

— **Knowledge Brief** —
Quadrant Knowledge Solutions

Blue Yonder is a Leader in
SPARK Matrix: Retail Assortment
Management Applications (RAMA), 2022



An Excerpt from Quadrant Knowledge Solutions
“SPARK Matrix: Retail Assortment Management Applications (RAMA), 2022

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Quadrant Knowledge Solutions defines a Retail assortment management application as “A solution that uses advanced analytics to help retailers plan and implement end-to-end product assortment strategies across sales channels, including visual merchandising, product placement, store layout, allocation, and others based on consumer preference, customer demands, market trends, localization, and retailer’s financial viabilities.” The application enables personalized product assortments across store groups, locations, and channels based on localized customer preferences and market trends. The application helps retailers provide an improved customer shopping experience that results in increased sales, improved profit margins, and optimized inventory utilization.

Retailers are increasingly focusing on the integration of digital and physical consumer journeys, machine learning (ML), and artificial intelligence (AI) in the digitalization era to enhance the customer experience by offering the appropriate product mix at the appropriate time and location by utilizing cutting-edge analytics to help retailers select the best inventory for both in-store and online customers. By gaining real-time access to their assortment and product catalogs, the AI/ML-driven platform enables retailers to conduct competitor benchmarking in order to identify potential opportunities.

Businesses are utilizing retail assortment management platforms to increase customer engagement, enhance merchandising forecasting, and maximize inventory turns. Retailers are aware that the variety of products they offer will have a significant impact on customer satisfaction. Therefore, retailers are constantly focusing on acquiring more valuable insights in order to meet the ever-changing demands of their customers and identify buying patterns to facilitate smart decisions. The platform’s AI-powered forecasting and predictive analytics allow more accurate clustering of retailers based on store space, demographics, volume, and goods movement. Additionally, retailers anticipate a more dynamic process for optimizing customer satisfaction and adapting to the disruptive market by conducting inventory reviews on a more regular basis.

As per Quadrant’s research analysis, the retail assortment management application market is in the growth stage and is gaining market penetration with

high growth potential. The overall market, as well as the vendors positioning, is expected to change significantly during the forecasted years. Users should evaluate Retail assortment management applications that offer comprehensive capabilities to provide seamless connectivity with organization-owned tools and platforms, a broad range of out-of-the-box capabilities, scalabilities & extensibility, assortment recommendation, localized assortment planning optimization, visual merchandising and allocation, advanced analytics, and such others. Quadrant Knowledge Solutions' SPARK Matrix: Retail Assortment Management Application, 2022 research includes a detailed analysis of the global market regarding short-term and long-term growth opportunities, emerging technology trends, market trends, and future market outlook. The study provides a comprehensive market forecast analysis of the global market in various geographical regions and the overall market adoption. This research provides strategic information for technology vendors to better understand the market supporting their growth strategies and for users to evaluate different vendors' capabilities, differentiation, and market position.

This study includes an analysis of 15 key vendors, including 7th online, Aptos, Analyse2, Blue Yonder, Board International, Cognizant Softvision, Logility, o9 Solutions, Oracle, Periscope by McKinsey, RELEX Solution, SAP, SAS, Symphony RetailAI, and ToolsGroup.

7th Online, Aptos, Blue Yonder, o9 Solution, Oracle, Periscope by McKinsey, Symphony RetailAI, and Tools Group are among the top performers and technology leaders in the 2022 SPARK Matrix™ analysis of the global Retail assortment management application market. Leaders in retail assortment management application technology continue to invest in offering tightly integrated, unified, and holistic assortment solutions that provide assortment recommendation, localized assortment planning and optimization, visual merchandising and allocation, pre-season/in-season item planning, what-if analysis/simulation, analytics and reporting, and other capabilities. Retail assortment management platform vendors are significantly investing in improving their artificial intelligence, machine learning, and advanced analytics capabilities to support a wide range of existing/new use cases, buying & planning decisions, and assortment, as well as improve the overall business performance.

Cognizant Softvision, SAP, and SAS have been positioned as the primary challengers in the global retail assortment management application market. These companies provide either plug-and-play type services, cover end-to-end

sourcing and procurement services, business process management, and training. These companies are cognizant of the upcoming market trends and have outlined a comprehensive roadmap to tap into future growth opportunities.

Market Dynamics and Trends

The following are the key market drivers as per Quadrant Knowledge Solutions' Retail Assortment Management Application (RAMA) solution strategic research:

- Retailers are increasingly concentrating on localizing their assortment in order to meet a variety of customer requirements and optimize their product categories.
- The retail assortment management application's real-time data analytics capabilities enhance product assortments and reveal patterns in single products to improve profitability and customer engagement.
- Retailers are looking for a platform that can optimally forecast SKUs at the micro and macro levels in order to comprehend and make the most of inventory across a variety of store and local fulfillment channels.
- The strong value propositions of retail assortment management platforms are improving customer satisfaction, brand loyalty, and profitability, making them an essential part of retailers' processes for planning their assortments.
- Retail assortment management platform vendors are making significant investments in enhancing their capabilities in artificial intelligence, machine learning, and advanced analytics, as well as improving the performance of the entire business, in order to support a variety of current and future use cases, purchasing and planning decisions, assortment localization, and other functions.
- Retailers are increasingly relying on applications for retail assortment management to effectively adjust stock levels to meet anticipated demand. This helps businesses keep their inventory low, move products as quickly as possible, and provide excellent customer service.
- In addition, retailers place a strong emphasis on automating demand forecasts for each seasonal product in order to precisely sort it according to demand, location, and season.

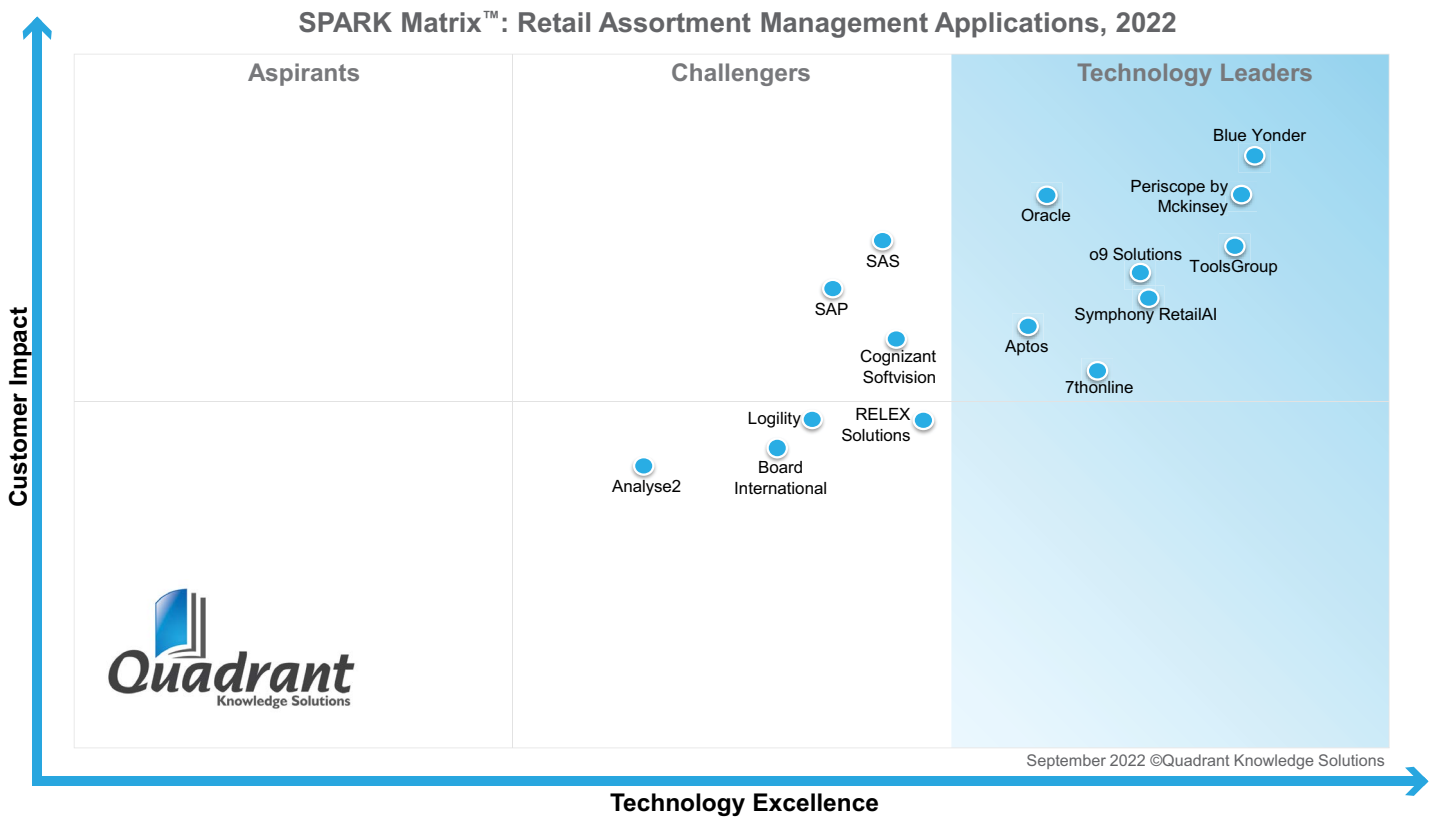
SPARK Matrix Analysis of the Retail Assortment Management Application (RAMA) Market

[Quadrant Knowledge Solutions](#) conducted an in-depth analysis of the major Retail assortment management application vendors by evaluating their product portfolio, market presence, and customer value proposition. The Retail assortment management application (RAMA) market outlook provides competitive analysis and a ranking of the leading vendors in the form of a proprietary SPARK Matrix™. SPARK Matrix analysis provides a snapshot of key market participants and a visual representation of market participants. It provides strategic insights on how each vendor ranks related to their competitors based on their respective technology excellence and customer impact parameters. The evaluation is based on primary research, including expert interviews, analysis of use cases, and Quadrant’s internal analysis of the overall RAMA market.

Technology Excellence	Weightage	Customer Impact	Weightage
Sophistication of Technology	20%	Product Strategy & Performance	20%
Competitive Differentiation Strategy	20%	Market Presence	20%
Application Diversity	15%	Proven Record	15%
Scalability	15%	Ease of Deployment & Use	15%
Integration & Interoperability	15%	Customer Service Excellence	15%
Vision & Roadmap	15%	Unique Value Proposition	15%

According to the SPARK Matrix analysis of the global Retail Assortment Management Application market, “Blue Yonder, with its robust, comprehensive capability, domain-specific rich expertise, and global coverage, has secured strong ratings across the performance as well as customer impact parameters and has been positioned amongst the technological leaders in the 2022 SPARK Matrix of the Retail Assortment Management Application market.”

Figure: 2022 SPARK Matrix™
 (Strategic Performance Assessment and Ranking)
 Global Retail Assortment Management Application (RAMA) Market



Blue Yonder Capabilities in the Global Retail Assortment Management Application (RAMA) Market

Founded in 1985 and headquartered in Scottsdale, Arizona, Blue Yonder is a provider of end-to-end supply chain management and omnichannel commerce solutions. In September 2021, Panasonic acquired Blue Yonder to offer enhanced end-to-end supply chain solutions and work collaboratively towards its shared vision of an Autonomous Supply Chain by aggregating IoT and AI/ML technologies. Blue Yonder offers a broad suite of solutions, including supply chain planning, supply chain execution, and omnichannel commerce. Blue Yonder offers the Luminate™ planning platform that leverages digital twin planning for intelligently predicting the problem and opportunities to ensure that the organization's actions are carried out adequately and production, inventory, and labor are planned intelligently. The Luminate™ planning platform consists of various solutions, including demand planning, inventory optimization, network design, sales, and operation execution (S&OE), sales & operation planning (S&OP), supply planning & replenishment, production planning, and merchandise financial management.

Blue Yonder SaaS-based Retail Assortment Management Application offers robust & comprehensive capabilities to cater to hardline & Softline industries. Blue Yonder's Assortment Management for grocery, drug, and hardlines enables retailers to have responsive assortments, higher inventory turns, improved customer loyalty, and increased productivity. Through customer data science, point-of-sale (POS) data, planograms, and location information, Blue Yonder's assortment management enable retailers to gain analytics-driven insights to optimize localized assortment based on customer preference. It is also equipped with a modern user interface that provides comprehensive qualitative and quantitative as well as recommendations to streamline productivity and drive informed decision-making.

Analyst Perspective

Following is the analysis of Blue Yonder's capabilities in the global retail assortment management systems market:

- Blue Yonder focuses on the luminate planning platform, which leverages planning, enhanced user experience, integrated planning

& execution, and cognitive planning and skills. The company's assortment management combines in-depth analytics, consumer purchase preferences, assortment lifecycle planning, and sizing and pre-pack optimization into a simplified workflow to increase customer satisfaction and profitability.

- Blue Yonder offers a central luminate platform that synchronizes solutions across planning, execution, labor, eCommerce, and delivery to optimize end-to-end business processes and workforce seamlessly. The company offers APIs workflow capability to extend usability and resolve supply chain disruption utilizing network-wide visibility, collaboration, and orchestration.
- Blue Yonder offers space-aware assortment planning capability that helps organizations to analyze the inventory requirement and actual space with a planogram to recommend assortment strategy. It helps organizations to fit the product into available space best to optimize the assortment.
- Blue Yonder offers advanced clustering that helps retailers identify hidden demand patterns to group stores which will help them to categorize based on their shopping experiences and regions. It helps organizations to optimize store-level assortment, inventory costs, ROI, and overall customer loyalty.
- Blue Yonder offers a customer-centric assortment that builds localized assortment based on ML-driven insights of potential customer affinity that help minimize clearance markdown and improve the customer shopping experience. It also helps organizations to optimize the assortment based on location and customer preferences. Blue yonder also offers projected sales capability that construct informed assortment changes and predict item sale rates with advanced analytics. It helps organizations understand the key influencing factor such as item historical data and seasonality to optimize assortment strategy.
- Blue Yonder offers integrated planning and execution capability that integrates the merchandise financial planning process with a downstream execution system to provide a streamlined view. It offers

enhanced insights that enable organizations to make better strategic recommendations based on pricing, promotion positioning, and inventory.

- Blue Yonder's Assortment Management for Softline helps retailers to enhance customer satisfaction and maximizes profitable sales by providing the right product mix at the right time and right location. Blue Yonder's Assortment Management leverages AI and ML technology facilities and buyers to build best-fit assortments aligned to customer preferences. It is also equipped with a modern user interface that provides comprehensive qualitative and quantitative as well as recommendations to streamline productivity and drive informed decision-making.
- Blue Yonder's strategic alliance with Microsoft fits the mission to deliver the autonomous supply chain to enterprises by integrating sophisticated, intelligent cloud platform capabilities. Blue Yonder's solutions assist users in reimaging the supply chain and empowering the team to provide an excellent client experience. The company offers an extensive partner ecosystem that enables organizations to leverage the best-of-breed technologies and tools and drive business value.
- The company strongly focuses on configurable user experience and dashboards, workflow and orchestration, no code mobile studio, and integration framework to elevate the customer experience and deliver exceptional results.
- The platform provides a robust technology value proposition with its technology differentiators, including intelligent, localized assortment, assumption-based planning, single view of assortments, forecast sales for new items with data science, an integrated planogram system to automate planogram creation to meet the specific space and customer shopping pattern in each store.
- Blue Yonder can cater to various user-specific solutions for retail segments. The company serves diverse customer requirements by offering a customizable SaaS-based solution such as creating assortment recommendations, understanding shopper data,

reviewing assortment recommendations, and amending assortment recommendations.

- From a geographical presence, Blue Yonder has a major presence in North America and Europe, followed by the Asia Pacific, Middle East, Africa, and Australia. The company holds a customer base across various industry verticals, including retail grocery, retail hardlines, soft lines, consumer industries, automotive & industrial, high-tech and semiconductor, and third-party logistics.
- In terms of product strategy and future roadmap, Blue Yonder intends to expand its current Luminate commerce suite with upcoming technologies like automation, AI/ML, and predictive analytics. The company also intends to integrate numerous stand-alone systems into a single unified platform with a single source of truth for the whole corporation.
- The primary challenge of Blue Yonder is the growing competition from well-established and emerging business application vendors. These companies are increasingly broadening their solution offerings by developing in-house capabilities and partnerships and acquiring specialists from the supply chain planning and execution domain. Additionally, the company is also facing challenges in growing its cloud-based revenue compared to its competitors. However, with its strong, diverse geographical customer presence and track record to serve SMBs and large and complex markets, AI-powered capabilities, flexibility, scalability, and unified & centralized platform, real-time operation visibility, and advanced analytics, Blue Yonder is expected to continue to grow its revenue across industry segments and geographical regions.