New IDC MarketScape Evaluates Worldwide Retail Commerce Platform Providers

LONDON, January 23, 2019 — Based on IDC's 2018 *Global Retail Innovation Survey*, retailers are focusing on adopting new technologies, delivering innovation at scale, and accelerating customer growth. But is this feasible or realistic? New business models and innovative technologies will support the future of retail, as demonstrated by Ocado, Ulta Beauty, and Lowe's. These new models use interfaces instead of channels, provide proactive customer service and contextual discovery experiences, trace customer moments and time in place of locations, transform passive shoppers into active and engaged customers, and deliver targeted content at each junction of the customer journey, with customer experience at the heart of it all.

The new *IDC MarketScape: Worldwide Retail Commerce Platform Providers 2018 Vendor Assessment* (IDC #US43380018, January 2019) assesses the capabilities and strategies of several key enterprise software vendors in serving the specific needs of retail companies worldwide across industry segments (food and non-food retail). This IDC Retail Insights study evaluates 13 vendors: Aptos, Diebold Nixdorf, Fujitsu, IBM, Infor, Microsoft, Magento an Adobe company, Manhattan Associates, NCR, Oracle, Oracle NetSuite Inc., SAP, and Salesforce.

"The retail commerce platform is the most important technology investment decision for retailers globally to enable innovation at scale and deliver commerce-everywhere business models. According to the IDC Retail innovation survey, 48% of midsize and large retailers in the U.S. and Europe are investing in the retail commerce platform by 2019, and a further 50% will follow in 2020," said Ivano Ortis, vice president of research, IDC Retail Insights. "The retail commerce platform is built on customer experience services, commerce, content, fulfillment, and integration services underpinned by an artificial intelligence foundation. Our analysis and buyer perception indicate that retail commerce platform vendors are making significant advancements by delivering their retail road map and innovation strategy."

Based on the assessment of retail commerce platform vendors' offerings for this IDC MarketScape, the study highlights the following key aspects:

- **Commerce everywhere.** Retail C-suite top priorities for the coming five years revolve around innovation, digital supply chain, ecosystem enablement, and customer experience.
- **Retail innovation.** The retail commerce platform is an essential enabler of innovation, as it allows retailers to pilot, implement, and scale innovation at speed. However, it is crucial to consider that retail innovation goes well beyond the

implementation of new technologies, and retailers should fundamentally strive for business model innovation through the development of an innovation culture, the definition of an innovation strategy, execution based on a retail commerce platform, and the attainment of long-term profitable growth, building up what we call retail innovation excellence.

- **Microservices approach.** Over the past couple of years, large retailers have started to move toward microservices-based retail commerce platforms to become more agile and have the flexibility to rapidly deploy new services and capabilities.
- **Artificial intelligence (AI)/machine learning (ML) analytics foundations.** The implementation of the platform will rely on a solid core, joined with a best-of-breed approach and, primarily, will leverage AI/ML analytics foundations. An intelligent core is essential to continuously gather and process real-time and streamed data from consumers, products, inventories, and partners as well as customer activity.

For more information about this study or to arrange a one-on-one briefing with Giulio Raffaele, please contact Kanupriya at +44-2089877111 or kanupriya@idc.com.

About IDC MarketScapes

The IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of IT, telecommunications, or industry-specific suppliers in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor's position within a given market. IDC MarketScapes provide a clear framework in which the product and service offerings, capabilities and strategies, and current and future market success factors of IT, telecommunications, or industry-specific vendors can be meaningfully compared. The framework also provides technology buyers with a transparent foundation to allow companies to independently compare the strengths and weaknesses of current and prospective vendors.

About IDC Retail Insights

IDC Retail Insights assists retail businesses and IT leaders, as well as the suppliers that serve them, in making more effective technology decisions by providing accurate, timely, and insightful fact-based research and consulting services. Staffed by senior analysts with decades of industry experience, our global research analyzes and advises on business and technology issues facing asset-intensive, brand-oriented, technology-oriented, and engineering-oriented retail industries. International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology market. IDC is a wholly owned subsidiary of IDG, the world's leading technology, media, research, and events company. For more information, please visit www.idc-ri.com, email info@idc-ri.com, or call 508-988-7900. Visit the IDC Retail Insights Community at http://idc-community.com/retail.

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