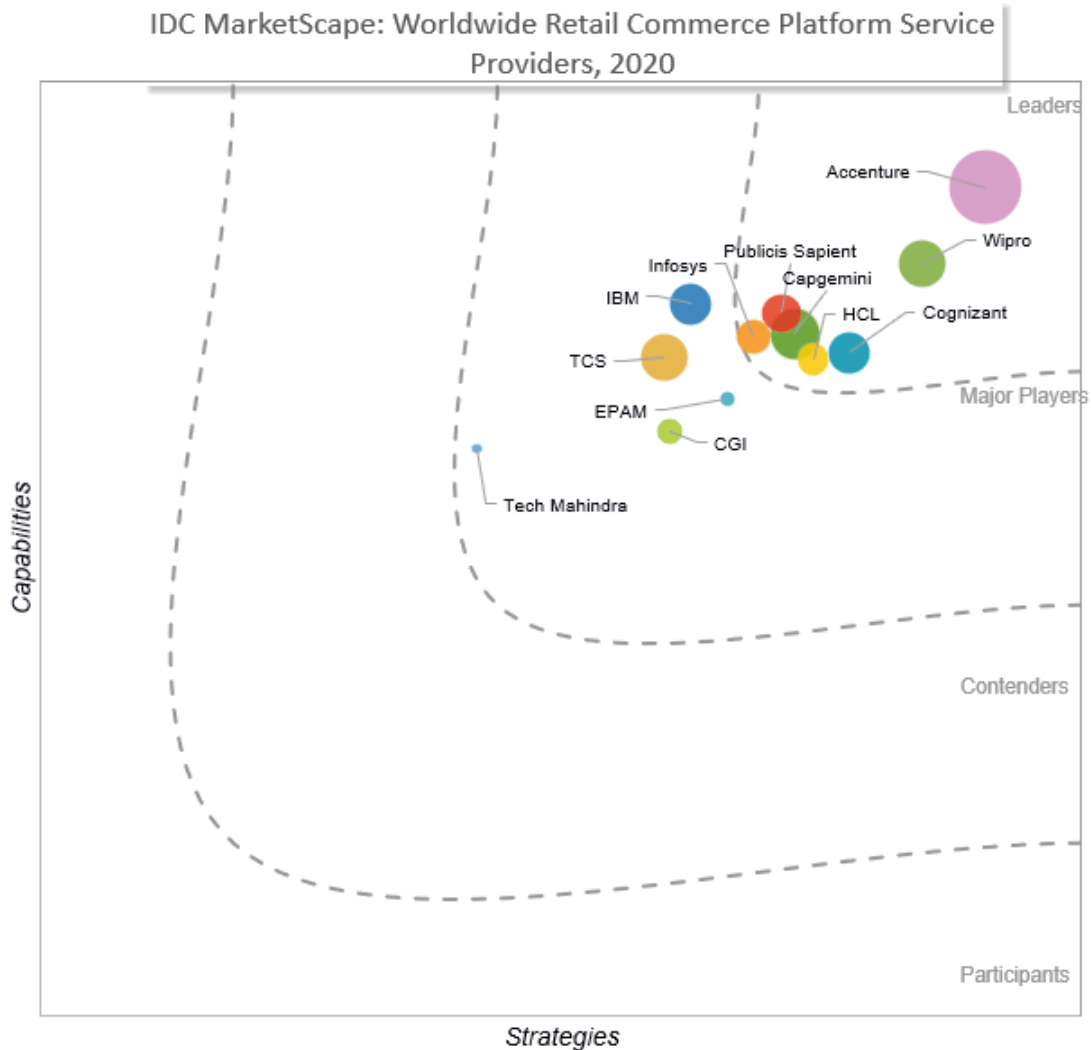
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**IDC MARKETSCAPE FIGURE**

**FIGURE 1**

**IDC MarketScape Worldwide Retail Commerce Platform Service Providers 2020 Vendor Assessment**



Source: IDC, 2020

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

## IDC OPINION

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Retail has been accelerating toward the next normal, a phase characterized by rapidly changing consumer behavior – including a dramatic shift toward online shopping – and resulting in greater complexity in retail operations. In this context, the Commerce Everywhere business model – the ability to serve whenever and wherever the customer wants – becomes key, together with back-end operations such as supply chain and fulfillment. The brick-and-mortar store will take on a new role in distribution and continue to evolve into an experiential hub.

Retailers ahead in their innovation journeys – focusing on the implementation of the essential capabilities, services, and innovative technologies of the retail commerce platform (RCP) – are finding themselves in a privileged position to take advantage of opportunities that the next normal offers.

As such, retailers are moving rapidly toward retail commerce platform adoption. Around 42% of retailers globally have already implemented or are currently implementing the retail commerce platform, while 57% plan to invest in the retail commerce platform over the next 12 to 24 months, according to IDC's 2020 *Global Retail Innovation Survey*.

Noticeable trends emerging from the assessment of retail commerce platform service providers' offerings for this IDC MarketScape include:

- **Agile approach to headless commerce.** Service providers continue the shift toward agile cloud-based microservices, DevOps, and API infrastructures to offer retailers greater flexibility and rapid deployment of new capabilities on top of existing infrastructures.
- **Back-end capabilities.** Vendors are focusing on services to provide retailers with solid distribution capabilities to ensure optimal customer experience (CX). With the shift to online shopping and the emergence of the Commerce Everywhere business model, shopping journeys become less linear and occur across multiple interfaces. The increasing operational complexity requires retailers to develop stronger supply chain and fulfillment capabilities.
- **Digital marketing.** Some service providers are expanding their capabilities to support retailers with digital marketing, often by partnering and/or acquiring digital agencies. The growth of ecommerce and the emergence of the Commerce Everywhere business model make it key for retailers to be able to provide customers with consistent engagement across multiple interfaces.
- **Artificial intelligence/machine learning (AI/ML) analytics foundations.** Some vendors continue to develop proprietary AI platforms to help retailers gain cost efficiencies, increase agility, and enhance customer experience. The implementation of the retail commerce platform relies on AI/ML foundations to continuously gather and process real-time customer data and processes information.

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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In this IDC MarketScape, IDC Retail Insights assesses the capabilities and strategies of selected enterprise service providers in serving the specific needs of retail companies worldwide across industry segments (food and non-food retail).

Service providers are assessed on specific capabilities in designing/managing organizational change and implementing, releasing, and supporting the evolution of a complete retail commerce platform (please refer to the Market Definition section and Figure 2). In particular, service providers are evaluated according to their success in business consulting (strategy, operational improvement, finance and accounting, governance, risk, and compliance), IT consulting (IT strategy, IT operations), systems integration, network consulting and integration, custom application development, outsourcing

services (business process outsourcing or BPO), application management, IT outsourcing, support and training services, and software deploy and support.

To be included in this report, IDC Retail Insights analysts stipulated that vendors should meet the following minimum criteria:

- The provider must demonstrate evidence of strong market penetration through direct presence and knowledge of the U.S., EMEA, and Asia/Pacific business context. The provider is able to support global retailers in their activities and expansion across mature and emerging markets.
- The vendor supports clients in designing, developing, installing, configuring, and maintaining the systems, applications, or platforms that run the business. The provider needs to deliver software solutions (and hardware, when available) regarding the core capabilities of the retail commerce platform: CX services, commerce services, order fulfillment services, and content optimization services (including the real-time integration layer). Furthermore, the provider must be able to deliver the platform as a cloud-first solution (with the possibility to deliver on premises or as public, private, or hybrid cloud, when necessary). The vendor must also be able to provide AI foundations embedded in the core platform capabilities.

The vendor must deliver the capabilities and skills for relevant use cases as determined by *IDC's Worldwide Digital Transformation (DX) Use Case Taxonomy, 2020* (please refer to the Market Definition section).

Providers must have relevant experience in implementing retail industry software solutions in the broadest possible set of industry processes and segments; providers with no relevant experience will not be included.

## ADVICE FOR TECHNOLOGY BUYERS

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The retail commerce platform is essential for retailers to compete in the current environment and prepare for the future as it enables piloting, implementing, and scaling innovation at speed. Retailers evaluating the introduction or expansion of their commerce platforms should consider the following:

- Accelerate retail commerce platform investments to achieve successful innovation implementation, CX differentiation, Commerce Everywhere business models, and a unified, best-of-breed, and data-centric digital retail commerce platform approach.
- Select a partner that has proven experience in supporting the implementation of the four components of the platform (customer experience, commerce, order fulfillment, and content optimization services).
- Implement an AI/ML foundation road map that embeds advanced analytics, ML, and AI capabilities right into the application components of the platform as and when necessary. Retailers should choose vendors that have developed proprietary AI platforms and take advantage of their broad ecosystems to support retail commerce platform services.
- Customer experience differentiation is built on strong capabilities to collect customer data and deliver real-time contextual experience services to consumers. In this context, marketing and advertising become key to increase customer knowledge and engagement across the entire customer journey. Retailers should prioritize vendors that offer services for managing marketing and advertising strategies as part of CX strategies.
- Design integration services along the four core components of the retail commerce platform and to/from enterprise services, consumer services, and data services. Choose service providers with proven experience in designing and delivering API- and microservices-based architectures. This will help support the implementation and rapid expansion of the retail commerce platform's capabilities and make integration with third-party services easier based on a best-of-breed approach.

- Choose vendors with strong innovation capabilities, with services centered around business model innovation support. Choose vendors that can help build a companywide innovation culture and strategy.
- Define a clear digital road map. In the context of the next normal, targeted investments in retail business use cases need to be reprioritized. Retailers should engage with vendors that provide a strong, long-term retail use case road map offering, demonstrate the ability to scale, and plan to support retailers in innovating their business models in response to unexpected changes.
- Seek vendors' partner ecosystems. The implementation of retail commerce platforms with a best-of-breed approach requires a strong innovation culture. Prioritize the selection of vendors that have a propensity to an open ecosystem approach and are open to new ideas, investing in retail R&D, M&A, and retail technology start-ups.

## VENDOR SUMMARY PROFILES

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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 criterion outlined in the Appendix, the description here summarizes each vendor's strengths and opportunities.

### Accenture

Accenture is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Accenture serves more than 350 retail commerce clients globally. The company has over 7,000 employees globally, delivering digital commerce services to clients. Some 10% of Accenture's full-time retail industry employees have more than 20 years' experience, while 20% have between 10 to 20 years' experience.

Accenture's core retail services include omni-channel enablement, digital growth transformation, digital global expansion, digital nerve center, digital store operations, rapid revenue generation, and customer experience (UX/UI).

Accenture supports clients with a retail commerce platform implementation through services such as strategy and transformation, commerce design, commerce platform delivery, commerce platform advancement, and commerce application outsourcing.

In particular, the services Accenture offers to retailers for the implementation of a retail commerce platform include business consulting work to support the assessment and planning of its aspects, including evaluation of total addressable market, operating models transformational planning, technology evaluation, and business case creation.

In IT consulting, Accenture provides client support with retail commerce platform application and planning, including selection and design of new apps, architecture, and technology; innovation as a service; new IT assessment and framework; proof of concept; early minimum viable product (MVP); technology road maps, user narratives; and vendor selection.

Accenture also provides system integration services for the retail commerce platform – including application modernization, testing services, architecture, and capacity services. Its custom application development services include build-out and integration of applications such as data management and analytics, cloud application development, and app migration on platform-as-a-service (PaaS) technologies such as Amazon Web Services, Microsoft Azure, Heroku, Google, and Salesforce.

For network consulting and integration, Accenture supports retailers with planning and building the infrastructure of the retail commerce platform, including network strategy, cloud networking, and wireless and Internet-of-Things (IoT) architecture design.

Accenture also supports retailers with commerce platform managed services such as ongoing management and commerce application outsourcing services (e.g., application management leveraging DevOps, Agile, and cloud). The company also provides support services such as workforce development through IT education and training services aimed at identifying workforce needs in light of business objectives.

Accenture's partner ecosystem consists of some 400 partners organized in three groups: intelligent platforms, growth partners, and emerging and opportunistic partners. SAP, Salesforce.com, Microsoft, Oracle, Adobe, and IBM are Accenture's retail commerce platform key strategic partners. Meanwhile, Accenture Ventures manages a start-up partner ecosystem consisting of over 100 start-up partners.

Recent Accenture acquisitions in the retail commerce platform space include maihiro, a provider of SAP-based customer experience, customer relationship management, and commerce services, and ecommerce optimization platform provider Ideoclick.

### **Strengths**

- Accenture has a clear road map aimed at enhancing existing services and developing new services to respond to future retailers' priorities in areas that the company has identified: supply chain, store of the future, digital commerce, and workforce reimaged capabilities.
- Accenture successfully leverages partnerships and acquisitions to expand its retail commerce platform offering and geographic reach, which should further reinforce its ability to support retailers across capabilities and geographies.

### **Challenges**

- Smaller retail organizations looking for basic, reactive technology implementation support to address immediate business priorities might find Accenture's offering and delivery capabilities beyond their requirements and possibilities.

### **Capgemini**

Capgemini is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Capgemini operates in over 40 countries, supports over 300 retailers globally with over 22,000 CX experts in areas such as experience strategy and design; people organization and process transformation; AI, analytics, data management, and technology platforms; architecture; and deployment.

Services that support retailers with retail commerce platform implementation include business consulting delivered through Capgemini Invent, the company's consulting and digital innovation unit. The unit helps retail clients with strategic and process planning to develop capabilities in areas such as customer engagement, loyalty, and shopping journey design. Services provided by this unit include growth planning and strategies, digital transformation, organizational change management, and process design.

In IT consulting, Capgemini focuses on the design of applications, platforms, and infrastructure in areas such as order management systems (OMS), enterprise resource planning (ERP) systems, headless commerce platforms, connected marketing platforms, augmented customer service, and customer data hubs.

Capgemini also provides experience design services such as customer testing, customer journeys design optimization and usability testing; and digital marketing services (including demand generation and campaign management, catalog and content management, and personalization).

Other Capgemini services for retailers implementing the retail commerce platform include system integration services for OMS, point of sale (POS), customer relationship management (CRM), recommendation engines, and custom application development services. Capgemini's custom app development services include mobile applications, voice-activated commerce, headless or microservices commerce, and managed services (which include monitoring and maintenance, application hosting, data security, application hosting, and enhancement).

Capgemini's main retail commerce platform partners include Salesforce, Adobe (Magento), Oracle, SAP, Microsoft, and Dassault Systèmes. Its recent M&A activities include the acquisition of Lyons Consulting Group and LiquidHub to expand its footprint in North America; Itelios and Idean, to strengthen digital CX capabilities; Advectas, to expand its business intelligence and data analytics services; and Purpose, to support retailers' social impact strategies.

### **Strengths**

- Capgemini developed a quick-start offering that integrates business consulting and technology delivery to rapidly implement retailers' most recent operational priorities, including the rapid rollout of ecommerce infrastructure.
- Capgemini has proven experience with the retail and consumer goods verticals, having supported large retail and consumer packaged goods (CPG) companies with planning and implementation of retail commerce platform capabilities.
- Support for retailers with design and implementation of innovative loyalty programs and schemes is a key strategic offering for Capgemini.

### **Challenges**

- Europe is Capgemini's core market. The company expanded its footprint in North America with the acquisition of Lyons Consulting Group. Capgemini has a smaller presence in other geographies such as Latin America and Asia/Pacific. Retailers with significant operations outside Europe and North America should consider the company's geographical footprint beyond its core regions and the implications this could have on services coverage.

### **CGI**

CGI is positioned in the Major Players category in this IDC MarketScape for retail commerce platform service providers for 2020.

CGI has a dedicated team (based in Lille, France) that supports management, design, development, and maintenance of the retail commerce platform. Two delivery centers (in Budapest, Hungary, and Quebec, Canada) focus on the delivery of back-end support, such as implementation, integration, testing, and maintenance. Front-end activities, such as design and change management, are undertaken by local teams.

CGI's services to support the retail commerce platform implementation include:

- Business consulting, which helps retailers with customer experience and commerce processes design, digital transformation, organizational change management, and operational improvement
- IT consulting, which supports retailers with IT strategy and planning for the implementation of an architectural framework for the retail commerce platform, including functional, application, and data-oriented frameworks

Moreover, CGI offers systems integration with platforms including supply chain management (SCM), CRM, and enterprise resource management (ERM) on top of the company's proprietary CGI Retail

Suite platform. CGI's system integration capabilities leverage a combination of direct client facing support with back-office delivery centers.

CGI's managed services include IT outsourcing services, in which CGI has over 30 years' experience; application management, in which the company works on existing retail client's assets to avoid obsolescence; and business process outsourcing, with the application of major third-party platforms such as SAP, Oracle PeopleSoft, HRAccess, IBM, and Ariba. CGI leverages DevOps or packaged bundles for software deploy and support. For coaching and training, CGI adopts an approach that focuses initially on training key users within the client's organization.

CGI's partnerships strategy consists of developing an ecosystem of partners with different capabilities, such as software suppliers (e.g., SAP and Oracle) on customer segments or specialized activities, hardware suppliers (e.g., HP Inc., Zebra), and hosting providers (e.g., Microsoft and Google). Recent M&A activity includes the merger with Meti in 2020, through which CGI strengthened its capabilities in supporting with supply chain management and in-store commercial operations.

### **Strengths**

- Notable strengths of CGI's offering lie in its client proximity model, which combines local presence with global coverage to ensure frequent and timely guidance and interactions with clients, and in its IT outsourcing capabilities, for which the company has 30 years of experience and received a number of awards and certifications.
- CGI developed its own retail commerce platform, CGI Retail Suite, a modular platform for retailers in segments such as grocery, DIY, fashion, and luxury. CGI Retail Suite comprises six modules: omni-channel marketing, omni-channel backbone, order management system, smart supply, POS, and augmented offering. Moreover, CGI offers its own IP coverage across a broad range of retail commerce platform capabilities.

### **Challenges**

- CGI leverages an opportunistic approach to start-up acquisition and partnership. While this might not necessarily impact the company's innovation capabilities, retailers that prioritize vendors cultivating strong start-up ecosystems might look at competitors with more structured financial investment plans in the area.
- Retailers with plans to expand operations outside North America and Europe should consider that CGI continues to prioritize mature retail markets (such as the U.S., Canada, Australia, and Europe) for its geographical growth plans, with little focus on expansion in other geographies.

### **Cognizant**

Cognizant is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Cognizant supports retailers with the strategy, design, and development of the retail commerce platform through a structured process consisting of experience strategy, product management, analysis of requirements, platform design, customization and development, DevOps transformation, automated testing and evaluation, deployment and ongoing support, ongoing optimization, and innovation.

The company's support services include:

- Business consulting to provide insight on target customer personas – with the help of a team of anthropologists – and strategic support in customer engagement, omni-channel commerce, and customer experience
- IT consulting support, which includes IT alignment and strategy, technology strategy and road map, vendor and package selection, application portfolio rationalization, application transformation and IT operating model, and governance and change management

Cognizant's systems integration capabilities leverage a network of 150 delivery centers worldwide and include competencies such as direct to consumer (D2C) and business to business (B2B). Examples of work include the execution of multiple omni-channel programs on microservices, cloud, headless commerce, and supply chain.

In custom application development, Cognizant's expertise covers microservices, cloud-based and on-premises commerce platforms, personalization platforms, analytics and Big Data platforms, marketplace integrations, IoT sensors, and systems and process automations.

Cognizant has over 10 years of experience in delivering network consulting and integration capabilities, including network automation, AI/ML-based network, and network as a service. Cognizant also offers application management services for the retail commerce platform, including search, navigation, checkout, merchandising, loyalty and promotions, mobile commerce, and IT outsourcing through operations in over 35 countries and over 100 development centers. The company also offers training solutions for clients on aspects of digital transformation such as application and product training.

Cognizant's global partnerships and strategic alliances include major retail commerce platform vendors such as IBM, Manhattan, Aptos, Kibo, Blue Yonder, SAP S4/HANA, Oracle, Salesforce Commerce Cloud, and Adobe. The company focuses on areas including analytics, OMS, digital marketing, customer experience, mobility, logistics, and IoT. Recent M&A activities include the acquisition of:

- Collaborative Solutions (advisory and implementation services for finance and HR)
- Lev (digital market expertise)
- Softvision and Tin Roof (digital engineering)
- Code Zero (configure-price-quote and billing systems)

### **Strengths**

- Cognizant offers a comprehensive offering road map and an extensive partnership ecosystem with key players covering a broad range of areas. It also demonstrates industry-oriented business support with extensive expertise in the retail sector. The company offers consulting and IT support services that cover all key aspects of the retail commerce platform, extensive commerce technology expertise, and experience in delivering managed network services.
- Cognizant has specific plans to respond to retail clients' urgent needs, for example, by introducing services that support retailers with the rollout of contactless store or curbside-pickup capabilities.
- Cognizant has a structured strategy to develop capabilities to respond to emerging retail trends, including D2C, subscription models, and Commerce Everywhere business models.

### **Challenges**

- Cognizant's global reach is limited to delivery centers in just over 20 countries. Retailers with extensive operations beyond Cognizant's core North American market should consider the implications on support capabilities at local levels in other regions.
- Retailers focusing on innovation should examine Cognizant's strategy in this area. Despite the company's clear innovation strategy, feedback received from some customer interviews reported opportunities for improvement, particularly on AI and ML implementation capabilities.



## EPAM

EPAM is positioned in the Major Players category in this IDC MarketScape for retail commerce platform service providers for 2020.

EPAM provides retail commerce platform services across various domains such as consumer analytics, including customer behavior insights, marketplace, personalization and recommendations, customer retention/churn analytics, marketing, merchandizing, supply chain, operations, and finance. EPAM's core offering includes headless commerce, microservices, cloud, API-based analytics and blockchain applications, point of sales, payments, and loyalty programs.

EPAM's services to support retailers with the implementation of the retail commerce platform include business consulting, with offerings such as road map development, go-to-market model, performance management, cost optimization, and business process design. They also cover IT consulting, which includes platform/product strategies and cloud strategies to help reduce costs, increase agility, and improve speed to market. EPAM uses proprietary tools such as InfoNgen (an AI-based text analytics engine), JDI Dark (a tool for streamlining the application testing process), and E-Com Mobile Accelerator (an architecture for features extension and mobile back end for integration of existing data streams).

Systems integration is a focus area within EPAM's services portfolio. The company has expertise in supporting retailers moving to service-oriented architectures (based on microservices, API, cloud, and headless) to improve flexibility, scalability, security, and cost efficiencies. EPAM's integration services include enterprise architecture assessment/design, services development, deployment, system integration testing, test automation/support, and maintenance.

EPAM's software product development services include digital asset management, product research, customer experience design/prototyping, program management, component design/integration, full life-cycle software testing, product deployment and end-user customization, performance tuning, product support/maintenance, managed services/porting, and cross-platform migration.

EPAM has over 20 years' experience in delivering application management services and offers IT outsourcing services such as BPO capabilities. Moreover, EPAM has more than 25 years' expertise in software and support services. The company provides IT training support for customers (over 50 products and over 1.5 million digital learning assets), including learning and education advisory services that help clients create a culture of innovation within their organizations or provide insight on how to use data to improve learning processes.

EPAM has partnerships with large software vendors and IT companies such as SAP, Google, Salesforce, Microsoft, UiPath, Sitecore, and Amazon. These partnerships aim at expanding capabilities in areas such as cloud, platform, business intelligence (BI), analytics, and robotic process automation (RPA). The company also nurtures relationships with emerging partners and operational partners.

EPAM's M&A strategy is aimed at expanding vertical capabilities and geographical reach, with focus on consulting design, data/analytics, IoT, and emerging technologies. Over the past two years, the company has acquired:

- Innovation design firm Continuum to enhance design and consulting capabilities
- Digital agency TH\_NK to strengthen digital consulting services
- NAYA Technologies and Deltix to expand data and analytics capabilities
- Paris-based digital consulting service company Axsphere to expand its reach in Western Europe

## Strengths

- EPAM has a comprehensive offering, with service capabilities that cover all main areas of the retail commerce platform. This strength was reinforced by customer feedback, which praised the company for its wide range of technical capabilities, ability to scale, quality of service, support in challenging and critical situations experienced by clients, and flexibility in accommodating customer requests.
- EPAM demonstrates a strong technical background, which includes self-developed accelerators, products/tools, its own AI/ML analytics foundations, data/analytics competency center for data management, and solid experience in building commerce solutions. This makes the company a strong player in terms of pure delivery. The company is also expanding its design, consulting, and data/analytics capabilities through targeted acquisitions, such as Continuum for design and consulting capabilities, TH\_NK and Axsphere for digital consulting capabilities, and NAYA Technologies and Deltix for data and analytics.

## Challenges

- Retailers looking for vendors with forward-looking capabilities to address future challenges in the industry should consider that EPAM focuses its offering expansion on the role of the store as a fulfillment center, which is already a current priority in retail.
- Retailers with significant operations outside North America and Europe should consider that EPAM has a relatively small presence in Asia/Pacific compared with competitors headquartered in India.

## HCL

HCL is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Retail/CPG is the fastest-growing vertical within HCL's portfolio and the company has over 150 retail commerce platform customers worldwide. HCL provides services that address business areas such as omni-channel commerce, order management, and ecommerce.

HCL summarizes its retail commerce platform offerings as follows:

- **Platforms.** This category includes HCL Commerce and Unica (market intelligence product), developed from repackaged and improved preexisting IBM products (HCL acquired the platforms from IBM in 2019). HCL also offers its proprietary platforms Prizm, ConsumerCX, and DRYiCE to support the company's services capabilities.
- **Services capabilities.** IT outsourcing, the company's traditional offering, includes digital and analytics, IoT, cloud, and cybersecurity, the latter being an area in which HCL is investing heavily as it sees growth potential.

HCL services that support the implementation of the retail commerce platform include business consulting services such as digital strategy and planning, customer experience strategy/design, program/product management, industry capability definition, business process optimization, agile delivery transformation and organizational agility, and change management. HCL Commerce complements the package with a proprietary commerce platform.

HCL also offers IT consulting services to assist retailers' IT transformation strategies, mapping business objectives with IT objectives, formulating channels strategy and analytics strategy, and providing systems integration services to integrate the digital commerce ecosystem with digital marketing systems, analytics and reporting systems, order management systems, delivery channels, CRM, contract management system (CMS), personal information management (PIM), ERP, tax and payment systems, and rating and review systems.

In custom application development services, HCL's 21st Century Application Development Model is based on three elements:

- Ecosystem-driven and emergent technology innovation
- Lean delivery through MVP, agile, and DevOps
- Applied automation

Moreover, HCL's network consulting services are characterized by IP- and AI-driven orchestration, automating operations through DRYiCE NetBot and cognitive network assessment. DRYiCE NetBot uses AI to automate tasks across the network infrastructure and application services.

HCL focuses on IT outsourcing services to support areas such as technology infrastructure and digital transformation and is expanding its "as a service" outsourcing model. HCL's BPO services include finance and accounting, customer care, SCM, procurement, and HR. The company also has a solid framework for internal training (HCL TEX Academy) and collaborates regularly with customers for training needs.

HCL has been developing partnerships with about 150 companies in different technology areas to forming go-to-market alliances and collaborations on niche technologies and specific customer requirements. Together with partners, HCL has been developing joint solutions for its customers such as Commerce Tool, a cloud-based ecommerce platform developed with CT, and other initiatives in collaboration with Google and Microsoft.

HCL's recent M&A activities include its acquisition of IBM products Commerce and Unica in 2019. Acquisitions are a key component of HCL's growth strategy. HCL has invested more than \$3 billion in the past three years to acquire capabilities and IP that can help to enhance market presence. Most recent acquisitions include Symantec Security Consulting, acquired from Broadcom in 2020, and SON Technology, acquired from Cisco in the same year. Similarly, HCL's start-up acquisition strategy is aimed at expanding the company's capabilities in key areas of development such as AI, Big Data, mobility, and robotics.

### **Strengths**

- HCL's offering combines services and products and delivers it in a consumption model. Moreover, customer interviews highlight that the price is competitive. Coupled with the company's flexible pay-as-you-go pricing model, pricing is an appealing feature of the company's offering. Customers also highlighted that they notice no significant differentiators in terms of capabilities versus competitors with higher price points.
- HCL's investment in R&D is higher than the market average and has a clear focus on developing capabilities in areas such as augmented and virtual reality, cybersecurity, unified commerce, contactless, AI, and analytics. In the long run, HCL's innovation strategy, combined with its clear vision on retail industry trends such as the shift from capex to opex business models – could strengthen its ability to support retailers with retail commerce platform implementation.

### **Challenges**

- According to customer feedback, project execution against time and budget was below expectations, with the company underestimating the time and resources needed for implementing digital transformation projects.
- Retailers looking for a vendor with strong IT training capabilities should note that – according to feedback from customer interviews – training on the new technology that HCL provided to a client was below expectations. HCL's team expertise appeared inconsistent, showing strength in areas such as IoT and weakness in other areas.

## IBM

IBM is positioned in the Major Players category in this IDC MarketScape for retail commerce platform service providers for 2020.

IDC's assessment of IBM is based on publicly available data and information and IDC's existing knowledge base.

IBM provides consulting services across different areas, functions, and industries through its IBM Global Business Services (GBS). IBM has been undertaking a transformation process to become a cognitive applications and cloud platform company. For this purpose, the company is reviewing its overall portfolio, from software and hardware to consulting and managed services.

IBM's GBS offering centers around three core capabilities that are relevant to services needed for the implementation of the retail commerce platform:

- **Consulting.** IBM GBS addresses retail commerce platform core capabilities with business consulting services to support the development of clients' digital programs and the design of customer experience. Services include the definition and implementation of cognitive capabilities and cloud-based technology architectures.
- **Application management.** Related to the retail commerce platform, IBM GBS delivers systems integration, maintenance, and support services for packaged software, as well as custom and legacy applications. For this purpose, the company leverages capabilities in areas such as security and privacy, application testing/modernization, cloud application migration, and automation.
- **Global process services.** IBM GBS provides a portfolio of finance, procurement, talent and engagement, and retail-specific BPO services. In this case, the company also leverages its capabilities from products such as IBM Watson and capabilities in IoT, blockchain, and deep analytics.

IBM GBS complements its core capabilities with its Digital Strategy and iX consulting offerings. Digital Strategy provides strategy consulting in the perspective of business model redesign with a digital approach. IBM iX hosts design and creative studios, Salesforce consulting, digital commerce, and marketing platform services. IBM GBS' design and creative capability is backed by a global network of 57 design studios and 17,000 IBM iX digital consultants. It includes resources and assets from multiple acquisitions completed in 2016, such as Resource/Ammirati, ecx.io, XPS, Aperto, and Bluewolf. Examples of IBM iX works in retail include the relaunch of Swiss grocery retailer Migros' digital platform for stores and corporate brand in 2016, supported by Aperto, and the development of Migros' new digital brand for customer experience Migusto in 2019.

### Strengths

- According to conversations between clients and IDC, IBM GBS excels at helping clients to manage risk, build more effective businesses, and improve their end customers' experience. IBM GBS is also seen to be very capable at implementing innovations and providing technical insights. "IBM GBS has a complete portfolio of technology and advisory solutions," said a retail client.
- IBM iX is a consulting service for retailers that aim to invest in the transformation of their customer experience and commerce strategies – and in the subsequent execution of these plans. CX services comprise a core capability that retailers should address when planning and building a retail commerce platform. IBM GBS' consulting expertise in cognitive capabilities (such as those sourced from IBM Watson) is an important aspect to consider for embedding advanced analytics foundations in the retail commerce platform.

## Challenges

- Retailers prioritizing migration to cloud infrastructures should consider that IBM only recently switched its focus and investments on cloud delivery offerings as part of its portfolio transformation.
- IBM's portfolio transformation implies a decline in its focus on on-premises core applications. Retailers looking for support in the executing activities, such as large ERP and on-premises enterprise application implementation, should consider the implications of IBM's transformation on its future ability to provide support in these areas.

## Infosys

Infosys is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Infosys aims to become a "people + software" organization by having a decentralized and innovation-led employee base that works on software enabled by platforms, automation, and analytics.

Infosys' strategic retail commerce platform focus areas are customer experience, digitization, connected devices, and new business models. The company's support services for the retail commerce platform implementation include:

- Business consulting services such as CIO advisory support on IT vision and strategy, digital landscape assessment, supply chain and operations design, and AI and automation road-mapping
- IT consulting, including IT strategy and road mapping, product strategy, product evaluation, platform upgrades/migration, and omni-channel assessment

Infosys' standard system integration services include architecture assessment/strategy, product evaluation/selection, product implementation, performance and security engineering, service-level management, and managed services. Infosys is focusing increasingly on microservices for custom application development. In network consulting and integration, Infosys focuses on cloud integration strategy and road map through an integration-as-a-service model.

Infosys leverages automation and AI through its Infosys Nia™ AI platform for application management services and IT outsourcing to reduce complexity and costs and to speed up processes.

In software deploy and support, Infosys has partnered with vendors such as ServiceNow, BMC Software, AppDynamics, New Relic, and Dynatrace. The company has built accelerators for support with RCP programs. Moreover, Infosys provides IT training support through Infosys Wingspan, an open source training platform with courses covering topics such as retail 101, in-store management and performance, merchandising management, retail industry digital narratives, and retail trends.

For the core retail commerce platform, Infosys has strategic partnership with major software vendors including IBM, SAP, Oracle, Salesforce, Adobe, and Magento. In terms of M&A strategy, Infosys' recent acquisitions include WONGDOODY, a digital marketing company that brought further digital CX capabilities across interfaces; Fluido, which contributed to its increased presence in the Nordics; and Simplus, a cloud consulting company acquired to strengthen cloud capabilities.

## Strengths

- Infosys has a solid start-up investment strategy that generates a clear impact on the ability of the company to upgrade and strengthen its capabilities. Infosys runs a \$500 million start-up fund, through which the company nurtures innovation (including in RCP-related capabilities) and secures access to more than 50 start-ups across Silicon Valley, the U.S. East Coast, Europe, Israel, and India. For example, Skava Commerce, acquired in 2015, continues to impact positively on Infosys' ability to provide microservices for the retail commerce platform implementation.

- Infosys has a strong strategy aimed at achieving an optimal mix between local and global resources for service delivery and support for retail clients. The strategy consists of building strong market presence in key client markets, adopting a model that includes nearshore centers in addition to onshore and offshore, leveraging partnerships with universities and organizations, and using acquisitions to expand geographical reach.

## Challenges

- Retailers looking for vendors that can prepare them to address strategic challenges the industry will face in the future should consider that Infosys' strategy for the expansion of its current capabilities focus mainly on response to the COVID-19 pandemic, such as quick-launch ecommerce website and contactless pickup and return.
- Retailers with significant global operations should note that Infosys' operations are stronger in the U.S. and Europe compared with Asia/Pacific, the Middle East, and Latin America. Infosys' competitors with a broader worldwide coverage may be better positioned in their ability to provide customer services across geographies.

## Publicis Sapient

Publicis Sapient is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Publicis Sapient is the digital business transformation hub of Publicis Groupe, with more than 20,000 employees in over 50 offices globally across North America, EMEA, and Asia/Pacific. The company has more than 500 large retail customers globally across segments such as apparel and accessories stores, food stores, general merchandise, and eating and drinking establishments. It has geographical coverage throughout EMEA, Asia/Pacific, and the Americas, with the U.S. and Canada being the biggest markets. Publicis Sapient is shifting its strategy toward focusing on fewer strategic customers driving large-scale business transformations.

Publicis Sapient's key offerings to retailers include omni-channel strategy, user experience, content design, traffic management (performance marketing, brand, social, influencer), IT modernization (commerce, CMS, OMS implementations), cost management (managed services and supply chain), and organizational change management.

Publicis Sapient's support services for the implementation of the retail commerce platform include strategy consulting offerings that support the redesign of core business processes and mapping of new operational flows, such as economic modeling, competitive strategy, consumer strategy, business model innovation and operations strategy. Moreover, Publicis Sapient provides support by evaluating clients' business models and assessing support for IT capabilities. Offerings in IT consulting include business capability and technology architecture assessment, platform ecosystem selection, peak traffic strategy, rollout strategy, platform ecosystem migration strategy, and organization design/change management strategy.

Publicis Sapient provides strategy, planning, implementation, and support in integration, cloud enablement and DevOps, and system reliability engineering. Integration services includes API strategy, API requirement design, implementation, enablement, governance, and rollout. Publicis Sapient increasingly focuses on system integration services for retail supply chain and in-store contactless services such as Scan and Go and Buy Online, Pick-Up in Store (BOPIS)/Click and Collect.

Moreover, Publicis Sapient provides custom application development services such as product configuration, development, and integration; network consulting and integration, which includes enterprise and digital services to enable omni-channel CX and the design/implementation of cloud-based applications; operational services for omni-channel commerce; IT outsourcing, including infrastructure support and maintenance; and IT training on various retail commerce platform products.

Publicis Sapiient aims at expanding capabilities through strategic partnerships. In particular, the company engages in strategic partnerships with Adobe, Salesforce, IBM, SAP, Google Cloud, Microsoft, and AWS to support capabilities on public cloud technologies, advanced data analytics, AI, ML, IoT, and new user interface (UI) technologies (voice, mobile, and chat). The company's partnerships with Amazon, Google, Samsung, and Apple aims at exploring UI technology. Finally, through partnerships with IBM and LLamasoft, Publicis Sapiient is expanding its supply chain and inventory capabilities.

In terms of M&A strategy, recent Publicis Sapiient's acquisitions include i7 and Third Horizon in 2020. Through these acquisitions, Publicis Sapiient aims to strengthen its digital business transformation capabilities on a global scale.

### Strengths

- Publicis Sapiient increased its focus on services for order management systems, checkout, supply chain, and logistics. The company worked with IBM to build a suite of connected supply chain solutions to solve supply chain challenges such as inventory visibility, returns optimization, and supply chain analytics. Increasing strategic innovation focus on supply chain and fulfillment was identified as a challenge in the previous edition of this assessment.
- Publicis Sapiient has extensive experience in supporting major retail companies, with a comprehensive range of capabilities covering the key aspects of the retail commerce platform. This is reflected in positive customer feedback across areas such as resources and systems reliability, project management, strategic partnerships and alliances, depth and breadth of services provided, innovation capabilities, and technical expertise.

### Challenges

- Retailers looking for vendors offering BPO capabilities should note that Publicis Sapiient's offering does not cover this area.
- Global retailers planning operational expansion across fast-growing regions should note that Publicis Sapiient has good global coverage, but has room for improvement compared with the vendors assessed in this MarketScape that show clear expansion strategies in geographies where they see future growth opportunities.

## TCS

TCS is positioned in the Major Players category in this IDC MarketScape for retail commerce platform service providers for 2020.

Retail is the second largest-vertical for TCS, which has over 150 customers and more than 40,000 associates. The company's retail offering is based on its proprietary Algo Retail framework, an approach that aims to help retailers leverage new technologies such as AI/ML, blockchain, IoT, and automation to address business challenges and transform retail operations. Algo Retail encompasses the following main elements:

- **Transformation planning.** Strategic business consulting through the Algo Scan framework to identify opportunities for data and analysis applications (algorithmics interventions) in business operations
- **Proprietary products and platforms.** These include:
  - TCS Omnistore, a commerce platform that enables retailers to develop experiential omni-commerce capabilities such as Scan and Go, curbside pickup, smart locker delivery, self-checkout, universal basket, order, wishlist, unified offer engine, and autonomous store foundation
  - TCS Optumera, a merchandising and supply chain AI platform for merchandising capabilities including dynamic pricing, hyper-local assortment, and self-learning supply chain

- TCS Optunique, an enterprise personalization platform for unified omni-channel customer experience delivering real-time personalization
- TCS' cloud-based headless commerce platform, built on a microservices architecture with an integrated headless content management system (CMS) and react-based UI for customer experience

TCS' services to support RCP implementation include business consulting services such as digital transformation, business strategy definition, process enablement, platform engineering/support, unified commerce, omni-channel transformation, omni-channel supply chain design and flow, merchandising strategy definition, store transformation, POS, store commerce, omni-channel commerce, personalization, and order strategy consulting.

TCS' experience in business and IT consulting, implementation, and support for global retailers includes online operation management through TCS Digital Operation Studio, legacy platform transformation through microservices, commerce on cloud, and holiday/peak season planning and support. TCS's custom application development focuses on microservices and cloud platform capabilities.

TCS' IT outsourcing services include DX services, project/portfolio-based IT outsourcing, application services such as application management, infrastructure services, platform services and business operation services. For the latter, TCS leverages platforms including TCS Talent 4.0 for HR activities and TCS Cognitive Platform for client operations outsourcing.

TCS has been focusing on supporting clients embracing DevOps to help developing a solid foundation for software deployment. In application management, TCS' road map for the next 12 to 24 months focuses on the shift to hybrid cloud models. Moreover, TCS has extensive IT training capabilities including self-learning courseware for clients and associates.

TCS' has established partnerships with large vendors such as IBM, Oracle ATG, SAP S/4HANA, Salesforce, and Blue Yonder. These partnerships aim at gaining access to early versions of products, training, developing offerings based on client demands, and working on strategies to introduce offerings to the customer base. More recently, TCS developed partnerships with emerging players in the retail ecommerce space in areas such as customer analytics, microservices, and software as a service (SaaS) to expand the offering over the long term.

In terms of the company's R&D strategy, TCS works with over 150 start-ups globally through its Retail Accelerator Co-Innovation Network (COIN) in areas such as cashierless checkout, allergen management, live commerce, and 3D content development. TCS also partners with universities (Cornell Tech NY, IIT Madras, and ISI Kolkata) with a focus on research in computer vision, freshness, sensor fusion and preemptive returns.

## **Strengths**

- TCS' clear, structured offering through its Algo Retail framework can help retailers better understand how TCS can address their business challenges and identify DX areas to focus on to improve operations and become more competitive. This combines with strong essential capabilities that leverage both its own and partner assets, collaborations with key vendors, deep focus on AI through Algo Retail, and a structured data process and IT architecture design.
- TCS can provide strategic support with the implementation of capabilities such as last-mile delivery and BOPIS, which have recently become important for retailers. TCS also has a good strategy in place to improve its existing offerings and to help address the expected future requirements of the retail industry by leveraging technologies such as DevOps, open source, full-stack development, microservices, AI/ML, IoT, extended reality (XR), automation, and cloud services.



## Challenges

- Retailers focusing on innovation should note that while TCS has solid innovation ecosystem, it has limited focus on directly investing in start-ups and M&A activity. TCS relies on its COIN globally to bring the start-up ecosystem to its customers.
- Retailers looking for technology services vendors that can expand their offerings rapidly through strategies such as third-party provider acquisition should note that TCS focuses on organic growth of its capabilities and leverages COIN rather than a strategy of expansion through acquisitions.

## Tech Mahindra

Tech Mahindra is positioned in the Major Players category in this IDC MarketScape for retail commerce platform service providers for 2020.

Tech Mahindra's offering focuses on four areas of action for retail customers: store reimagination (fulfillment center, driving customers to buy from online, AI, IOT, analytics), personalized digital experience, supply chain, and smart factories. Services provided by Tech Mahindra cover merchandising, supply chain, store operations, CRM, and analytics.

Tech Mahindra services to support RCP implementation include

- Business consulting services such as content generation, commerce, operations, behavioral analysis, change management, digital marketing strategy, CRM, and risk and compliance
- IT consulting services such as digital consulting and business transformation services that support processes design, leveraging technologies such as IoT, automation (AI/ML), cloud, and blockchain

Tech Mahindra's systems integration expertise include B2C and B2B implementations and integration with platforms such as Hybris, Demandware, Magento, and NetSuite. Tech Mahindra follows a system integration methodology that considers timelines, cost, complexity, and scope of the program. To date, Tech Mahindra has completed over 300 commerce implementations.

Tech Mahindra's custom application development extends to other technology and domain areas such as solution architecture and definition, application development, enterprise application integration, testing, and data migration.

Tech Mahindra has over 25 years of activity in network consulting and integration. Its offerings include 4G/5G core network services, network cloud and orchestration, and next-generation managed services. Moreover, the company provides application management services such as architecture services and cloud migration services. It also has extensive experience in IT outsourcing and business process outsourcing for areas such as human resources, supply chain, and procurement.

Tech Mahindra's innovation strategy consists of partnerships with entrepreneurs, academia, start-ups, and associates. It also leverages acquisitions such as HCI, Target Group, The BIO Agency, and Pininfarina. Tech Mahindra's recent acquisitions include Zen3 Infosolutions, acquired in February 2020 to strengthen software product engineering, DevOps testing, AI/ML, and analytics capabilities.

## Strengths

- Tech Mahindra has a good acquisition strategy aimed at enhancing targeted capabilities. For example, the company expanded consulting capabilities through the acquisition of BORN Group. A customer's feedback highlighted the overall positive experience of working with Tech Mahindra's BORN Group. The experience was evaluated as positive in many aspects, including the level of technical expertise, range of services offered, perceived time to value of the collaboration, ability to scale, quality of service, support in challenging and critical situations experienced by clients, and flexibility in accommodating customer requests.

- Tech Mahindra supports smaller offline brands with its online operations thanks to a partnership with Shopify Plus.

## Challenges

- Retailers focusing on innovation should note that Tech Mahindra's investments in R&D is below the market average.
- Retailers looking for support with forward-looking capabilities should note that Tech Mahindra has a more reactive approach to matching offerings with future customer needs rather than a more proactive approach that enables it to anticipate future requirements.

## Wipro

Wipro is positioned in the Leaders category in this IDC MarketScape for retail commerce platform service providers for 2020.

Wipro's consulting and systems integration strategy is based on two pillars:

- "Run," aimed at modernizing core systems and processes through simplification, hyper-automation, containerization, and digitalization
- "Change," aimed at transformation and innovation through designing personalized experiences driven by cloud computing, cognitive computing, blockchain, and IoT

This strategy translates into key investment areas such as as-a-service models, automation, digital, and open innovation.

Wipro's services to support RCP implementation include:

- Strategy and transformation consulting, including CX transformation, merchandising, store operations/digital supply chain planning
- Operational consulting, including customer engagement and data privacy
- Internal audit consulting and organizational change, including strategic and digital change management
- IT strategy consulting, such as digital advisory, design, technology, and engineering capabilities and IT operations consulting

Examples of services provided include cloud adoption toolkit, M&A playbook, package assessment framework, and as-a-service model and toolkit.

Wipro offers services aimed at integrating diverse and distributed applications such as ecommerce, POS, merchandizing, accounting/pricing systems, and service integration capabilities (including multicloud integration). The company also addresses custom application development requirements for the retail commerce platform through portals/content management, enterprise business integration/business intelligence, and information management practices.

Wipro's managed services include business process outsourcing and IT outsourcing through a remote working and no-share model. Moreover, Wipro provides IT education and training, including technical, domain, process, and behavioral training through its WiLearn talent management system portal and the Digital Academy.

Wipro engages in strategic partnerships that align with its broader retail strategy and address capabilities across the broader retail value chain, from digital commerce to order management, fulfilment, and POS. Wipro's partners include Adobe, Oracle, NetSuite, IBM, SAP, Salesforce, Google, Amazon, PTC, and Pega.

Wipro recently acquired San Francisco-based design and business consultancy firm Cooper to expand its North American presence and its capabilities in areas such as professional design education. Wipro

leverages acquisitions to build industry domain; strengthen presence in emerging technology areas such as digital, cloud, and omni-channel; and increase market footprint in newer markets.

### Strengths

- Wipro has a clear expansion strategy in subsegments such as online retail, grocery, mass merchandisers, discounters, and home improvement, where the company sees future growth. Wipro also focuses on expanding its support capabilities in areas such as merchandising, order management products, supply chain, and store of the future. With the rise of Commerce Everywhere business models, these domains will likely become key for retailers' future competitiveness, as interaction with customers will continue to develop across multiple and increasingly blurred touchpoints.
- Wipro HOLMES, the company's proprietary AI platform, helps retailers to address areas such as cost management, business process agility, and CX through process automation. These areas are expected to become increasingly important to ensure competitiveness in retail's next normal. IDC believes that AI is a key component of the retail commerce platform.
- Wipro's focus on R&D activities places the company ahead of other companies assessed in this IDC MarketScape in terms of resources investments, initiatives, and plans. The company also has a structured start-up engagement model through Wipro Ventures, which aims to invest in start-ups in areas such as digital, IoT, Big Data, open source, cybersecurity, supplier collaboration platform, and AI – domains that are expected to become increasingly important for retailers.

### Challenges

- Retailers that plans to expand operations outside North America and Europe should consider that Wipro's geographical growth plans continue to prioritize mature retail markets such as the U.S., Canada, the U.K., DACH, Benelux, and the Nordics. It has little focus on expanding into smaller but fast-growth regions such as South East Asian markets in Asia/Pacific.
- Smaller retailers in verticals in which IT investments are comparatively lower might find Wipro's offering and delivery capabilities beyond their requirements and reach. Wipro has a clear customer growth strategy that focuses on large retailers in verticals that show higher propensity to invest in technology.

## APPENDIX

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### 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 represent the market share of each individual vendor within the specific market segment being assessed, and it is based on IDC Retail Insights' best estimates of the vendor revenue on a global basis for IT services (together with hardware and software, when available) related to the retail commerce platform.

## 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 to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

The retail commerce platform (Figure 2) includes all the core capabilities that enable customer experience differentiation and seamless commerce, along with the required operational efficiencies for profitability and business model agility. The core capabilities of the platform are:

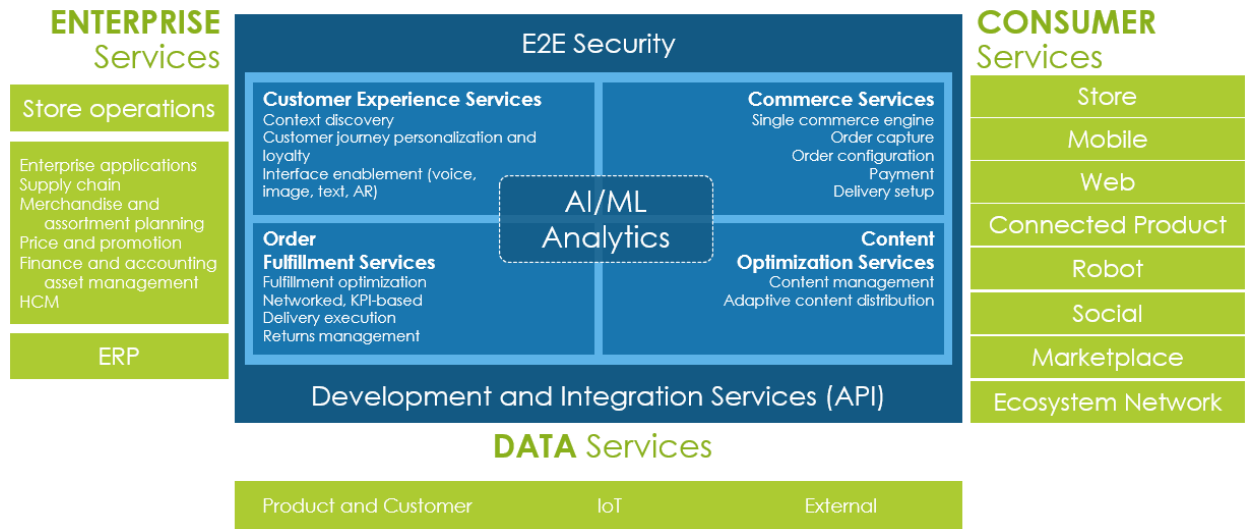
- **Customer experience services.** This enables the discovery of the customer context, real-time customer journey personalization (including loyalty), and customer interface enablement across voice, image, text, and AR.
- **Commerce services.** This set of capabilities provide a single, unified engine to process transactions, from order capture through configuration and payments to delivery setup.
- **Order fulfillment services.** This set of capabilities provide fulfillment optimization through networked-based fulfillment, fulfillment objectives and KPIs (for example, optimizing margin or delivery speed depending on the customer), efficient delivery execution, and returns management.
- **Content optimization services.** These provide content management and adaptive, personalized content distribution.

The retail commerce platform relies on a cloud-first architecture (with possibility of on-premises, or public, private, hybrid cloud delivery, when necessary). It provides development services and API-based integration with enterprise services, data services, and consumer services while delivering business logic and retail commerce services for four core capabilities. At the same time, the platform leverages AI, ML, or an advanced analytics foundation. In addition, the retail commerce platform provides proprietary or third party-sourced development services that enable retailers to address the areas of application modernization, development paradigm, code packaging shift, and cloud deployment.

Customer experience is a key priority, and most retailers globally feel the pressure to adopt experience-based business models, prioritizing investments in areas such as hyperpersonalization and real-time contextual interactions. CX-focused organizations are reinventing how commerce works, combining commerce with interactive activities to create more meaningful connections with customers and, ultimately, to boost sales.

**FIGURE 2**

**IDC Retail Commerce Platform: Conceptual Architecture**



Source: IDC, 2020

For this report, *IDC's Worldwide Services Taxonomy, 2019* (IDC #US44916019, March 2019) and *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2020: Experiential Retail* (IDC #US44303120, June 2020) are adopted as reference, as summarized in Table 1 and Table 2, respectively.

IDC has identified a digital mission of the retail industry, the strategic priorities that support that mission, the programs that will be initiated to satisfy the priorities, and the funded use cases that will be implemented under those programs. The vendor must deliver the capabilities and skills that are required to implement the relevant use cases summarized in Table 2.

Vendors can fulfill one strategic priority gap – and eventually enrich some capability that is part of their services – through proven collaborations with external partners.

**TABLE 1****IDC Worldwide Services Taxonomy, 2019**

Primary Market	Foundation Market
Project-oriented services	Business consulting IT consulting Systems integration Custom application development (CAD) Network consulting and integration
Managed services	Application management IT outsourcing Business process outsourcing (BPO)
Support services	Software deploy and support IT education and training

Source: IDC, 2020

**TABLE 2****IDC's Worldwide Digital Transformation Use Case Taxonomy, 2020: Experiential Retail**

Strategic Priority	Program	Use Case
Omni-channel commerce	Experiential commerce	Commerce service Digital content management Cashierless checkout Headless commerce Next-gen payments
	Intelligent fulfillment and returns	Omni-channel order orchestration and fulfillment Just-in-time (JIT) production Real-time inventory management
	Virtual and augmented experience	Virtual and augmented engagements Digitally connected product experiences Augmented and visual product discovery
Curated merchandise life-cycle management	Intelligent product design	3D product design and review Crowdsourced ideation and innovation

**TABLE 2**

**IDC's Worldwide Digital Transformation Use Case Taxonomy, 2020: Experiential Retail**

Strategic Priority	Program	Use Case
		Sustainable product life-cycle design
	Curated product assortment and positioning	Assortment optimization Sentiment analysis Dynamic pricing Life-cycle pricing optimization
	Product Innovation	B2B networks/marketplaces Digital product life-cycle management Global product requirements compliance management
Omni-experience customer engagement	Next-generation customer care	Optimized customer relationship/loyalty programs Omni-channel customer support Social marketing
	Customer experience analytics	360-degree connected customer data management Customer experience and behavior analytics Digital content optimization Customer experience process management
	Hyperpersonalized engagement	Contextualized marketing Optimized promotion development and distribution Omni-channel marketing and advertising
Digital supply chain optimization	Optimized supply networks	Dynamic supply network management Supply forecasting and planning
	Optimized fulfillment operations	Predictive network inventory orchestration Advanced technology augmented work Optimized operations Advanced enterprise reverse logistics execution
	Supply chain accountability	Traceability Smart financial supply chain Supply chain safety and compliance management

**TABLE 2**

**IDC's Worldwide Digital Transformation Use Case Taxonomy, 2020: Experiential Retail**

Strategic Priority	Program	Use Case
Efficient and innovation-ready operations	Mobile enterprise	Mobile inventory information management Mobile task management Mobile customer management
	Connected workforce	Digital workforce management Empowered worker Augmented knowledge worker Robotic worksource Digital sales training and execution
	Secure omni-channel operations	Fraud management Next-generation digital security Next-generation loss prevention
	Profitability optimization	Sustainable environment optimization Asset management Physical safety and risk management Venue portfolio management Revenue and margin assurance

Source: IDC, 2020

**Strategies and Capabilities Criteria**

Table 3 and Table 4 provide key strategy and capability measures, respectively, for the assessment of worldwide retail commerce platform service providers.



**TABLE 3**

**Key Strategy Measures for Success: Worldwide Retail Commerce Platform Service Providers 2020**

Criterion	Definition	Weight (%)
Delivery	The service provider has specific plans to expand its available delivery models (cloud, hybrid, PaaS, SaaS).	18
	The service provider is planning to expand its presence across regions and countries to provide the optimal mix of local and global resources.	
Financial/funding	The company has a strong strategy for improving its performance across retail segments, geographies, sales channels, and services portfolio.	13
	Description of management of short- and long-term profit and growth strategy. Description of how the service provider assesses the future demand of Commerce Everywhere and future customer needs (number of current and expected customers, average revenues per customer, etc.). The service provider is planning new acquisitions, has plans to expand its geographical scope, or is expanding its partner ecosystem. The service provider is planning to support this growth strategy with adequate staffing.	
Functionality or offering strategy	<p>The service provider has a road map, based on customers' and partners' input, that covers the following primary (and secondary) markets:</p> <ul style="list-style-type: none"> <li>▪ Business consulting (Strategy/operational improvement/change and organizational)</li> <li>▪ IT consulting (IT strategy/IT operations)</li> <li>▪ Systems integration</li> <li>▪ Network consulting and integration</li> <li>▪ Custom application development (CAD)</li> <li>▪ Managed services (application management, IT outsourcing, key horizontal business process outsourcing such as HR, procurement, finance, accounting, customer care)</li> <li>▪ Support services (software deploy and support, IT education and training)</li> <li>▪ Strategic long-term partnerships</li> </ul> <p>The listed markets are extracted from IDC's Worldwide Services Taxonomy, 2019.</p> <p>The road map also states the strategic partnerships that the service provider is leveraging and will leverage in the long term.</p>	32
	In a maximum of 12 months from assessment, the service provider has specific plans to deliver new services urgent to the client and to improve on foundational offerings that enhance the ability to respond to immediate concerns and help develop core capabilities (but in process/planned).	
Growth	The service provider is planning to expand its business across regions and countries, through organic growth, M&A, and partnerships	13
	The service provider is planning to expand its business across retail segments and business tiers.	

**TABLE 3**

**Key Strategy Measures for Success: Worldwide Retail Commerce Platform Service Providers 2020**

Criterion	Definition	Weight (%)
Innovation	Customers' perception on service provider innovation culture, openness to new ideas, appropriateness of retail innovation investments	8
R&D pace/productivity	The company has a strong innovation culture and is open to new ideas. The company is investing in R&D (percentage of R&D investment on revenues) and specifically in retail R&D; Description of future R&D projects; planned hirings dedicated to R&D; investments in retail technology start-ups	16
Total		100

Source: IDC, 2020

**TABLE 4**

**Key Capabilities Measures for Success: Worldwide Retail Commerce Platform Service Providers**

Criterion	Definition	Weight (%)
Customer satisfaction	Customers evaluate their satisfaction on a scale from 1 to 5, assessing topics such as value for money, resources and systems reliability, project management, and strategic partnerships/alliances.	15
	Customers evaluate, on a scale from 1 to 5, their perception regarding the appropriateness of time intercurrent between the first engagement with the service provider and the lead time for the generation of value.	
	Customers evaluate, on a scale from 1 to 5, the results obtained for KPIs such as overall ROI and customer advocacy (Net Promoter Score or NPS, Customer Effort Score or CES).	
	Customers evaluate, on a scale from 1 to 5, if the service provider is delivering the expected SLAs (according to the different project phases and the type of provided services).	
	Customers evaluate, on a scale from 1 to 5, if the service provider is delivering expected innovation outcomes for retail cloud (public, private, hybrid), AI/ML analytics, CX personalization, digital supply chain, AR/VR, 5G, 6G, blockchain, IoT, 3D printing, and robotics.	
Customer service delivery	The service provider is evaluated according to its capability to support retailers by leveraging retail business consulting experts (strategy, operational improvement, finance and accounting, governance, risk, and compliance).	13
	The service provider is evaluated according to the worldwide coverage of customer service, along with local presence to ensure knowledge of reference market.	

**TABLE 4**

**Key Capabilities Measures for Success: Worldwide Retail Commerce Platform Service Providers**

Criterion	Definition	Weight (%)
Functionality or offering	<p>Based on the primary and secondary markets defined in the functionality or offering strategy criterion under Key Strategy Measures (Table 3), the services provider can deliver said services according to the following key aspects:</p> <ul style="list-style-type: none"> <li>▪ In-time and in-budget execution of retail commerce platform implementation projects</li> <li>▪ Proven experience in of retail commerce platform implementation projects</li> <li>▪ Consolidated network of partnership/proven collaboration with vendors</li> <li>▪ AI/ML analytics foundations embedded in the core capabilities of the retail commerce platform</li> <li>▪ Appropriate data management process</li> <li>▪ IT architectural model design capabilities of the retail commerce platform</li> <li>▪ Appropriate certifications for retail commerce platform implementation</li> </ul>	36
	<p>Based on the primary and secondary markets defined in the functionality or offering strategy criterion under Key Strategy Measures (Table 3), service providers will be evaluated according to their offering of the following services:</p> <ul style="list-style-type: none"> <li>▪ Business consulting (strategy, operational improvement, finance and accounting, governance, risk, and compliance)</li> <li>▪ IT consulting (IT strategy, IT operations)</li> <li>▪ Systems integration</li> <li>▪ Network consulting and integration</li> <li>▪ Custom application development</li> <li>▪ Application management</li> <li>▪ IT outsourcing</li> <li>▪ Support and training services</li> <li>▪ Software deploy and support</li> <li>▪ Capabilities in designing, managing organizational change, implementing, releasing, and supporting evolution of a complete retail commerce platform</li> </ul>	
	Implementation assets and methods include skilled and resourced development/delivery center, delivery tools and methodologies, responsive rightshoring of resources, and agile client and engagement project management.	
	The service provider has developed its own retail commerce platform solutions or platform-specific capabilities.	
	The service provider is evaluated according to its capability to cover retail commerce platform use cases from IDC Digital Transformation Taxonomy (listed in provided inclusion criteria and IDC DX Taxonomy Report).	
Portfolio benefits	The service provider is evaluated according to its partner ecosystem regarding reference tier, management, and number of completed and underway projects (non-exhaustive list).	15

**TABLE 4**

**Key Capabilities Measures for Success: Worldwide Retail Commerce Platform Service Providers**

Criterion	Definition	Weight (%)
	The service provider is evaluated according to number, value, strategy and capability complementarity, and level of integration.	
Pricing model	The service provider is evaluated according to pricing model transparency, alignment to customers' budgeting process and justification criteria, and flexibility to accommodate project changes and new business circumstances.	8
	The service provider is evaluated according to availability to apply revenue/profit sharing, type of companies with which the model is applied, and average amount of projects for which the model is applied.	
Range of services	The service provider is evaluated according to its capability to outsource services such as: IT consulting, IT support, disaster recovery, network implementation, change management, system security, data storage/backup (non-exhaustive list). Furthermore, the service provider will need to demonstrate geographical coverage of the mentioned managed services.	13
	Customers evaluate, on a scale from 1 to 5, the coverage of services provided by the service provider, in relation to their needs.	
	Customers evaluate, on a scale from 1 to 5, if service provider is providing resources with specific retail background and skills and is capable of addressing the required range of retail technical expertise and of leveraging new technology opportunities	
Total		100

Source: IDC, 2020

**LEARN MORE**

**Related Research**

- *IDC MarketScape: Worldwide Retail Co-Innovation Services Providers 2020 Vendor Assessment* (Forthcoming)
- *IDC MarketScape: Worldwide Retail Commerce Platform Software Providers 2020 Vendor Assessment* (IDC #US46038320, November 2020)
- *IDC FutureScape: Worldwide Retail 2021 Predictions* (IDC #US46921120, October 2020)
- *Commerce Everywhere Business Models and the Path Toward Retail Innovation Excellence* (IDC #EUR146908220, October 2020)
- *The Status of Retail Customer Experience in the Next Normal: Challenges and Opportunities for Improving Customer Experience at Scale* (IDC #US46598721, October 2020)
- *IDC MaturityScape: Retail Customer Experience Personalization* (IDC #EUR146782620, September 2020)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2020: Experiential Retail* (IDC #US44303120, June 2020)

- *IDC PeerScape: Practices to Enable Food and Grocery Retailers of the Future* (IDC #US43664619, June 2020)

## Synopsis

This IDC MarketScape assesses the capabilities and strategies of selected enterprise service providers in serving the specific needs of retail companies worldwide across industry segments (food and non-food retail). It assesses service providers based on capabilities in designing and managing organizational change and in implementing, releasing, and supporting the evolution of a complete retail commerce platform – including core capabilities that enable customer experience differentiation and seamless commerce and the required operational efficiencies for profitability and business model agility.

"Retail has been accelerating to the next normal, with rapid changes in consumer behavior resulting in greater operational complexity. In this context, Commerce Everywhere business models become key, supported by solid distribution operations and the new role of the brick-and-mortar store," said Filippo Battaini, head of IDC Retail Insights Europe. "IT service providers are rapidly evolving their strategies to support the implementation of API- and microservices-based retail commerce platforms, enabling retailers to become more agile and to achieve flexibility for rapidly deploying new services and capabilities, following a best-of-breed approach."

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