

IDC MarketScape

IDC MarketScape: Worldwide Retail Customer Relationship Management Software 2024 Vendor Assessment

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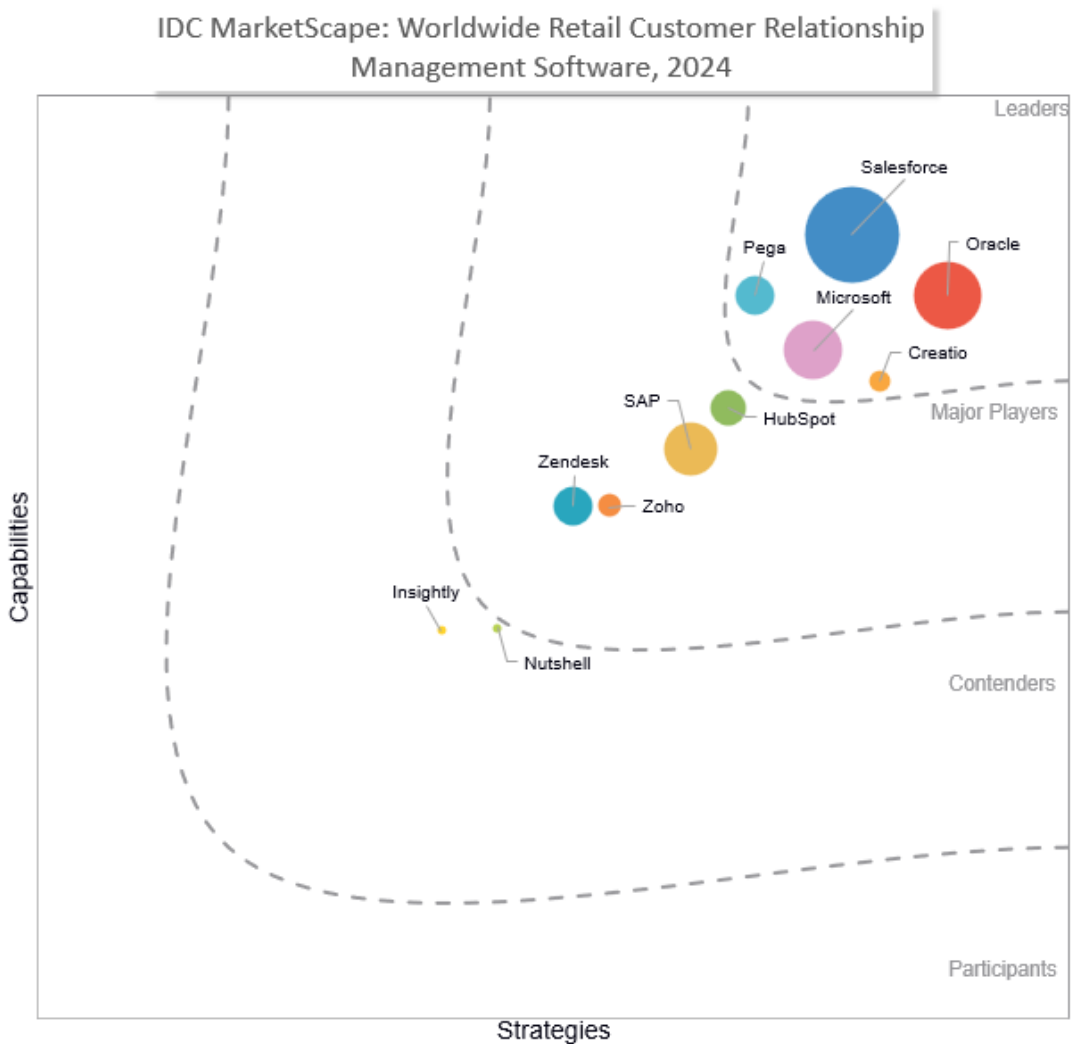
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THIS IDC MARKETSCAPE EXCERPT FEATURES ORACLE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape: Worldwide Retail Customer Relationship Management Software 2024 Vendor Assessment



Source: IDC, 2024

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Retail Customer Relationship Management Software 2024 Vendor Assessment (Doc # US51036924e). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

IDC's *Global Retail Survey* conducted in July 2023 finds that 37% of retailers worldwide plan to implement or update their customer relationship management (CRM) solutions within the next three years. Although CRM is not a novel CX-enabling solution, it is a set of must-have technologies that companies must put in place and constantly integrate into their broad range of data management capabilities and services to enhance their single view of customers and act on it. In retail, CRM fulfills multiple functions such as consistent customer data management and detailed segmentation, streamlined sales cycles, social media sentiment analysis and engagement, contextualized marketing, optimized customer service, and customer loyalty management. Its primary objective is to optimize and facilitate all client-facing business processes, thereby strengthening customer relationships and increasing sales.

In today's challenging economic environment, nurturing customer relationships has become imperative for retail organizations seeking to distinguish themselves from competitors and achieve sustainable growth. CRM and loyalty are increasingly intertwined, and their seamless integration is crucial for driving long-term customer value. Furthermore, recent advancements in AI and generative AI (GenAI) are significantly enhancing CRM solutions, enabling retailers to analyze vast amounts of customer data, generate insights, and automate processes. This revolutionizes internal decision-making and further solidifies CRM's role as a critical component of today's retail strategies.

Modern consumers expect highly tailored experiences that cater to their unique preferences and needs, whether they shop online, in-store, or via mobile apps. This is particularly true for the new generation of customers who interact with brands across multiple touchpoints and expect a consistent and personalized experience. However, IDC data suggests the lack of content consistency and personalization remains one of the most pressing omni-channel challenges for retailers. Therefore, CRM remains a key component of today's retail strategy, as it is vital for comprehensively analyzing customer data – including purchase history, browsing patterns, and social media interactions – to deliver customized and relevant content successfully.

Today, the convenience of the shopping experience is paramount, both online and offline. IDC data also indicates the persistence of multiple friction points in the customer journey is another key omni-channel challenge for retailers. CRM plays a crucial role in ensuring a seamless shopping experience across all channels. Online, this is achieved through intuitive navigation, personalized landing pages, and streamlined checkout processes. Offline, it translates into more personalized in-store services, such as customized assistance based on customer profiles accessed by sales associates via mobile devices. Furthermore, the integration of online and offline data through CRM systems ensures customers enjoy a consistent and cohesive experience regardless of the shopping medium, enabling a more holistic approach to customer engagement and retention.

This IDC report profiles software vendors whose CRM offerings range from retail-specific solutions to horizontal ones, which include templates to accommodate retail-specific workflows. Additionally,

some of the vendors assessed employ modular best-of-breed strategies, while others provide more unified platforms. These platforms aim to orchestrate all omni-channel retail operations by centering customer data in every process, from merchandising and inventory planning to store operations and supply chain management. Based on our assessment of retail CRM vendors' offerings for this IDC MarketScape, several key milestones characterize the definition of CRM and selection criteria. These include:

- **Partnering attitude in the achievement of customer-centric retail CX strategies.** A holistic approach that puts customer data at the core of retail strategy, including retail operations, customer-facing processes, as well as product/marketing strategies and organizational/technology choices. Especially with advancements in AI/GenAI and ML, the use of predictive analytics enables retailers to provide proactive/intelligent responses to changing consumer demands, ensuring their strategies align with current market trends.
- **Artificial intelligence/machine learning (AI/ML) analytics foundations.** Modern CRM solutions are increasingly leveraging advanced AI and ML capabilities to enhance customer data analysis and personalization. By utilizing AI/ML algorithms and predictive analytics, CRM systems can suggest products that closely align with individual customer preferences and past behavior, driving higher conversion rates and customer satisfaction. AI and ML also enable CRM systems to monitor the effectiveness of marketing campaigns and promotions concerning lead generation, conversion rates, and revenue generation. This continuous feedback loop enables retailers to improve the customer experience, minimizing churn and lost purchases.
- **Supporting the specific needs of retail and consumer packaged goods (CPG) companies as well as accommodating B2C and B2B2C business models.** Retail B2C CRM must handle larger volumes of customer and transaction data compared with B2B CRM, requiring a focus on omni-channel execution and customer data collection and segmentation. Retail-specific CRM solutions must integrate seamlessly across various channels, including ecommerce platforms, social media, email marketing, mobile apps, and in-store technologies to capture customer data and facilitate smooth transactions. These systems should also provide personalized product offers and recommendations, marketing campaigns, and trade promotion capabilities to help marketing teams execute and monitor the success of their loyalty and engagement strategies.

At the same time, we have also considered new and/or strong trends shaping the retail industry:

- **Retailers are approaching the phaseout of third-party cookies.** Now that consumer privacy regulations are more stringent and big tech platforms restrict the use of third-party cookies, the success of retailers' engagement strategies becomes fundamental to collecting rich first-party customer data. For this reason, CRM solutions are also playing a role in providing retailers with first-party data collection methods such as customer surveys and polls.
- **The importance of integrating customer engagement applications with social media.** Social media has become a crucial channel for customer engagement and brand building. CRM systems can track and manage interactions across platforms such as Facebook, Instagram, X, and TikTok. This helps retailers understand customer sentiments, manage social media campaigns, and respond to customer inquiries in real-time.
- **The role of GenAI in supporting retail decision-making and automating retail business processes is growing.** As GenAI advances and matures, CRM solutions are embedding not only AI capabilities but also GenAI functionalities. For instance, GenAI-driven chatbots help retailers automate routine inquiries, offering seamless omni-channel customer support through various channels such as phone, email, and live chat, ensuring accessibility and convenience for consumers. Additionally, the use of GenAI copilots for marketing and sales teams leads to enhanced and more data-driven internal decision-

making. Many CRM providers are integrating GenAI copilots across their suite of CRM products to assist users in carrying out tasks, analyzing data, producing forecasts, and creating ad hoc reports through simple text prompts, eliminating the need for complex data manipulation.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

In this IDC MarketScape, IDC Retail Insights assesses the capabilities and strategies of enterprise software vendors in serving the needs of retail companies worldwide across industry segments (food and nonfood retail).

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

- The vendor should have worldwide coverage. The provider demonstrates evidence of strong market penetration through direct presence and knowledge of U.S., LATAM, EMEA, and APAC business contexts. The provider must be able to support global retailers in their activities and expansion across mature and emerging markets.
- The provider must be able to support global retailers and consumer companies in their activities and expansion across mature and emerging markets, across both ecommerce and brick-and-mortar stores. The provider can fulfill or enrich their portfolio of capabilities through proven collaborations with external partners. In such cases, the provider must demonstrate its active role in supporting the client as well during the delivery of the services provided by its partners.
- The software provider must have experience in the retail industry, with the broadest possible set of industry processes and segments. Providers with no experience have been excluded. Only software and specialty CRM platform providers were considered for this assessment.
- The vendor also has the capability to provide AI foundations (including GenAI, where possible and adequate) embedded in the CRM platform's core capabilities.
- Vendors can fulfill one strategic priority gap and eventually enrich some capability that is part of their services through proven collaborations with external partners.

ADVICE FOR TECHNOLOGY BUYERS

When selecting a CRM platform for a retail company, several factors should be considered by tech buyers to make proper and informed decisions. IDC recommends the following in selecting the most suitable CRM platform:

- **Clearly define the business needs.** Retailers need to precisely identify their business needs, goals, and specific requirements of their companies, considering the size of retail operations, the complexity of customer interactions, and the features and functionalities they require from their CRM platforms.
- **Consider scalable and flexible solutions.** In line with the constantly evolving market situation, retailers should consider whether the chosen platform can handle increasing data volumes, support additional users, and integrate with other internal systems, on top of providing customization options to adapt to evolving business processes and workflows.
- **Take into account integration capabilities.** The CRM platform should guarantee seamless integration with point-of-sale (POS) systems, inventory management software, ecommerce platforms, and other tools; this capability will streamline data flow, eliminate manual data entry, and provide a comprehensive view of the company's business processes.

- **Consider mobile accessibility.** In today's mobile-driven world, it is essential to choose a CRM platform that offers mobile accessibility; retailers should ensure their chosen platforms provide mobile apps or responsive interfaces that can enable employees to access customer information, manage leads, and perform essential tasks on the go, thus promoting flexibility and increasing productivity.
- **Prioritize data security and privacy.** When selecting CRM platforms, retailers should ensure the presence of robust security measures such as data encryption, access controls, regular backups, and compliance with data protection regulations.

VENDOR SUMMARY PROFILES

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 of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and opportunities.

Oracle

After a thorough evaluation of Oracle's strategies and capabilities, IDC positioned the company in the Leaders category in the 2024 IDC MarketScape for Worldwide Retail CRM Platform Software Providers.

Oracle is a U.S.-based software, hardware, and services provider, with headquarters in Austin, Texas. The company is widely acknowledged for its Cloud infrastructure services and its integrated suite of industry-specific applications. In the retail sector, its omni-channel store services have grown a substantial customer base, especially in large companies in the fashion and luxury space.

Oracle Retail Customer Engagement (ORCE) is the company's cloud-native suite of applications, delivered as a SaaS subscription model, and designed specifically for retail CRM. ORCE plays a key role in the company's strategy and vision called "The Platform for Modern Retail," which aims at orchestrating all omni-channel operations by putting customer data at the core of each process, from merchandising, and inventory planning, to store operations and supply chain. In terms of capabilities, the platform includes Customer and Segmentation Management, Loyalty and Awards Management, Campaign and Deal Management, Promotion Engine, and Gift Card Management Cloud Services. AI and ML features are also integrated into the platform to improve the effectiveness of offers and promotions, enhance customer data quality, and provide data-driven insights and reporting.

Quick Facts About Oracle

- Employees: 160,000+
- Global reach: Global presence

Highlights of Oracle's Distinctive CRM Capabilities

- **Industry-specific CRM capabilities:** Oracle's CRM capabilities offering is well-positioned to fulfill the specific requirements of the retail industry. For example, the customer segments can be used by retailers to create targeted audiences that are leveraged not only for personalized promotions/offers, but also in-store to trigger sales associates' follow-up activities. A key feature of this solution resides in the deep integration between ORCE's clienteling and customer segmentation capabilities, enabling store associates to recognize and manage high-potential prospects to drive incremental sales.
- **The consistency of omni-channel retail promotions:** In January 2023, Oracle released an omni-channel promotion engine which is deeply integrated into the ORCE suite of applications, including POS and order management system (OMS). The highly responsive and scalable tool diminishes the complexity of calculating personalized promotions across

retailers' online and offline channels, delivering optimized response times that are key to enhancing the customer experience. In addition, the architecture equips retailers with Oracle's Xstore POS system to access the promotional engine even in stores with limited or no reliable internet connection.

Strengths

As highlighted by customer interviews, the key strength of the Oracle Customer Engagement solution resides in its ability to deliver a 360-degree customer view and personalized experiences across different retail systems, including POS, ecommerce, and other shopper- and associate-facing applications. Additionally, retailers that implement the entire suite of Oracle Retail Cloud can decrease the complexity stemming from siloed data, disparate systems, and disjointed processes.

Among the vendors included in the IDC MarketScape, ORCE has one of the most GenAI-oriented product road maps for retail. The company is working on implementing a new set of capabilities embedded into its customer engagement applications by leveraging the language model Cohere (for example, by automating audience generation for promotions and optimizing the suggestions according to financial and business goals).

Challenges

Although ORCE has a comprehensive offering in terms of customer engagement services, customer services management capabilities are not included by design in the platform. Therefore, retailers evaluating Oracle's retail CRM should consider integrating it with complementary products in Oracle's portfolio offering for retail or relying on third-party solution providers.

The One Oracle strategy aims at integrating seamlessly all Oracle Cloud applications, but customer interviews revealed how this integration could be further enhanced, especially between ORCE and the Oracle Retail Cloud applications. However, the company's short-term road map focuses on building and enriching integrations, including the one between ORCE and Merchandising Service as well as ORCE and Pricing Cloud Service.

Consider Oracle When

Oracle is a good fit for midsize and large retailers that need to optimize their omni-channel engagement strategies across online and offline channels. In addition, due to its in-store clienteling capabilities, it is particularly well-suited for fashion and luxury companies or other categories that need advanced and personalized consultation services.

APPENDIX

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 with 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, as well as business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape is based on IDC Retail Insights' estimates of each vendor's market share for CRM within the specific market segment being assessed.

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 vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior and capability.

Market Definition

A CRM platform refers to a set of applications that automate the customer-facing business processes within an organization, regardless of industry specificity (e.g., advertising, marketing, digital commerce, sales, customer service, and contact center). Collectively, these applications serve to manage the entire life cycle of a customer – including the process of brand building, conversion of a prospect to a customer, and the servicing of a customer – and help an organization build and maintain successful relationships and interactions across channels.

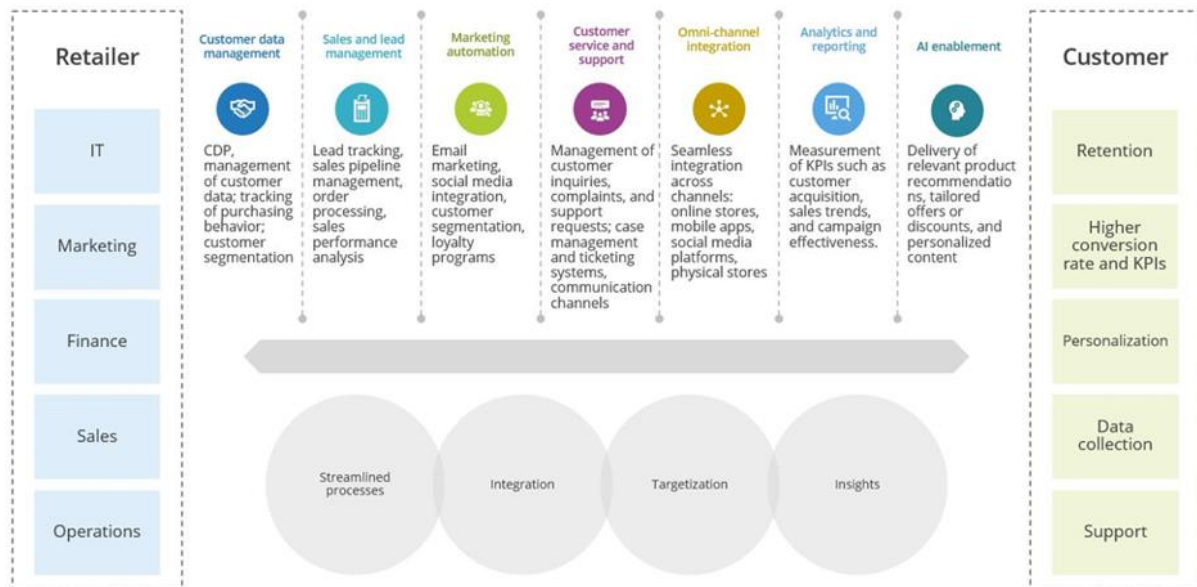
For retail core CRM capabilities and functionalities that enable customer experience differentiation, along with the required operational efficiencies for profitability, data sharing and peers/suppliers' collaboration, and business model agility, see Figure 2:

- **Customer data management.** CRM platforms serve as centralized databases for storing and managing customer information such as contact details, purchase history, preferences, and interactions. The centralized storage of data ensures data accuracy across company functions, easy accessibility at all levels, and compliance with the highest security standards. In terms of customer segmentation and profiling, CRM platforms enable retailers to segment customers based on criteria such as demographics, purchase behavior, and loyalty status. This enables targeted marketing and personalized customer experiences. CRM platforms also provide functionalities for managing customer loyalty programs, including reward points, tiered memberships, and personalized offers. These features drive customer retention and repeated business opportunities. Regarding this feature, it is interesting to note that tech vendors also promote a wide range of standalone loyalty platforms that comprise suites and programs specifically designed for this task. Retail companies can choose to adopt a more comprehensive solution or a specific and dedicated one according to their business needs and their need for scalability and integration.
- **Sales and lead management.** CRM platforms facilitate lead tracking, sales pipeline management, and order processing. Retailers can effectively monitor and analyze sales performance, manage sales teams, and track customer engagement throughout the sales cycle.
- **Marketing automation.** CRM platforms enable retailers to create and execute targeted marketing and communication campaigns. Features such as email marketing, social media integration, and customer segmentation enable retailers to personalize messaging and promotions to ensure the maximum impact in terms of customer base reach, conversion rate, and consequently customer engagement and retention.

- **Customer service and support.** CRM platforms generally provide tools for managing customer inquiries, complaints, and support requests. They offer case management systems, ticketing systems, and communication channels to ensure efficient and timely customer issue resolution.
- **Omni-channel integration.** With the rise of multichannel retailing, CRM platforms enable seamless integration across various channels, including online stores, mobile apps, social media platforms, and physical stores. This ensures consistent customer experiences across all touchpoints.
- **Analytics and reporting.** CRM platforms offer comprehensive analytics and reporting capabilities to track and measure key performance indicators (KPIs) such as customer acquisition, sales trends, and campaign effectiveness. These insights aid data-driven decision-making.

FIGURE 2

The Retail CRM Platform



Source: IDC, 2024

Finally, the retail CRM system relies on a cloud-first architecture (with possibility of on-premises or public, private, or hybrid cloud delivery, when necessary) and provides development services and API-based integration with enterprise services, data services, and consumer services, while delivering business loyalty and retail-commerce-related services. At the same time, it leverages artificial intelligence, GenAI, machine learning models, or an advanced analytics foundation.

LEARN MORE

Related Research

- *The Impact of Generative AI on Retail Customer Experience* (IDC #EUR152067924, April 2024)
- *The Renewed Role of Customer Centricity: What Retail Customer Experience Looks Like in 2024* (IDC #EUR151926124, March 2024)
- *IDC FutureScape: Worldwide Retail 2024 Predictions* (IDC #US51280023, October 2023)
- *IDC TechBrief: Customer Data Platform in Retail* (IDC #US49190523, October 2023)
- *IDC PlanScape: The Retail CRM Platform* (IDC #EUR151007223, July 2023)
- *IDC MarketScape: Worldwide Retail Commerce Platform Software Providers 2023 Vendor Assessment* (IDC #US49436223, April 2023)

Synopsis

This IDC MarketScape profiles key CRM software providers in the retail sector, assessing their strategies and capabilities to meet the evolving needs of retail companies, with a focus on customer-centric approaches and technological innovation. The study highlights the increasing importance of CRM solutions in the retail sector, emphasizing their role in enhancing customer relationships, optimizing sales, and integrating advanced technologies such as AI for better data analysis and personalized customer experiences.

"In the face of changing consumer expectations and the digital revolution, retailers must adapt or risk obsolescence. The right CRM solution is not just a tool – it is a strategic asset for personalized engagement and sustainable growth," said Ornella Urso, research director, IDC Retail Insights. "As the retail industry evolves, the importance of a unified customer view cannot be overstated. With AI and GenAI revolutionizing CRM systems, retailers can now unlock unprecedented insights and automation, transforming their strategies and customer relationships to deliver personalized and frictionless shopping experiences."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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