Everest Group®

Everest Group Retail IT Services PEAK Matrix® Assessment 2024

Focus on Cognizant

April 2024

PEAK MATRIX®

Introduction

Despite macroeconomic conditions, retail enterprises are strategically investing in IT modernization initiatives throughout their value chain. The enterprise focus is on enhancing customer experience through AI and data analytics, optimizing supply chains with technologies such as IoT and automation, and integrating e-commerce seamlessly. Priorities also include strengthening data security, ensuring compliance, and automating manual processes for improved efficiency. Retailers are investing in IT transformations to adapt to market trends, employ data-driven decision-making, and gain a competitive edge through innovation. Recognizing the necessity of agility in a dynamic market, they aim to utilize cutting-edge technology solutions and platforms to promptly respond to evolving consumer preferences and emerging trends.

In this research, we present an assessment and detailed profiles of 24 service providers featured on the Retail IT Services PEAK Matrix® Assessment 2024. Each provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading service providers, client reference checks, and an ongoing analysis of the retail IT services market.

The full report includes the profiles of the following 24 leading IT service providers featured on the Retail IT Services PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, Deloitte, HCLTech, Infosys, TCS, and Tech Mahindra

- **Major Contenders:** Brillio, DXC Technology, EY, Genpact, Hitachi Digital Services, HTC Global Services, Kyndryl, LTIMindtree, Mastek, SoftServe Stefanini, and Wipro

- **Aspirants:** CI&T, Cigniti, Happiest Minds, and Sutherland

Scope of this report

Geography: Global

Providers: 24 leading IT service providers

Services: Retail IT services

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Retail IT services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, Deloitte, HCLTech, Infosys, TCS, and Tech Mahindra

- Leaders are characterized by their ability to successfully execute complex, multi-product/-platform, advisory-led IT transformations, underpinned by their strong global delivery network

- These providers have strong partnerships with big tech firms, such as SAP and Oracle, hyperscalers, such as AWS, Azure, and GCP, supply chain specialists, digital commerce providers, and specialized firms to enhance in-store operations, to innovate and build client-specific solutions

- They have a mature suite of industry-specific tools and solutions to accelerate time-to-market for their retail clients

Major Contenders

Brillio, DXC Technology, EY, Genpact, Hitachi Digital Services, HTC Global Services, Kyndryl, LTIMindtree, Mastek, SoftServe, Stefanini, and Wipro

- These providers are making continued investments in building retail-focused proprietary tools, solutions, and accelerators to enhance their service delivery capabilities

- They have built meaningful capabilities to deliver IT transformation services; however, their service portfolios are not as balanced and comprehensive as those of Leaders

- They take a balanced organic and inorganic approach to fill gaps across their services portfolio and further improve their global delivery footprint and enhance capabilities

Aspirants

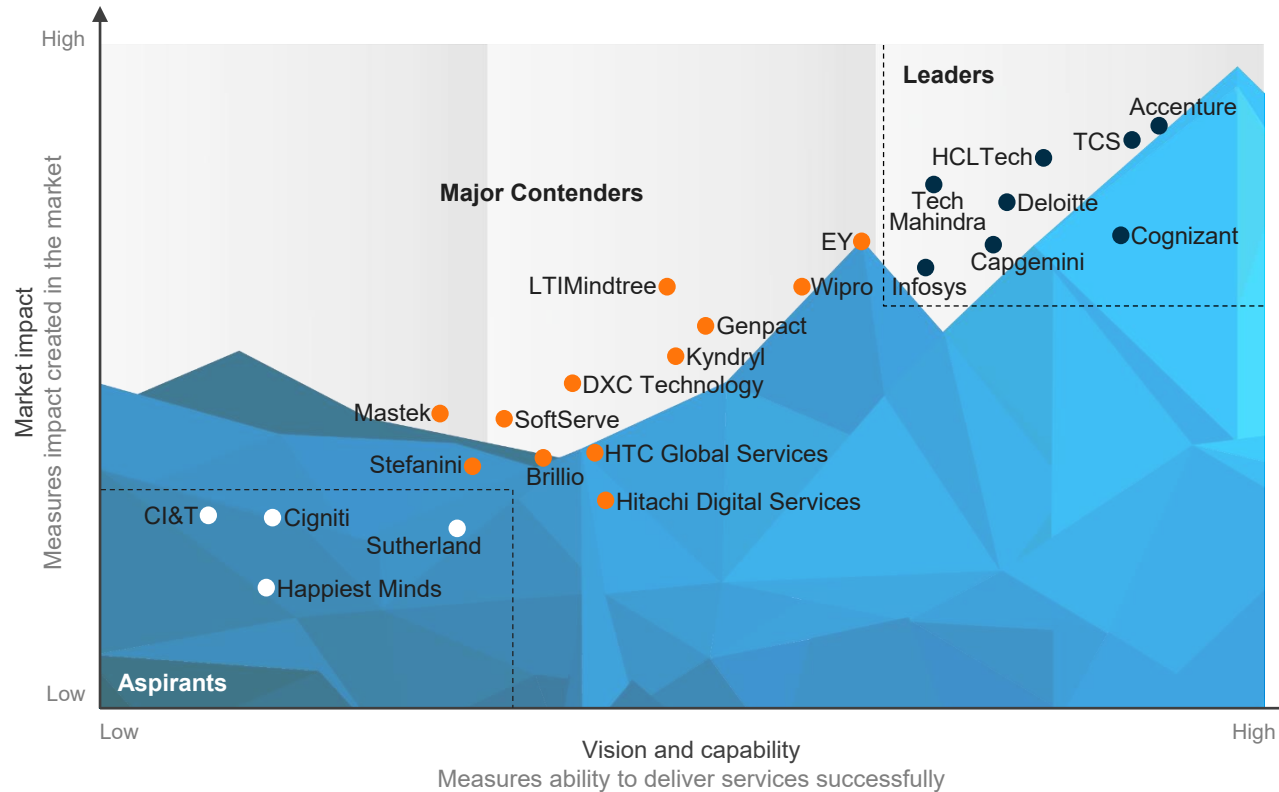CI&T, Cigniti, Happiest Minds, and Sutherland

- Aspirants have good proof points in delivering implementation and/or managed services of low- to medium-complexity IT initiatives for Small and Midsize Buyers (SMBs)

- They are either focused on a certain product(s), specialize in a particular value chain segment, or currently have a relatively small retail IT services practice

- They lack the scale of partnerships and IP to enable complex transformation initiatives and specialize in certain segments across the retail value chain.

Everest Group PEAK Matrix®

Retail IT Services PEAK Matrix® Assessment 2024 | Cognizant is positioned as a Leader

Everest Group Retail IT Services PEAK Matrix® Assessment 2024[1]

- ● Leaders
- ● Major Contenders
- ○ Aspirants

Market impact
Measures impact created in the market

High

Leaders

Accenture

TCS

HCLTech

Tech Mahindra   Deloitte

EY   Cognizant

Major Contenders   Infosys   Capgemini

LTIMindtree   Wipro

Genpact

Kyndryl

DXC Technology

Mastek   SoftServe

Stefanini   HTC Global Services

Brillio

Hitachi Digital Services

CI&T   Cigniti

Sutherland

Happiest Minds

Low   **Aspirants**

Low   **Vision and capability**   High
Measures ability to deliver services successfully

1 Assessments for Accenture, Capgemini, Deloitte, DXC Technology, EY, Infosys and Wipro excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with retail buyers
Source: Everest Group (2023)

Cognizant profile (page 1 of 5)
Overview

Vision for retail IT services
Cognizant's vision for its retail IT services is to help retailers across the globe to reimagine digital by delivering seamless experiences across the retail value chain, offering solutions on blended customer experience, connected stores, intelligent supply chain, and merchandising and retail technology transformation.

Overview of the client base
Cognizant works with 100+ clients worldwide, which includes six out of the top 10 grocery retailers in North America, seven out of the top 10 general merchandise retailers in North America, two out of the top five apparel and footwear retailers in North America, and six out of the top 10 specialty retailers in North America. Its clientele includes a leading global retailer, a large grocery chain in the US, Nike, a leading pharma retail in the US and the UK, a large department store chain in the UK, a leading global convenience store chain, and a leading automotive retailer in the US.

Retail services revenue from CY 2023

<US$20 million	US$20-50 million	US$50-200 million	**>US$200 million**

Number of active retail IT services clients

<10	10-20	20-40	**>40**

Retail IT services revenue mix (CY 2023)

● N/A (0%) ● Low (1-20%) ● Medium (20-40%) ● High (>40%)

By geography

● North America	● United Kingdom	● Europe
● Asia Pacific	● Latin America	● Middle East & Africa

By services type

● Application services	● Digital consulting	● Digital services
● Infrastructure services	● Platform services	

By buyer size

● Small (annual client revenue <US$1 billion)	● Medium (annual client revenue US$1-5 billion)	● Large (annual client revenue US$5-10 billion)
● Very large (annual client revenue US$10-20 billion)	● Mega (annual client revenue >US$20 billion)	

Cognizant profile (page 2 of 5)
Key solutions

[NOT EXHAUSTIVE]

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver retail IT services

Name	Details
One OMS	Cognizant One Order Management combines the toolset of industry-leading IBM order management with value-added functionality and services from Cognizant. This cloud-based solution is optimized with pre-built integrations, enhanced reporting and analytics capabilities, inventory caching, and other tools and accelerators.
Merch Insight	Automated solutions to manage the processes from assortment planning to replenishment
Cognizant Customer Concierge	Solution aimed to create a frictionless shopping experience in partnership with AWS
OneExperience platform	One app one device solution to transform store operations and improve associate productivity
Converged Store	Lightweight and nimble app for mobile PoS built for transaction simplicity
Cognizant® Interactive Data Visualization Platform	Enterprise-grade integration, interaction, and insights platform on AWS

Cognizant profile (page 3 of 5)

Investments

[N O T   E X H A U S T I V E]

Key partnerships/alliances/acquisitions/JVs leveraged to deliver retail IT services

Name	Type of investment (year)	Details of investment
AWS	Partnership (2010)	Cognizant is a Premier consulting partner, channel reseller, and a top global partner for AWS.
Microsoft	Partnership (2005)	Cognizant has a dedicated business unit, the Cognizant Microsoft business group, focused on the GTM partnership with Microsoft
Google	Partnership (2010)	Cognizant is a Google Cloud premier partner and a Google cloud managed services partner
SAP	Partnership (2005)	Cognizant is SAP's global strategic service partner.
Salesforce	Partnership (2005)	End-to-end provider of Salesforce services including design, consulting, implementation, and support
Oracle	Partnership (2005)	Award-winning Global modernized Oracle Partner Network (OPN) member
Adobe	Partnership (2007)	Recognized as a Global platinum partner in 2014; in 2018, Cognizant acquired Netcentric, a leading digital partner based in Europe, that specializes in end-to-end brand experience transformation for leading global companies
o9 Solutions	Partnership (2017)	Strengthens supply and demand capabilities
Blue Yonder	Partnership (2007)	Company-level accredited partner of Blue Yonder
Kinaxis	Partnership (2017)	Strengthens supply and demand capabilities

Cognizant profile (page 4 of 5)

Case studies

[N O T   E X H A U S T I V E]

CASE STUDY 1

A large global denimwear company based in the US

Business challenge

The client's objective was to accelerate sustainable D2C growth and provide a seamless multi-channel experience globally. It also wanted to engage its customers in immersive shopping experiences, enriched with easy transactions and multiple delivery and payment options.

Solution

- Implemented customer loyalty programs across the US, Canada, and multiple EU countries along with a loyalty dashboard to manage loyalty benefits
- SAP Commerce Cloud / headless commerce architecture
- Helped expand its digital presence in smaller markets in Europe, improve search optimization, and deliver Buy online, pick up in-store (BOPIS) and new payment options

Impact

- Attained 25% growth in the e-commerce business
- Enabled 10X higher usage of search functionality
- Improved search results by 60%

CASE STUDY 2

A major department store chain based out of the US

Business challenge

To keep up with the rapidly changing industry landscape, the client had to modernize its store process to include curbside pickup and efficient inventory tracking. It wanted to improve inventory movement from back room to the display area. Also, it faced declining store productivity, as store associates were tasking more and spending less time with customers on the floor.

Solution

- One-device-one-experience platform: consolidated more than 50 back-office applications and seven devices into a single Android-based platform to improve productivity and associate engagement through simplified in-store operations and technology enablement
- RFID implementation: It built an IoT- and RFID-based architecture and adopted Google Cloud components to seamlessly replace the individual store servers. Cognizant developed a multi-region, real-time inventory management solution that enabled inventory taking across stores, grouped by department, division, and brands. Unlike the earlier practice, the inventory count was now done using handheld Android-based scanners with software that makes the process error-free
- Self checkout: facilitated the selection of self checkout options and rolled out the capabilities to enable frictionless shopping experience with product, promotion, and loyalty lookup
- Omnichannel enablement: transformed the process of order pickup and parking slot booking with dynamic alerts, intuitive GPS tracking, and customer verification with a unique code

Impact

- Achieved US$50 million savings in labor cost
- Reduced in-store infrastructure cost by 20%

Cognizant profile (page 5 of 5)

Everest Group assessment – Leader

Measure of capability: ◐ Low ● High

Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◐	◐	◕	◕	●	●	◕	◕	◕

Strengths

- Cognizant is a relevant service provider for midsize, large, and mega enterprises (annual revenue >US$5 billion) seeking IT services across the retail value chain

- It has a robust partner ecosystem including leading technology suppliers, such as SAP and Oracle, supply chain specialists, such as Blue Yonder, Kinaxis, and o9 Solutions, and digital commerce and CRM vendors, such as Adobe, Salesforce, and Commercetools

- It has strong proof points of executing engagements related to forecasting, spanning demand planning, order management, and supply chain planning. Additionally, it has demonstrated notable capabilities in the modernization of in-store systems

- Clients appreciate Cognizant for its domain expertise, technical expertise, and client management capabilities

Limitations

- While Cognizant has a strong presence within North America and the UK, its client base in Europe (except the UK), APAC, LATAM, and MEA is small

- It has an onshore-/nearshore-heavy delivery model, which may prevent it from capturing labor arbitrage opportunities; it can look to further scale resources in offshore locations

- Some clients opined that talent attrition is a significant hurdle for Cognizant, especially raising concerns over training new resources
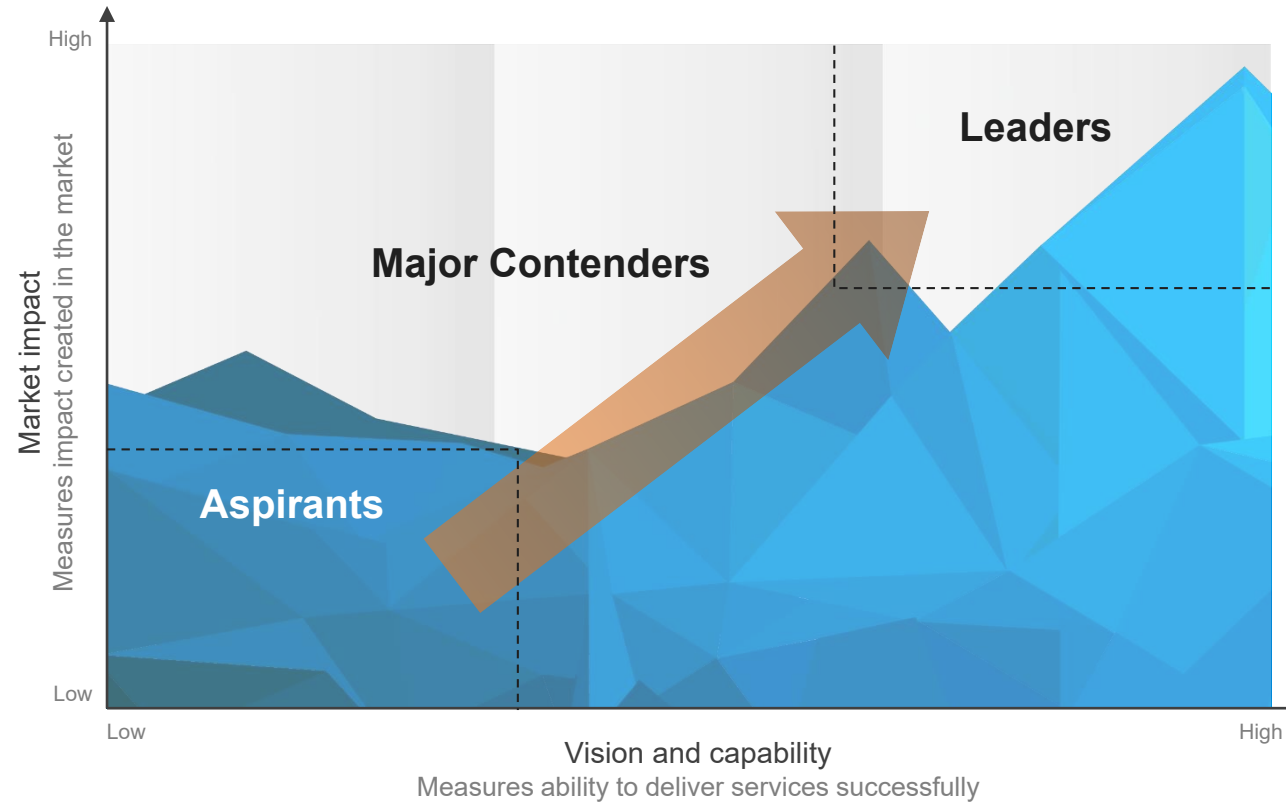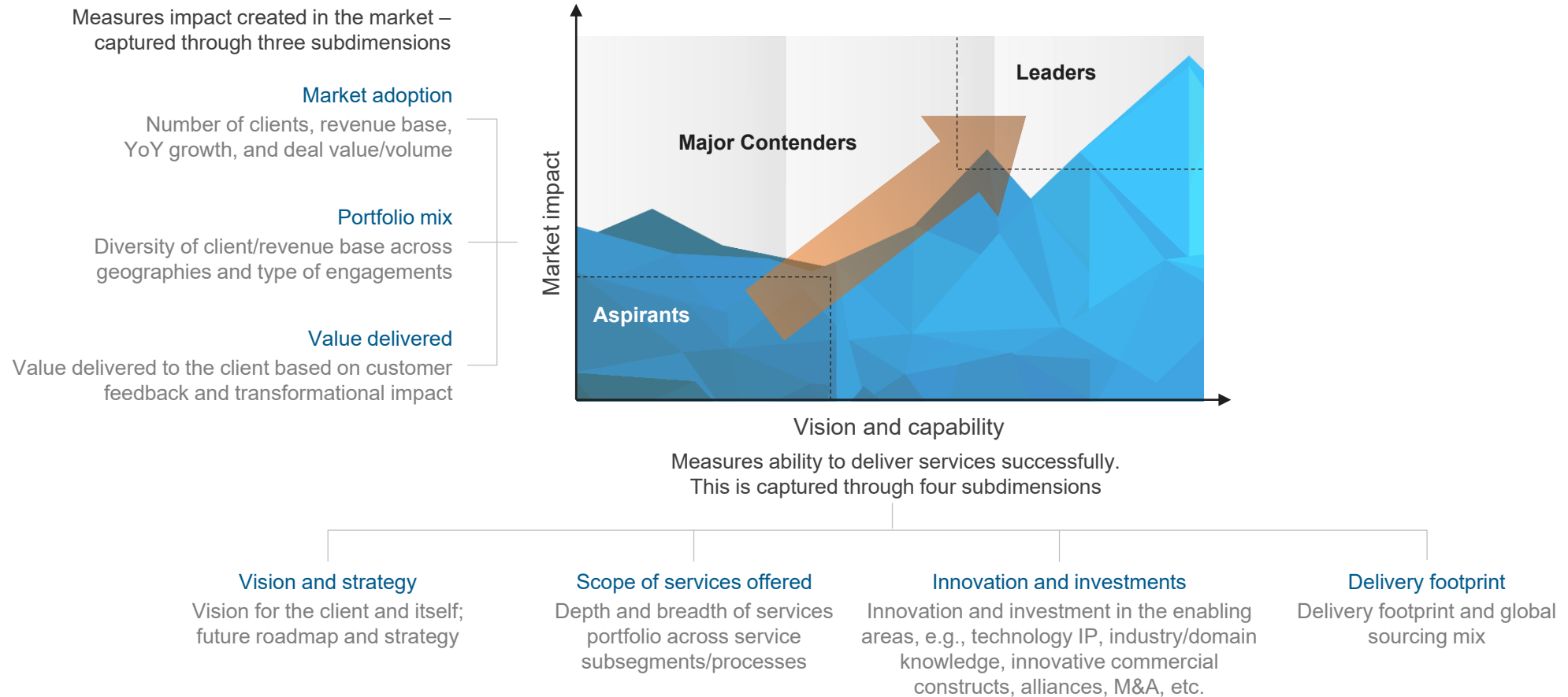
Appendix

PEAK Matrix framework

FAQs

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption

Number of clients, revenue base,
YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across
geographies and type of engagements

Value delivered

Value delivered to the client based on customer
feedback and transformational impact

Market impact (vertical axis)

Vision and capability (horizontal axis)

Leaders

Major Contenders

Aspirants

Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service subsegments/processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.	Delivery footprint and global sourcing mix

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

- For providers
  – The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  – In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  – Issue a press release declaring positioning; see our citation policies
  – Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  – Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)

- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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