

Now Tech: Retail Planning, Q4 2019

Forrester's Overview Of 25 Retail Planning Providers

by George Lawrie

December 24, 2019

Why Read This Report

You can use retail planning solutions to optimize assortments for each market segment and store cluster by segmenting markets and clustering stores with similar patterns of trade; to forecast and shape demand; and to pre-position fulfillment inventory. But to realize these benefits, you'll first have to select from a diverse set of vendors that vary by size and functionality. Application development and delivery (AD&D) professionals should use this report to understand the value they can expect from a retail planning provider and select one based on size and functionality.

Key Takeaways

Improve Customer Lifetime Value With Retail Planning

Retail planning applications help retailers to create compelling assortments with the right level of availability at prices that foster loyalty, stimulate repeat buying, and increase customer lifetime value.

Select Vendors Based On Size And Functionality

Retail planning applications use multiple streams of data, statistical modeling, and machine learning (ML) to harmonize decisions across retail channels and across merchant marketing and supply-chain roles.

Power Up Digital Tools For The Digital Economy

Retail merchants, marketing professionals, and inventory planners can't compete with digital marketplaces using handcrafted spreadsheets. They need the scalable, integrated, data-driven, continuous planning that modern applications deliver by exploiting embedded AI and ML.

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Related Research Documents

- [The Forrester Wave™: Retail Planning, Q3 2017](#)
- [Retail Moves From Seasonal To Continuous Planning](#)
- [Vendor Landscape: Retail Planning Systems 2017](#)



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Use Retail Planning To Better Anticipate And Meet Customer Demand

Digital disruption has forced retailers to address new competitors, newly empowered customers, and an increased range of merchandise. Merchants and digital business leaders have reached the limit of retail planning and execution by instinct and art. They increasingly need software assistance, incorporating artificial intelligence and machine learning to plan assortments and allocate them to stores and fulfillment centers. Forrester defines retail planning applications as:

Applications that apply the best mix of data, analytics, machine learning, AI, and human intuition to anticipate customer demand and create compelling assortments and campaigns. They also connect to sourcing and logistics to continuously synchronize inventory availability by channel and location with demand.

Retailers deploy planning applications to:

- › **Improve customer service.** AD&D professionals deploy retail planning applications that blend intuition with analytics to find the right assortments that anticipate customer expectations. In 2018, US grocer Trader Joe's stormed to the top of Forrester's US Multichannel Retailers Customer Experience Index (CX Index™) thanks to its compelling localized assortments.¹
- › **Boost inventory turnover.** AD&D professionals use retail planning to aggregate expected demand across channels and locations. They connect sourcing and logistics operations to synchronize just-in-time supply with demand, turning over inventory more quickly and increasing shareholder returns.²
- › **Maintain margins.** AD&D professionals use retail planning applications to assist merchants to more accurately match the timing of supply and demand and to more effectively select assortments, sizes, and colors with local appeal. AD&D professionals can demonstrate the value of retail planning applications in reducing markdowns on unwanted merchandise.³

Select Vendors Based On Size And Functionality

We've based our analysis of the retail planning market on two factors: market presence and functionality.

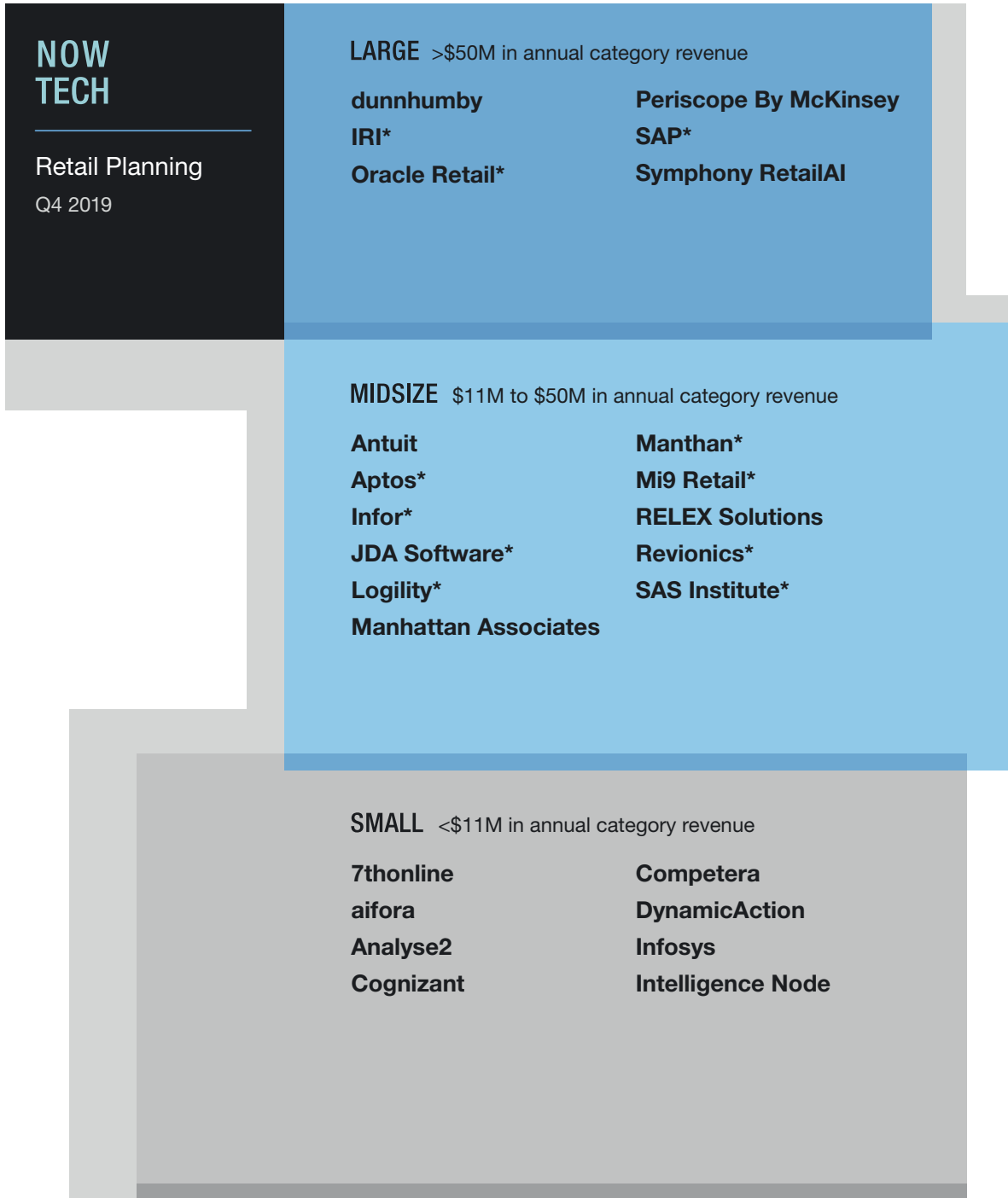
Retail Planning Market Presence Segments

We segmented the vendors in this market into three categories, based on retail planning revenue: large established players (more than \$50 million in retail planning revenue), midsize players (\$11 million to \$50 million in revenue), and smaller players (less than \$11 million in revenue) (see Figure 1). We did not include vendors that we estimated to have less than \$1.5 million in revenue.

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FIGURE 1 Now Tech Market Presence Segments: Retail Planning, Q4 2019



*Forrester estimate

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Retail Planning Functionality Segments

To explore functionality at a deeper level, we broke the retail planning market into three segments, each with varying capabilities (see Figure 2):

- › **Integrated planning platforms.** These give retail merchants, marketers, and supply chain professionals a common system in which to plan the best assortments for customer segments and store clusters and to visualize the financial impact of each change on the assortment plan. They also help to plan price lifecycles and promotions, to optimize packs and sizes, to plan initial and replenishment orders, and to allocate inventory between distribution centers, stores, and fulfillment centers.
- › **Specialist solutions.** These help retail merchants, marketers, and supply chain professionals to plan assortments for each customer segment and store cluster and to plan the best pricing, promotions, and orders. By contrast, they provide limited support for pack size optimization, inventory allocation between channels and locations, and visualizing the financial impact of changes in planned assortment. They provide specialist capabilities to support “next best action” decisions around processes like in-season markdown or reallocation of inventory from one location to another.
- › **Data discovery platforms.** These provide basic segmentation, assortment planning, and demand management capabilities as well as more sophisticated capabilities to help merchants, marketers, and supply chain professionals to plan and execute specific tactics such as markdowns, promotions, or redistribution of inventory.

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FIGURE 2 Now Tech Functionality Segments: Retail Planning, Q4 2019

	Integrated planning platform	Specialist solution	Data discovery platform
Aggregate merchandise financial planning (across channels)	■ ■ ■	■ ■ ■	■ ■ ■
Store clustering	■ ■ ■	■ ■ ■	■ ■ ■
Channel- and store-cluster-sensitive assortment planning	■ ■ ■	■ ■ ■	■ ■ ■
Inventory planning (suggested initial order, replenishment orders)	■ ■ ■	■ ■ ■	■ ■ ■
Allocation of inventory between locations and channels to meet anticipated demand	■ ■ ■	■ ■ ■	■ ■ ■
Aggregate demand forecasting (across channels)	■ ■ ■	■ ■ ■	■ ■ ■
Campaign planning (tactics and uplift)	■ ■ ■	■ ■ ■	■ ■ ■
Pack size optimization	■ ■ ■	■ ■ ■	■ ■ ■
Channel-sensitive pricing	■ ■ ■	■ ■ ■	■ ■ ■
Channel-sensitive promotion	■ ■ ■	■ ■ ■	■ ■ ■
Channel-sensitive markdown	■ ■ ■	■ ■ ■	■ ■ ■
Continuous planning or agile merchandising	■ ■ ■	■ ■ ■	■ ■ ■
In-season next best action, recommended markdown	■ ■ ■	■ ■ ■	■ ■ ■
In-season next best action, recommended reallocation	■ ■ ■	■ ■ ■	■ ■ ■
In-season next best action, recommended expedited replenishment	■ ■ ■	■ ■ ■	■ ■ ■

Segment functionality ■ ■ ■ None ■ ■ ■ Low ■ ■ ■ Moderate ■ ■ ■ High

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Align Individual Vendor Solutions To Your Organization's Needs

The following tables provide an overview of vendors with details on functionality category, geography, and vertical market focus (see Figure 3, see Figure 4, and see Figure 5).

FIGURE 3 Now Tech Large Vendors: Retail Planning, Q4 2019**LARGE** >\$50M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (top three by revenue %)	Sample customers
dunnhumby	Data discovery platform	NA 20%; LATAM 20%; EMEA 40%; AP 20%	Food and beverage; consumer packaged goods; retail grocery	Coop Norway; Metro Canada; Tesco
IRI	Data discovery platform	NA 90%; EMEA 10%	Retail and wholesale distribution; consumer packaged goods; food and beverage	Vendor did not disclose
Oracle Retail	Integrated planning platform	NA 43%; LATAM 14%; EMEA 36%; AP 7%	Retail and wholesale distribution; apparel and footwear; consumer packaged goods	Bata; Podruzhka; Stein Mart
Periscope By McKinsey	Specialist solution	NA 60%; LATAM 35%; EMEA 5%	Consumer packaged goods; food and beverage; pharma/life sciences	Vendor did not disclose
SAP	Specialist solution	NA 30%; LATAM 20%; EMEA 40%; AP 10%	Retail and wholesale distribution; apparel and footwear; consumer packaged goods	Coop Switzerland
Symphony RetailAI	Integrated planning platform	NA 42%; LATAM 8%; EMEA 48%; AP 2%	Retail and wholesale distribution; consumer packaged goods; food and beverage	Dollar General; Longo's; Spartan Nash; Southeastern Grocers

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FIGURE 4 Now Tech Midsize Vendors: Retail Planning, Q4 2019**MIDSIZE** \$11M to \$50M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (top three by revenue %)	Sample customers
Antuit	Specialist solution	NA 85%; EMEA 10%; AP 5%	Apparel and footwear; food and beverage; consumer packaged goods	Adidas; Ascena Retail Group; Belk
Aptos	Integrated planning platform	NA 20%; LATAM 10%; EMEA 55%; AP 15%	Retail and wholesale distribution; apparel and footwear; luxury, beauty, and cosmetics	AW Lab (Bata); Fast Fish; Mulberry
Infor	Integrated planning platform	NA 45%; EMEA 45%; AP 10%	Apparel and footwear; consumer packaged goods; food and beverage	JD Sports; Macy's; Walgreens
JDA Software	Integrated planning platform	NA 60%; LATAM 5%; EMEA 30%; AP 5%	Apparel and footwear; food and beverage; auto and aerospace	Vendor did not disclose
Logility	Integrated planning platform	NA 74%; LATAM 2%; EMEA 24%	Consumer packaged goods; retail and wholesale distribution; apparel and footwear	Groupe Dynamite; Hunkemöller; Tuesday Morning
Manhattan Associates	Data discovery platform	NA 61%; LATAM 8%; EMEA 27%; AP 4%	Retail and wholesale distribution; food and beverage; auto and aerospace	Vendor did not disclose

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FIGURE 4 Now Tech Midsize Vendors: Retail Planning, Q4 2019 (Cont.)**MIDSIZE** \$11M to \$50M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (top three by revenue %)	Sample customers
Manthan	Specialist solution	NA 55%; LATAM 5%; EMEA 25%; AP 15%	Apparel and footwear; retail and wholesale distribution; food and beverage	Majid Al Futtaim; Manitoba Liquor & Lotteries; rue21
Mi9 Retail	Integrated planning platform	NA 70%; EMEA 20%; AP 10%	Apparel and footwear; retail and wholesale distribution; food and beverage	Abercrombie & Fitch; Cole Haan; Estée Lauder
RELEX Solutions	Specialist solution	NA 28%; LATAM 1%; EMEA 69%; AP 2%	Retail and wholesale distribution; consumer packaged goods; food and beverage	Ahold Delhaize USA; PetSmart; Rossmann
Revionics	Data discovery platform	NA 61%; LATAM 8%; EMEA 27%; AP 4%	Consumer packaged goods; apparel and footwear; specialty retail	Ahold Delhaize
SAS Institute	Integrated planning platform	NA 70%; LATAM 1%; EMEA 25%; AP 4%	Consumer packaged goods; apparel and footwear; general merchandise	Levi Strauss; Sobeys

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FIGURE 5 Now Tech Small Vendors: Retail Planning, Q4 2019**SMALL** <\$11M in annual category revenue

	Primary functionality segments	Geographic presence (by revenue %)	Vertical market focus (top three by revenue %)	Sample customers
7thonline	Integrated planning platform	NA 50%; EMEA 20%; AP 30%	Apparel and footwear; retail and wholesale distribution; food and beverage	Bestseller; Colony Brands; Patagonia
aifora	Data discovery platform	EMEA 100%	Apparel and footwear	Adler Modemärkte; NKD; Reno
Analyse2	Data discovery platform	EMEA 100%	Consumer packaged goods; food and beverage; retail and wholesale distribution	COOP Estonia; Kesko; Tokmanni
Cognizant	Specialist solution	NA 85%; EMEA 10%; AP 5%	Apparel and footwear; consumer packaged goods; retail and wholesale distribution	Vendor did not disclose
Competera	Data discovery platform	NA 40%; EMEA 54%; AP 6%	Apparel and footwear; food and beverage; pharma/life sciences	Mothercare; Pet Stock; Staples
Dynamic Action	Data discovery platform	NA 50%; EMEA 50%	Apparel and footwear; retail; general merchandise	Columbia
Infosys	Specialist solution	NA 20%; EMEA 60%; AP 20%	Retail and wholesale distribution; apparel and footwear; consumer packaged goods	Vendor did not disclose
Intelligence Node	Data discovery platform	NA 51%; LATAM 1%; EMEA 19%; AP 29%	Apparel and footwear; consumer packaged goods; retail and wholesale distribution	Li & Fung; Macy's

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Recommendations

Power Up Digital Tools For The Digital Economy

For years, retailers have amplified their intuition with only the most primitive tools, such as handcrafted spreadsheets. To compete in the modern economy, they must match the scale and pace at which marketplaces such as Amazon can make available locally compelling assortments in the right sizes and colors and at the right price. To give their colleagues the best chance of success, retail AD&D professionals should:

- › **Choose the right retail planning software for their business.** Retail planning applications have the most impressive pedigree in fast-moving consumer goods, where the assortment is relatively slow to change and where retailers can benefit from high volumes of high frequency transaction data. AD&D professionals must pay close attention to matching their trading characteristics with those of each solution's existing customer base. They should investigate the techniques that vendors exploit to deliver actionable insight — even where, for example, data is missing.
- › **Clean up their data.** Retail planning applications have always developed demand forecasts based on clickstream and store transaction data combined with merchandise attributes such as brand, shelf life, or color. It has always been important to test and remediate the quality of merchandise master data or attributes. But the increasing importance of embedded AI and ML means that retail AD&D professionals must implement data governance — such as synchronizing data stream cutoffs — to avoid potential chaos from data acquisition across multiple data sources or types, such as location or weather data.
- › **Train their teams.** Successful adoption of retail planning applications depends on a high degree of adoption and trust from retail professionals in marketing, inventory planning, or merchandising roles. Savvy AD&D professionals stage opportunities for retail professionals to process historical data, simulating the new system's retail planning recommendations, testing the simulated outcomes against their own expertise, and calculating the potential impact on their bonuses. The more they can identify the potential for personal benefit, the more enthusiastically they will adopt the new application.

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Supplemental Material

Market Presence Methodology

We defined market presence in Figure 1 based on factors such as revenues for retail planning applications software.

To complete our review, Forrester requested information from vendors. If vendors did not share this information with us, we made estimates based on available secondary information. We've marked companies with an asterisk if we estimated revenues or information related to geography or industries. Forrester fact-checked this report with vendors before publishing.

Companies Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

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7thonline	IRI
aifora	JDA Software
Analyse2	Logility
Antuit	Manhattan Associates
Aptos	Manthan
Cognizant	Mi9 Retail
Competera	Oracle Retail
dunnhumby	Periscope By McKinsey
DynamicAction	RELEX Solutions
Infor	SAP
Infosys	SAS Institute
Intelligence Node	

Endnotes

- ¹ Trader Joe's small, easy-to-navigate store formats, curated assortments, cult private-label products, and friendly customer service all help deliver unique value in the hypercompetitive grocery world. See the Forrester report "[Banking Of The Future: How Banks Will Use Digital Capabilities To Remain Competitive](#)" and see the Forrester report "[The US Multichannel Retailers Customer Experience Index, 2018](#)."
- ² Aggregate industry data shows that the ratio of specialty retail inventory turnover to cost of goods sold declined from 3.59 to 3.47 between the third quarter of 2014 and second quarter of 2015. More alarmingly, retail in general lags other industries in inventory productivity. See the Forrester report "[Brief: Revive Retail With Demand Management, Sales And Operations Planning](#)."
- ³ A retailer's success depends in its ability to allocate limited resources, such as labor and inventory, to improve margin and inventory turn — and ultimately improve customer satisfaction. See the Forrester report "[Aligning Emerging Technologies With Retail Operations Priorities](#)."

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