

Knowledge Brief

Quadrant Knowledge Solutions

Radial is a Leader in SPARK Matrix: Omnichannel Order Management Systems 2022



An Excerpt from Quadrant Knowledge Solutions
"SPARK Matrix: Omnichannel Order Management Systems (OMS), 2022"

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Quadrant Knowledge Solutions defines an omnichannel Order Management system (OMS) as ‘software that helps retailers efficiently manage and fulfill complex customers’ orders in an omnichannel environment to improve customer service experience.’ An omnichannel OMS provides unified visibility into enterprise inventory from warehouses, distribution centers, stores, and in-transit locations and performs complex order routing to enable efficient order fulfillment from the optimum location. An omnichannel Order Management System (OMS) includes a configurable workflow engine to orchestrate and optimize the complex order processing, management, and fulfillment processes to ensure efficient order fulfillment at minimum costs.

The omnichannel OMS is currently perceived as an essential technology element in the adoption of omnichannel strategies. Global retailers are increasingly adopting omnichannel OMS to manage the ever-growing complexities of customer orders and fulfillment scenarios in an omnichannel environment. Customer experience is currently seen as the key competitive advantage with ever-growing expectations of customers for a personalized experience. Brand owners are striving to provide their customers with a consistent experience in every interaction channel and device to improve customer experience. Therefore, omnichannel OMS are increasingly becoming an integral part of omnichannel retailing and are integrated with digital commerce, POS, supply chain planning, and execution systems. Omnichannel Order Management Systems’ key value proposition of providing unified visibility and availability of enterprise inventory across networks of channels enables retailers to gain a competitive advantage with efficient order fulfillment from the optimal location at minimum operations costs.

Global retailers have well understood the importance of embracing omnichannel strategies to succeed in a highly competitive environment with ever-increasing expectations around customer experience. Omnichannel Order Management Systems play an essential role in the journey toward omnichannel retailing. Traditional OMS and ERP systems are not designed to support complex order processing, management, fulfillment, and return scenarios across a diverse network of sales and fulfillment channels. These functions were performed in silos, with the inventory sources often connected to a single channel only,

resulting in poor visibility across the supply chain networks. The poor visibility and nonavailability of information tend to increase operational cost and fulfillment time, resulting in poor customer experience. Omnichannel OMS allows retailers to deliver a seamless, consistent, and personalized experience and provide the flexibility to buy anywhere, fulfill anywhere, and return anywhere scenarios. Additionally, the inclusion of a complex order processing rule engine enables the system to ensure the customers receive orders on time at the desired location and the minimum costs.

While retailers generally get inventory visibility through RFID tagging, an integrated omnichannel order management system helps retailers gain real-time holistic visibility into enterprise inventory from a range of sources, including warehouses, in-store, in-transit, distribution centers, fulfillment centers, and third-party inventory. Omnichannel OMS often connects with retailers' networks, external systems, and enterprise applications to synchronize inventory status and provide consolidated views of real-time enterprise inventory across channels in one place. Retailers can manage their vendors, store networks, and customer orders in a single place to optimize order fulfillment in an omnichannel environment. The system allows retailers to build rules per the business requirements and operational constraints to gain real-time calculations of inventory availability and available-to-promise (ATP) for omnichannel management. Omnichannel OMS also provides capabilities to orchestrate order fulfillment across the network of channels and perform intelligent order routing to determine the optimum route for order fulfillment, optimizing cost and fulfillment time. Additionally, the OMS with centralized visibility of enterprise inventory and customer orders enables retailers to handle complex sourcing scenarios and return management processes for efficient fulfillment strategies.

Post the pandemic, product features and price are no longer the primary consideration, as customer experience is becoming the primary differentiating factor for brands to sustain. Brand owners that focus on delivering more exceptional and innovative customer experiences are increasingly becoming more profitable and are winning over the competition. A customer-centric approach helps organizations to drive improvements in customer loyalty, brand image, messaging consistency, and over revenue growth.

The customer shopping journey is increasingly becoming complex and dynamic. Customers are increasingly becoming connected and knowledgeable and have easy access to product information, pricing, and reviews. Customers are

continually researching and evaluating products from their mobile devices for shopping online or in-store or buy online-pick-up-in-store (BOPIS), and others. Customers are empowered to interact with retailers across multiple channels and communicate with product reviews through various social media and sales channels. There is an increasing number of instances of strong brand building or brand failures through customer reviews.

Omnichannel Order Management Systems vendors are focusing on improving their technology value proposition by enhancing inventory visibility and segmentation, in-store technology, and leveraging advanced automation, AI and ML technologies to improve the accuracy, speed, scalability of order orchestration, and intelligent routing, and optimization processes. Several leading vendors are also enhancing their technology value proposition to offer a unified and integrated commerce platform and solutions. Vendors continued efforts in improving the awareness, and overall value proposition in terms of enhancing DOM functionalities to support omnichannel transactions are driving the adoption amongst mid-sized and large enterprise organizations beyond the retail sector.

Quadrant Knowledge Solutions' SPARK Matrix: Omnichannel Order Management Systems (OMS), 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. This research provides strategic information for technology vendors to better understand the existing market, support their growth strategies, and for users to evaluate different vendors' capabilities, competitive differentiation, and market position.

The research includes detailed competition analysis and vendor evaluation with the proprietary SPARK Matrix analysis. SPARK Matrix includes ranking and positioning of leading OMS vendors with a global impact. This study includes an analysis of key vendors, including Aptos, Arvato, Blue Yonder, Deck Commerce, Deposco, enVista, eStar, Fluent Commerce, IBM, Keros Digital, Kibo, Manhattan Associates, Mi9 Retail, MPO, OneStock, Orckestra (mdf commerce), proximis, Pulse Commerce, Radial, Salesforce, Softeon, Symphony RetailAI, tecsys, Unicommerce, and Vinculum Group.

Market Dynamics and Trends

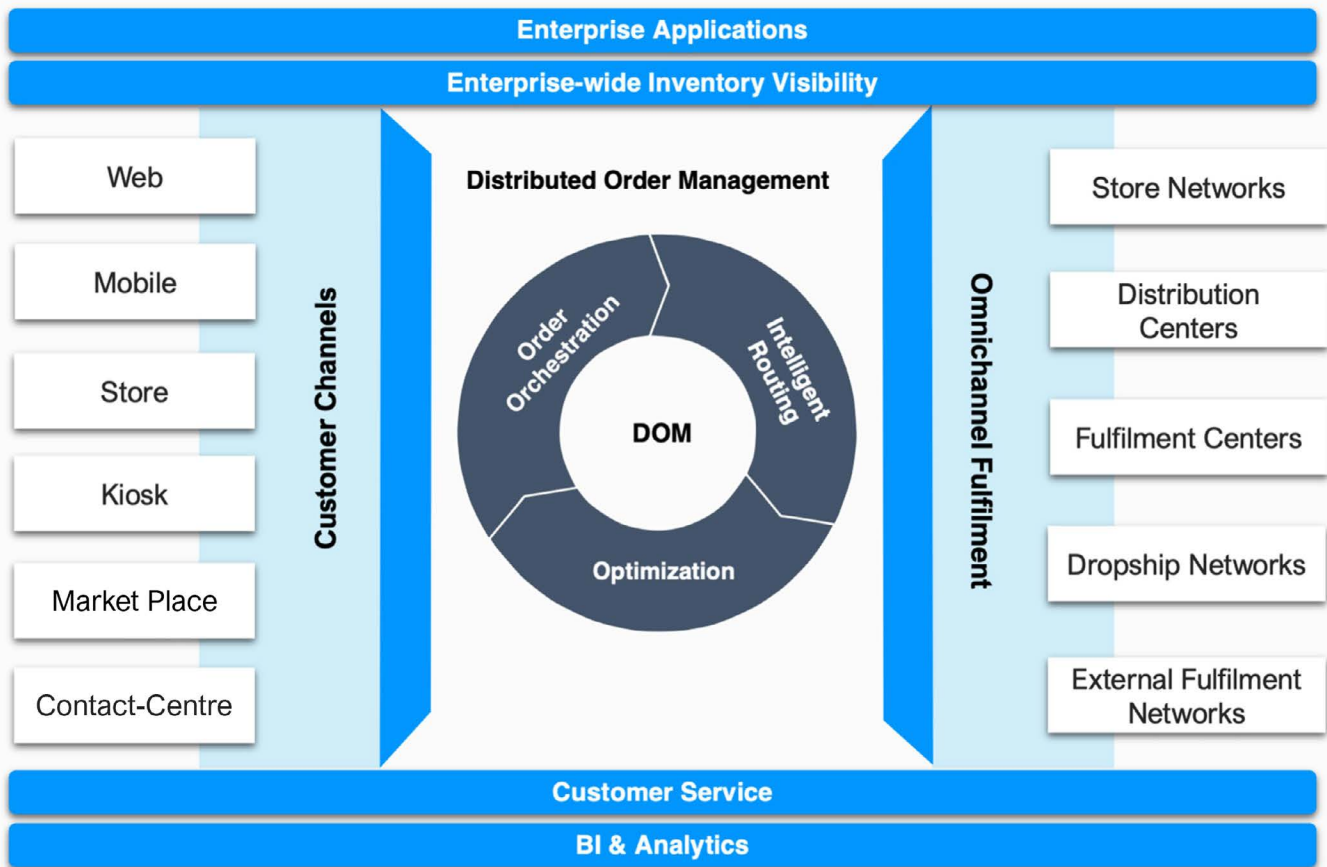
The following are the key market drivers as per Quadrant Knowledge Solutions' Omnichannel Order Management Systems (OMS) solution strategic research:

- Omnichannel OMS vendors are making significant progress in providing robust functionality to support the “buy-anywhere, fulfill-anywhere, and return-anywhere” scenarios. Vendors are increasingly providing a robust integration with all customer channels to help retailers offer their customers flexibility to buy from anywhere.
- The omnichannel OMS vendors are also investing in improving their solution's flexibility and extensibility to support future growth. The solution should allow retailers the flexibility to add any fulfillment locations and create a network of locations supporting multiple brands and geographical regions.
- OMS platform vendors are inclined to adopt the headless commerce approach to provide a robust sell anywhere and everywhere functionality. This approach is enabling retailers to accept customer orders from numerous channels, including mobile apps, AR/VR systems, marketplaces, social media, and kiosks situated at the airports, and deposit the order details from these channels into their system for fulfillment execution. Vendors are incorporating headless commerce-driven OMS platforms that are providing retailers the ability to manage their huge inventory through a unified product catalog.
- Microservice architecture is empowering OMS platform vendors to innovate their product offerings and deliver sustainable OMS capabilities in the omnichannel retail market. Many OMS vendors are shifting towards microservice-based architecture due to its flexibility in adapting to evolving and complex business operations across the supply chain network. The shift towards cloud-native microservice architecture is helping vendors as well as users to reduce system breakdown and mitigate risks that might occur during processing huge orders. It enables retailers to manage huge transactions and meet the response time during demand highs and lows.

- The emergence of the COVID-19 pandemic and the consequent social distancing norms have compelled retailers to shift from physical to digital store operations. Vendors are now focusing on offering robust OMS platforms that can accommodate an unprecedented amount of customer behavior data and handle complex logistics during this time of disruption. The necessity for maintaining social distancing has given rise to new contactless fulfillment models (contactless fulfillment), such as buy online and pick up at curbside (BOPAC), along with existing buy online pickup in-store (BOPIS), click and collect models. It is expected that the evolution of curbside pickup from buy online and pick up in-store in this global pandemic will prevail in the coming years for brands. Retailers are increasingly looking out for OMS solutions that enable them to formulate compelling BOPIS and BOPAC strategies to maximize revenue growth.
- Leading OMS vendors are actively working on building proprietary AI/ML engines or further optimizing their models to deliver enhanced inventory allocation and sourcing optimization, optimal routing, improve the customer experience, provide real-time insights, and enhanced omnichannel order fulfillment capabilities. Vendors are focusing on offering intelligent and automatic order fulfillment and improving daily supply chain activities with comprehensive reporting and real-time data-driven insights. The reporting and data-driven insights are helping retailers understand the major causes of fulfillment breakdowns, determine order patterns, make informed business decisions, and forecast item demand and supply and possible disruptions that may occur in the supply chain network.
- Omnichannel OMS systems with DOM functionalities at their core have been widely recognized as the core technology for the successful adoption of omnichannel strategies across various retail sectors, including food, nutrition, fashion, cosmetics, footwear, sporting goods, toys, home goods, toys, and such others.

Figure: Key Components of Omnichannel Order Management Systems (OMS) Solution.

»» Omnichannel Order Management System Model



Source: Quadrant Knowledge Solutions

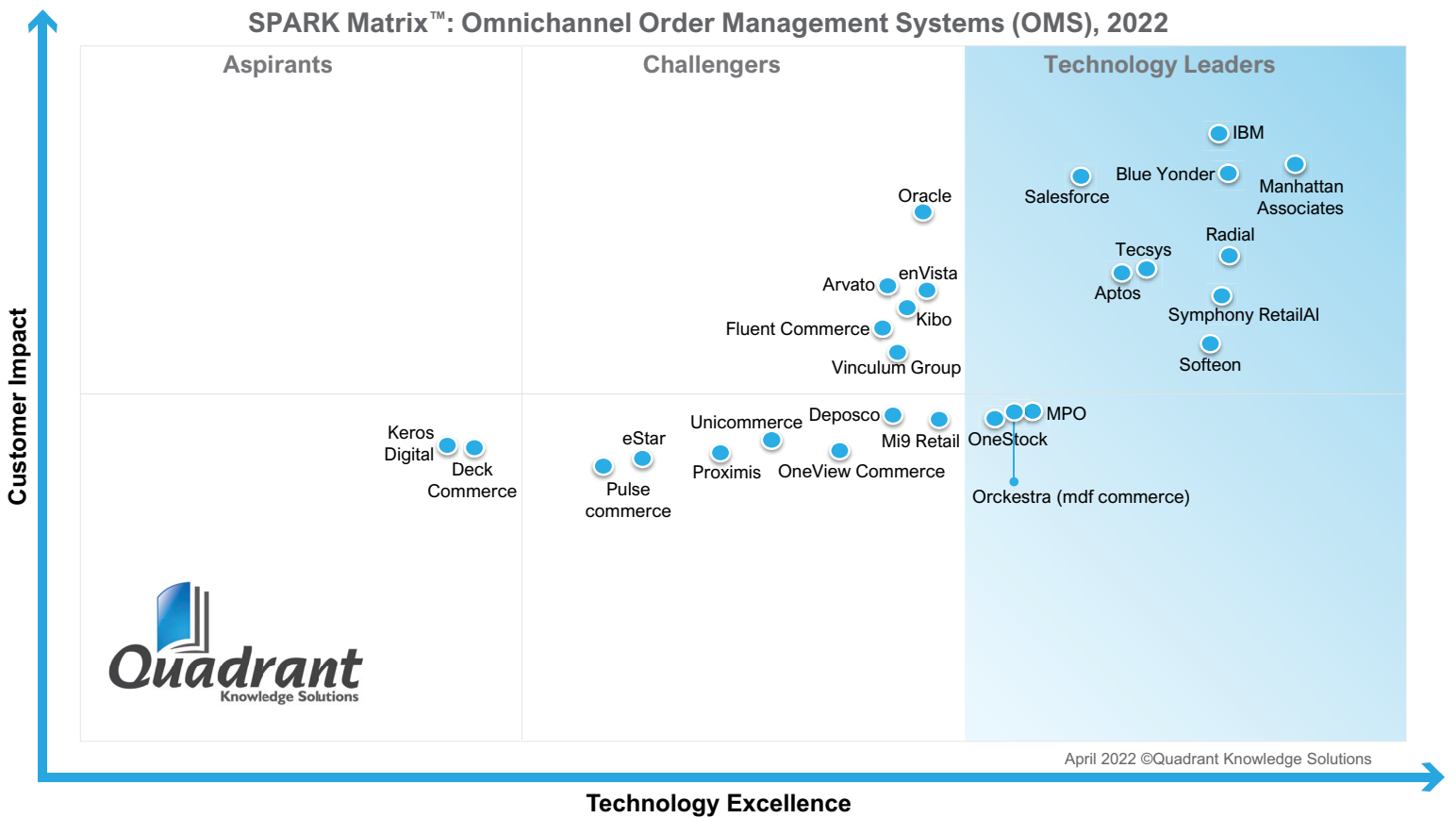
SPARK Matrix Analysis of the Omnichannel Order Management Systems (OMS) solution Market

[Quadrant Knowledge Solutions](#) conducted an in-depth analysis of the major Omnichannel OMS vendors by evaluating their product portfolio, market presence, and customer value proposition. Omnichannel Order Management Systems (OMS) 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 OMS 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 Akshaysingh Chandel, Analyst, Quadrant Knowledge Solutions, “Radial Order Management (ROM), a modular, SaaS-based, multi-tenant platform capable of providing unified visibility into enterprise inventory and availability, robust distributed order management to perform dynamic order orchestration and intelligent routing, store fulfilment, customer care tools, dropship, marketplaces, and business intelligence modules, enabling retailers to provide a seamless customer experience in an omnichannel environment.” Adds Akshay “The Radial OMS (ROM) solution provides AI-powered predictive analysis via an intuitive dashboard that delivers advanced analytics with actionable insights to optimize overall inventory operations, demand forecasting, and safety stock recommendations.” Radial also provides enterprise-class turnkey order management solutions that include Omnichannel order management, order fulfillment & transportation, payment & fraud management, customer service, and more.”

Figure: 2022 SPARK Matrix™
 (Strategic Performance Assessment and Ranking)
 Global Omnichannel Order Management Systems (OMS) solution Market



Radial's Capabilities in the Global Omnichannel Order Management Systems (OMS) solution Market

Founded in 1995 as GSI Commerce and headquartered in King of Prussia, PA, US, Radial is a leading provider of global omnichannel commerce technology and operations solutions. The company was rebranded as Radial in 2016 after a series of mergers and acquisitions. The company offers solutions that connect retailers and customers through advanced omnichannel technologies. The company also provides efficient fulfilment and transportation services, customized customer care services, intelligent payments, and fraud protection.

The company offers Radial Order Management (ROM), a modular, SaaS-based, multi-tenant platform capable of providing unified visibility into enterprise inventory and availability, robust distributed order management to perform dynamic order orchestration and intelligent routing, store fulfilment, customer care tools, dropship, marketplaces, and business intelligence modules, enabling retailers to provide a seamless customer experience in an omnichannel environment. The Radial Order Management (ROM) solutions provide robust capabilities and omnichannel commerce features & functionality to some of the world's largest and most prominent retailers and brands.

The ROM platform's inventory management feature helps retailers gain a real-time unified view of their inventory across all sales channels. The feature offers real-time inventory visibility across the entire sales process, including checkout experience through each stage of the order workflow, in-transit inventory, available to promise (ATP) calculations, multiple levels of safety stock configuration, and inventory allocation.

The ROM platform also enables inventory reservations during the consumer shopping experience to ensure orders can be fulfilled and remove the overselling and out-of-stock situations that cause friction. ROM platform includes a configurable workflow management feature that orchestrates and optimizes the complex order processing, management, and fulfilment processes to ensure efficient fulfillment at minimum costs. It manages the order lifecycle across a complex network of stores, distribution centers, suppliers, drop shippers, marketplaces, and 3PLs. This includes order consumption from multiple channels, self-service order workflow configuration, order and state management, intelligent order routing

based on configurable rules in which fulfillment is optimized for reduced costs, faster delivery or a combination of seller configured factors, partial and split shipments, backorders, preorders, returns and exception management.

The ROM platform offers SaaS-based distributed order management capabilities that help organizations dynamically orchestrate complex sourcing and omnichannel fulfillment scenarios from optimum locations. The ROM platform offers a comprehensive store fulfillment solution that helps retailers optimize omnichannel fulfillment from retail stores, including ship-from-store, ship-to-store, buy online, in-store pick up (or return) (BOPIS/BORIS), and such others. Retailers can make intelligent routing decisions and gain unified inventory visibility to orchestrate inventory more profitably across the sales channels.

The platform offers a store fulfillment capability, which helps retailers purchase, return, and fulfil orders flexibly and dynamically in an omnichannel environment. The capability also supports various fulfillment options such as ship-to-home, ship-from-store, ship-to-store, in-store pickup, and associate delivery. The platform also allows retailers to control various store locations and their fulfillment options.

The ROM platform's drop-shipping capability helps retailers streamline and automate drop shipping operations across networks. The capability assists retailers in expanding their product portfolio and testing a new product in the market by mitigating risk and inventory overhead costs. The capability can also facilitate order transfer to a huge supplier network of almost 26,000+ global suppliers. These suppliers can then offer quick delivery of products on behalf of vendors.

The platform also offers unified visibility of supplier inventory, supplier performance analysis, real-time supplier notifications, and packing slips. The platform also offers a full order lifecycle workflow enablement which allows the suppliers to receive and transact orders (inventory, orders, shipments, invoices, cancels, returns, etc.) and a customer care tool.

The ROM platform offers an integrated customer care tool that helps retailers gain a centralized view of the order across the enterprise to drive personalized customer engagements. It provides key information, including order history, order lookup, modifications, cancellations, refunds and credits, and appeasements. The platform's business intelligence module offers an actionable, intuitive set of dashboards including, a sales trend dashboard, a set of standard reports, a robust ad-hoc report builder, automatic report distribution, predictive analysis,

and forecasting to optimize the overall operation by intelligently pre-planning.

ROM offers a set of provisioning tools that help retailers deploy the complete suite right from the initial configuration setup, i.e., brands, regions, and modules of Radial Order Management. This process reduces the implementation timeline and facilitates a speedy deployment. The platforms allow the retailers and system integrators to perform self-service integration development to test the APIs. It also provides a pre-integration framework compatible with top e-commerce platforms and seamlessly integrable with retailers' backend systems such as POS, 3PIs, call centers, and others.

Analyst Perspective

Following is the analysis of Radial's capabilities in the global Omnichannel OMS market:

- Radial OMS (ROM) solution offers various integrated modules and out-of-the-box functionalities to seamlessly execute omnichannel order management across the sales channels. The ROM solution's key technology differentiators include inventory & consumer exception management, speed to market for an enterprise solution, Radial unified offerings, business intelligence, and robust experience.
- Radial offers business intelligence that provides a dashboard and reports views. The intelligence also offers AI-powered predictive analysis that delivers advanced analytics with actionable insights to optimize the overall inventory operations, demand forecasting, and safety stock recommendations. Radial also offers enterprise-class turnkey order management solutions with complete end-to-end eCommerce functionality and offerings such as Omnichannel order management, order fulfillment & transportation, payment & fraud management, customer care, and much more. The OMS solution supports a wide range of use cases, including multi-node fulfillment, multi-order channel management, store fulfillment & returns, global supply-chain, and multi-brand support.
- From a geographical presence perspective, Radial has a strong presence in the USA, followed by Canada and Europe. The company

is gradually expanding its footprint in the APAC market and plans to expand in other parts of the globe. From an industry vertical perspective, Radial holds a strong customer base across various industries, including CPG & Retail, followed by food & beverages, healthcare & Lifesciences, and energy & utility sectors.

- The primary challenges of Radial include the growing competition from emerging vendors with innovative technology offerings. These vendors are successful in gaining a strong market position with increased penetration amongst small to mid-market organizations and are among the primary targets for mergers and acquisitions. However, with its strong customer value proposition, sophisticated platform, comprehensive vision and roadmap, and sophisticated technology platform, Radial is well-positioned to maintain and grow its market share with continued success amongst the large enterprise segments.
- Coming to product strategy and roadmap, Radial expanded in 2021 from more than 40 new clients to its portfolio and launched new fulfillment centres in North America and other areas across the globe. Atlanta is one of the largest and highest volume centers in the newly added Radial fulfillment network. The company also updated its Radial Order Management solutions and released ROM 20.2. The company also added various key features to its current solutions, such as post-purchase management, fulfillment enablement, strategic enablement, user experience, and inventory optimization. In 2022, Radial continues to enhance its platform capabilities to stay aligned with changing market dynamics. The company is continuously focusing to expand its business from its current geographical locations to other parts of the demographic locations.