

# Retail & CPG Services

A research report comparing provider strengths,  
challenges and competitive differentiators

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Report Author: Bruce Guptill

### U.S. retail and CPG success hinges on data-driven agility and prioritizing both customers and workers

The U.S. retail sector is at a crossroads. Regulatory changes, evolving consumer expectations, and rapid technological advancements continue reshaping the marketplace.

This report summarizes ISG's analysis of significant regional developments from 2023 through 2025. It offers actionable guidance for retail and consumer packaged goods (CPG) clients seeking technology and services to improve their ability to address critical challenges and operate the business profitably while exploring new ways to do business — and for new businesses entirely.

### U.S. retail and CPG in 2023: Convergence, pandemic response and digital focus

ISG's 2023 analysis of U.S. retail and CPG services identified several key developments and trends shaping, influencing, enhancing and impeding business. These included the following:

- **Convergence and D2C:** We saw retail and CPG companies becoming more alike. CPG companies increasingly embraced D2C sales while more retailers built private-label brands. Omnichannel commerce with mobile, social and online presence became crucial to success.
- **Pandemic recovery and evolving customer needs:** The COVID-19 pandemic forced digital adoption, leading to an e-commerce boom, and stores increasingly began offering contactless payments and in-store pickups. Customer behavior continues to evolve, with a mix of online and in-person shopping and a need for quick fulfillment options.

Data and AI  
personalize, automate  
and improve  
customer focus of  
retail and CPG firms.



- **Customer experience at the forefront:** Post-pandemic, AI-powered recommendations and personalized shopping experiences offered by AR and VR became vital for customer satisfaction. Currently, automation and robotics are also streamlining business operations in the sector.
  - **Data-driven decisions:** Cloud-based analytics leverage customer data to optimize inventory, predict demand and personalize marketing. The pandemic exposed the need for flexible analytics models using AI and cloud technologies.
  - **Cloud-first strategy:** Cloud computing is the new normal, offering scalability and cost savings. Companies are increasingly migrating their IT infrastructure and applications to the cloud, and service providers play a crucial role in managing cloud transformations.
  - **ESG as a priority:** Environmental, social and governance (ESG) initiatives are a top concern for executives. Consumer demand, regulations and investor pressure are driving the focus on sustainability and ethical practices. IT systems play a crucial role in ESG reporting and monitoring.
  - **Security and privacy as fundamental:** Cybersecurity and data privacy are critical with the growing reliance on digital technologies for sales, marketing, and data-driven decisions. Companies need up-to-date security measures to protect data and comply with regulations like GDPR and the California Consumer Privacy Act (CCPA). Service providers are essential for advice, support and technology implementation.
- ISG's work with clients and providers indicates that the above points are morphing into three contiguous trends shaping the U.S. retail and CPG business — and the value of IT services and solutions — through 2025. The three core developments, with associated solutions, are summarized below.

### 1. The evolving regulatory landscape: Changing requirements for data privacy, sustainability and labor

- **Data privacy:** The patchwork of data privacy regulations in the U.S. will likely see increased federalization efforts. Stringent guidelines on data collection, storage and usage will likely be implemented, potentially mirroring existing regulations such as the CCPA. Such implementations require businesses to adopt robust data governance practices and transparent communication with their customers regarding data use.
  - Data governance platforms and management services help classify and manage customer data, ensuring ongoing compliance with changing regulations. Consent management platforms capture and manage customer consent for data use.
- **Focus on sustainability:** Sustainability concerns are driving regulatory changes in the market. Regulations promoting eco-friendly packaging, waste reduction and responsible sourcing are rising. Retailers must adapt their supply chains and product offerings to comply with evolving regulations while aligning with environmentally conscious consumers.
  - ESG tools and platforms can track resource usage and waste generation in the supply chain. Sustainability reporting tools analyze data to demonstrate compliance with regulations and environmental goals.
- **Labor regulations:** The tight labor market is prompting lawmakers to address issues such as minimum wage increases and worker classification. Retailers may need to adjust staffing models, explore automation and revamp employee compensation packages to adapt to potential regulatory changes.
  - Workforce management platforms can optimize employee scheduling and labor allocation based on potential changes in minimum wage or worker classification. RPA can automate repetitive tasks, reducing reliance on human labor.



### 2. The omnichannel imperative: Convenience and personalization take center stage

- **Seamless omnichannel experience:**

Consumers today expect a unified shopping journey across online and physical stores. Retailers must invest in robust inventory management systems that provide real-time stock visibility across channels. Offering various fulfillment options, such as buy online, pick up in-store (BOPIS) and same-day delivery, will be crucial for catering to diverse customer needs.

- Omnichannel commerce platforms integrate online and offline sales channels, providing a unified view of inventory across stores and warehouses. Order management systems (OMS) streamline order fulfillment across channels, ensuring efficient processing of BOPIS and same-day delivery options. Real-time inventory management systems track stock levels across all channels, preventing stockouts and ensuring accurate product availability information for customers.

- **Hyperpersonalization:** Data analytics plays a central role in personalizing the shopping experience. Retailers can leverage customer data to tailor marketing campaigns, product recommendations and loyalty programs, fostering deeper customer engagement and brand loyalty.

- Customer data platforms (CDPs) consolidate customer data from multiple in-house and third-party sources, providing a holistic view of customer behavior for targeted marketing and product recommendations. Marketing automation tools accelerate the creation of personalized email campaigns, social media marketing and loyalty program rewards based on customer preferences and purchase history. AI-powered recommendation engines analyze customer data to suggest relevant products based on browsing behavior and past purchases, fostering personalized shopping experiences for customers.

- **Embracing emerging technologies:**

Integrating technologies such as AR and VR can revolutionize customers' shopping experiences. AR can allow customers to virtually experience how purchases affect their environments, while VR can create immersive shopping experiences.

- AR, VR and extended reality (XR) development tools allow retailers and CPG companies to develop and improve digital-plus-reality experiences for customers. For instance, AR can allow them to use virtual try-on features for clothing or furniture placement visualization. VR specialists can create more immersive shopping experiences, allowing customers to visit stores virtually or explore product features in a 3D environment. XR consultants can help retailers and CPG companies develop a comprehensive strategy for integrating AR, VR and other XR technologies into their customer experience.

### 3. The rise of automation and AI and the changing workplace: Utilizing IT to retain human connection and improve business capability

- **Automation for efficiency:** Automation solutions such as self-checkout kiosks and robotic warehouse assistants can improve business operational efficiency, address labor shortages and reduce costs. However, implementing automation still needs to be balanced with maintaining a human touch in customer interactions.
  - RPA automates repetitive back-office tasks such as order processing and inventory management, freeing up employees for customer service and strategic initiatives. AI-powered warehouse management systems optimize order fulfillment through automated picking and routing items in warehouses. Self-service kiosks and chatbots empower customers with self-checkout and basic service inquiries, reducing reliance on cashiers and front-line staff.



- **Workforce reskilling and upskilling:** The evolving retail environment necessitates an upskilled workforce. Retailers must invest in training programs to equip their employees with the skills needed to operate effectively in an increasingly technology-driven environment.
  - Learning management systems (LMS) provide online training modules for employees to develop new skills relevant to automation and digital tools. Talent management platforms streamline recruitment, identify skill needs and personalize employee development plans. Employee engagement tools such as surveys, feedback mechanisms and recognition programs foster employee satisfaction and reduce turnover.
- **Applying AI judiciously:** Rapid advancement in AI's ability, presence and applications enable potentially significant labor optimizations in the retail sector. Examples include tasks such as order fulfillment, inventory management and customer service inquiries, thus freeing employees for high-value interactions.
  - Generative AI (GenAI) increasingly generates product descriptions, social media posts and marketing materials, reducing the workload for marketing teams. Effectively developed and applied AI anticipates customer needs and product demand, allowing for optimized staffing and resource allocation.
- **Future of work:** Discussions about employee well-being, flexible work options and competitive compensation packages will continue to gain momentum. Retailers that prioritize employee satisfaction are likely to attract and retain talent in a competitive market.
  - Workforce management tools optimize employee scheduling based on real-time data and customer needs while promoting work-life balance with flexible scheduling options. Compensation and benefits analysis solutions identify competitive compensation packages and employee benefits to attract and retain top talent.

By proactively tackling these major developments, U.S. retailers can position themselves for success in the dynamic retail landscape. Embracing a data-driven approach, investing in technology and prioritizing both customer experience and employee well-being will be critical requirements instead of differentiators in the coming years.

### Why and how top-tier IT service providers help retail and CPG firms thrive

Navigating the dynamic retail and CPG landscape requires constant adaptation. Selecting the best-qualified IT service providers can be a game-changer, empowering clients to tackle evolving regulations, prioritize omnichannel experiences and embrace automation for a future-proof business operation. Below is a summary of how partnering with the best-qualified service providers benefits retail and CPG firms across emerging key challenges.

### 1. The evolving regulatory landscape: Staying compliant and sustainable

- **Challenge:** A complex web of regulations related to data privacy, sustainability and labor demands ongoing compliance efforts.
- **Solution:** Top IT service providers specialize in staying abreast of regulatory updates with the offerings listed below.
  - **Data governance platforms** classify and manage customer data, ensuring compliance with evolving data privacy regulations such as the CCPA.
  - **Consent management platforms** capture and manage customer consent for data use, fostering trust and transparency.
  - **ESG tools and platforms** track resource usage and waste generation in supply chains, aiding compliance with sustainability regulations.
  - **Sustainability reporting tools** analyze data to demonstrate environmental commitment and meet regulatory requirements.



### 2. The omnichannel imperative: Seamless experiences and hyperpersonalization

- **Challenge:** Delivering a unified shopping experience across online and physical stores is crucial for customer satisfaction.
- **Solution:** IT service providers offer the following tools with expertise to create a seamless omnichannel experience:
  - **Omnichannel commerce platforms** integrate online and offline sales channels, providing real-time inventory visibility across stores and warehouses.
  - **Order management systems (OMS)** streamline order fulfillment for BOPIS and same-day delivery options.
  - **Real-time inventory management systems** track stock levels across all channels, preventing stockouts and ensuring accurate product availability information.
  - **Customer data platforms (CDPs)** consolidate customer data from multiple sources, enabling targeted marketing and product recommendations.

- **Marketing automation tools** deliver personalized email campaigns, social media marketing and loyalty program rewards.
- **AI-powered recommendation engines** analyze customer data to suggest relevant products based on browsing behavior and purchase history.

### 3. The rise of automation and AI and the changing workplace: Amplifying human potential

- **Challenge:** Automation and AI present opportunities for efficiency while requiring a focus on maintaining the human touch in customer interactions.
- **Solution:** IT service providers can help optimize the human-technology balance in critical ways as follows:
  - **RPA** technology automates repetitive tasks such as order processing and inventory management, freeing employees for high-value interactions.

- **AI-powered warehouse management systems** optimize order fulfillment through automated picking and routing of items in warehouses.
- **Self-service kiosks and chatbots** empower customers with self-checkout options and basic service inquiries, reducing reliance on cashiers.
- **Learning management systems (LMS)** provide online training modules for employees to develop new skills relevant to automation and digital tools.
- **Talent management platforms** streamline recruitment, identify skill gaps and personalize employee development plans.
- **Workforce management tools** optimize employee scheduling based on real-time data and customer needs, promoting a work-life balance with flexible scheduling options.

### Beyond solutions: Cultivating a competitive advantage

Selecting the right IT service provider goes beyond technology implementation. Service provider partners become strategic advisors who offer:

- **Industry expertise** with a deep understanding of retail and CPG challenges and trends.
- **Scalability and flexibility** to adapt to evolving needs and support growth.
- **Security and compliance**, prioritizing data security and adherence to regulations.
- **Cost optimization**, identifying opportunities to improve efficiency and reduce IT expenses.
- **Change management**, supporting employees in adopting new technologies.



## Executive Summary

By leveraging the expertise of top IT service providers, retail and CPG firms can gain a competitive edge in the market. It empowers clients to navigate the market complexities and thrive in the face of evolving regulations, prioritize exceptional customer experiences and position themselves for long-term success.

U.S. retail and CPG firms face a dynamic shift with constantly evolving regulations, customer needs and technologies. Success hinges on data, IT solutions, service providers and prioritizing customers and employee well-being.





## Provider Positioning

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|                     | Business Transformation Services | Digital Innovation Services | Platform Modernization Services | Managed Services   |
|---------------------|----------------------------------|-----------------------------|---------------------------------|--------------------|
| Accenture           | Leader                           | Leader                      | Leader                          | Leader             |
| Aspire Systems      | Contender                        | Contender                   | Contender                       | Contender          |
| Capgemini           | Leader                           | Leader                      | Leader                          | Leader             |
| Cigniti             | Not In                           | Contender                   | Not In                          | Contender          |
| Coforge             | Product Challenger               | Product Challenger          | Contender                       | Contender          |
| Cognizant           | Leader                           | Leader                      | Leader                          | Leader             |
| Deloitte            | Leader                           | Leader                      | Leader                          | Leader             |
| DXC Technology      | Market Challenger                | Market Challenger           | Market Challenger               | Market Challenger  |
| EPAM Systems        | Contender                        | Contender                   | Contender                       | Product Challenger |
| Eviden (Atos Group) | Market Challenger                | Not In                      | Not In                          | Contender          |





## Provider Positioning

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|                          | Business Transformation Services | Digital Innovation Services | Platform Modernization Services | Managed Services   |
|--------------------------|----------------------------------|-----------------------------|---------------------------------|--------------------|
| Fujitsu                  | Market Challenger                | Not In                      | Contender                       | Contender          |
| Genpact                  | Market Challenger                | Market Challenger           | Rising Star ★                   | Market Challenger  |
| HARMAN                   | Contender                        | Contender                   | Not In                          | Not In             |
| HCLTech                  | Leader                           | Leader                      | Leader                          | Leader             |
| Hexaware                 | Product Challenger               | Not In                      | Not In                          | Product Challenger |
| Hitachi Digital Services | Market Challenger                | Contender                   | Market Challenger               | Contender          |
| HTC Global Services      | Contender                        | Contender                   | Product Challenger              | Contender          |
| IBM                      | Leader                           | Leader                      | Not In                          | Not In             |
| Infosys                  | Leader                           | Leader                      | Leader                          | Leader             |
| KPMG                     | Leader                           | Leader                      | Leader                          | Leader             |





## Provider Positioning

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|                    | Business Transformation Services | Digital Innovation Services | Platform Modernization Services | Managed Services   |
|--------------------|----------------------------------|-----------------------------|---------------------------------|--------------------|
| Kyndryl            | Product Challenger               | Product Challenger          | Leader                          | Leader             |
| LTIMindtree        | Rising Star ★                    | Rising Star ★               | Rising Star ★                   | Leader             |
| Mastek             | Contender                        | Product Challenger          | Product Challenger              | Product Challenger |
| Movate             | Product Challenger               | Product Challenger          | Not In                          | Contender          |
| Persistent Systems | Contender                        | Not In                      | Contender                       | Contender          |
| Publicis Sapient   | Contender                        | Contender                   | Not In                          | Not In             |
| Softtek            | Contender                        | Contender                   | Contender                       | Contender          |
| Sutherland         | Product Challenger               | Product Challenger          | Not In                          | Rising Star ★      |
| TCS                | Leader                           | Leader                      | Leader                          | Leader             |
| Tech Mahindra      | Product Challenger               | Product Challenger          | Product Challenger              | Product Challenger |



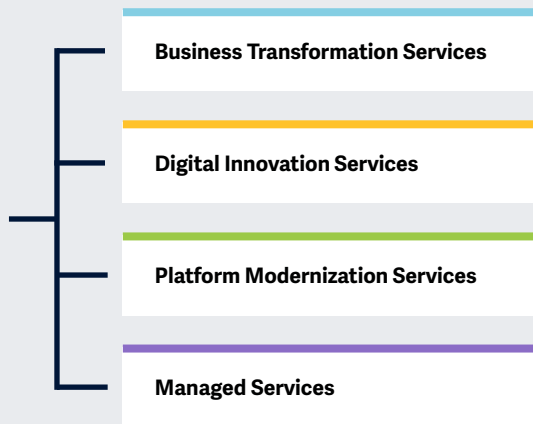


|                     | Business Transformation Services | Digital Innovation Services | Platform Modernization Services | Managed Services |
|---------------------|----------------------------------|-----------------------------|---------------------------------|------------------|
| UST                 | Product Challenger               | Rising Star ★               | Product Challenger              | Rising Star ★    |
| Wipro               | Leader                           | Leader                      | Leader                          | Leader           |
| Zensar Technologies | Contender                        | Contender                   | Contender                       | Contender        |



This report assesses **retail and CPG services** that enable clients to **improve, transform, innovate and manage** regardless of market changes.

Simplified Illustration Source: ISG 2024



#### Definition

- The enduring effects of the pandemic continue to affect retail and CPG firms. Digital transformation has become customary and increasingly critical as personalized online experiences and growing expectations become the norm. Customers seek greater value and more information, while sustainability permeates business plans, creating new opportunities.
- Supply chains have shown signs of recovery, yet disruptions persist, affecting inventory management, sourcing and fulfillment. This, coupled with evolving customer expectations, drives the need for better and more complex data gathering, analysis and reporting, which must comply with changing regulations across various locations. Moreover, labor challenges propel the demand for and application of AI, including nascent GenAI. Meanwhile, profit margins continue to shrink.
- This study assesses business and IT service providers that enable retail and CPG firms to reengineer, advance and sustain digital business improvements to ensure survival and competitiveness in today's digital consumer landscape. These improvements are facilitated by different services, such as:
- **Business Transformation Services** to transform enterprises' operations and management to make them digital-first enterprises
- **Digital Innovation Services** to equip enterprises with tools and methods that enable advanced business capabilities, including ways to create business value
- **Platform Modernization Services** to modernize key components or all core business management software landscapes
- **Managed Services** to outsource some or all of enterprises' IT infrastructure management, operations, solutions development, user support, and associated development and management



### Scope of the Report

In this ISG Provider Lens™ quadrant study, ISG includes the following five quadrants: Business Transformation Services, Digital Innovation Services, Platform Modernization Services and Managed Services.

This ISG Provider Lens™ study offers IT-decision makers:

- Transparency on the strengths and weaknesses of relevant service providers
- A differentiated positioning of providers by segments based on their competitive strengths and portfolio attractiveness
- Focus on different markets, including the U.S.

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

### Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).





### Provider Classifications: Quadrant Key

**Product Challengers** offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

**Contenders** offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

**Leaders** have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

**Market Challengers** have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

**Not in** means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.





# Business Transformation Services

## Business Transformation Services

### Who Should Read This Section

This quadrant is relevant to retail and CPG enterprises in the U.S. that are evaluating business transformation service providers.

In this quadrant, ISG highlights the current market positioning of business transformation service providers in the U.S. and how they address the key challenges enterprises face in the region.

In the U.S., retail and CPG enterprises are focusing on modernizing infrastructure and have been adopting measures to comply with data privacy regulations while integrating technologies such as data analytics and AI across their business units. They are emphasizing enhancing operational agility and a robust portfolio backed by a strong ecosystem of partners, including vendors and service providers.

Many of the large and midsize enterprises in the region are also collaborating with service providers to help them transform operations and assist in becoming digital-first businesses.

Focusing on enhancing customer experience and minimizing security risk and costs are the key factors driving new engagements in the market.

In 2024, service providers are investing in developing advanced applications using next-gen technology, focusing on helping retailers digitalize order tracking and monitoring. The providers are also helping businesses adopt data-driven strategies to stay competitive in the connected e-commerce and delivery space. This approach improves carrier efficiency, increases daily orders, boosts admin productivity and reduces misplaced orders. The providers are also offering solutions to enhance the supply chain, enabling greater adaptability and flexibility through demand sensing and local fulfillment.



#### Marketing, sales and operations leaders

such as CMOs should read this report to gain insights into market trends and consumer behavior and enhance the customer experience.



**Digital leaders** such as chief digital officers and CIOs should read this report to drive digital transformation and leverage data-driven solutions to align with market changes and meet business goals.

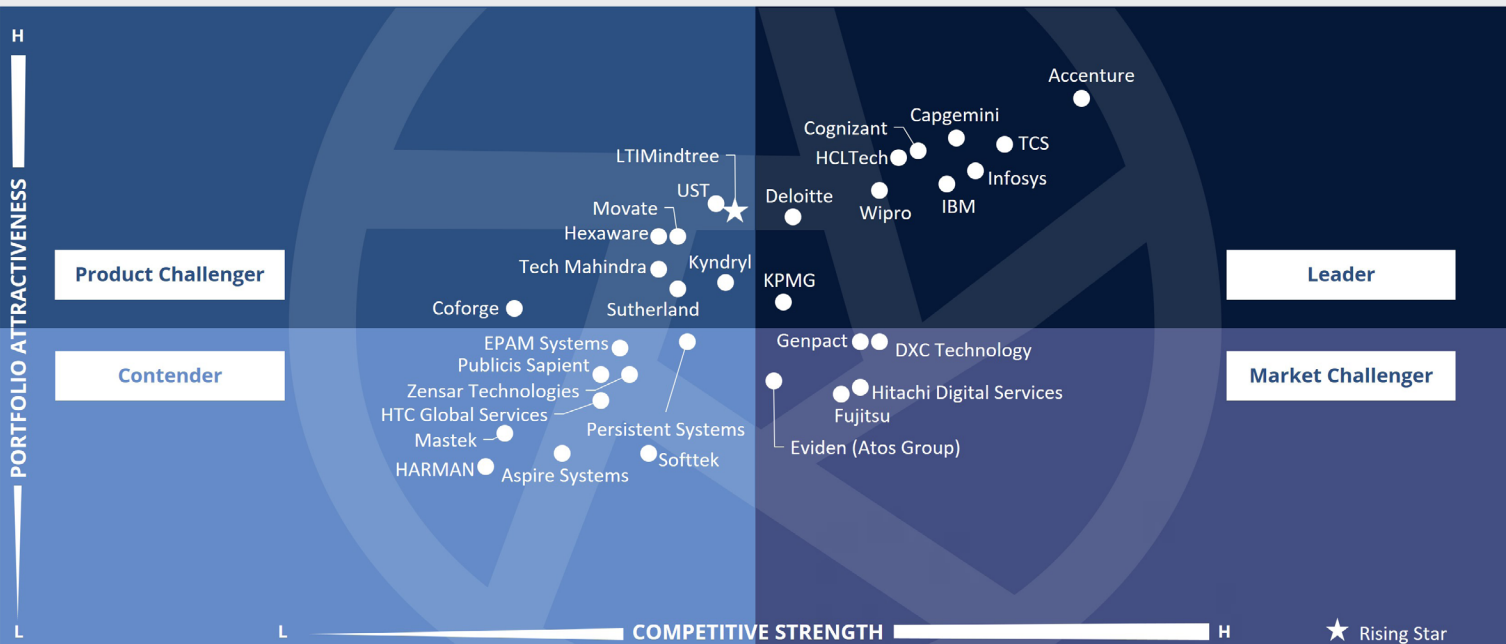


**Procurement professionals** should read this report to understand the current landscape and the strengths and weaknesses of business transformation providers in the U.S.



**Technology leaders** such as CTOs should read this report to find partners to build and develop industry-ready solutions by leveraging GenAI and the industry cloud.





This quadrant assesses service providers that offer **digital business transformation services** that enable retail and CPG clients to **optimize and adapt business models and operations** for new digital realities.

Bruce Guptill



## Business Transformation Services

### Definition

This quadrant assesses providers' portfolios and their ability to deliver digital business transformation services to retail and CPG clients. Clients seeking these services aim to transform their business organizations, operations and management to be considered digital-first enterprises.

Enterprises competing in the retail and CPG industry recognize the need for business transformation to improve operational efficiency. However, even enterprises with substantial resources, including the largest brands, may lack the expertise and capability to envision, develop, implement and manage such transformations. They need insights, skills and competencies in developing strategies, guidance in implementing and managing the necessary changes and assistance in sustaining those changes to successfully undergo digital transformation.

Typically, clients undergoing such transformations aspire to become more digital-first and cloud-first businesses, requiring significant investments in cloud-based digital technologies and applications. However, it is important to understand that technology should not be the sole parameter of value. Assessment of services and providers in this quadrant includes the scope of transformation provided, how providers enable transformation across various business aspects, and their ability to enable sustainable and continuous operational improvement over time.

### Eligibility Criteria

In addition to **a presence and an active client base in the retail and CPG industry**, providers must have expertise in some or all of the following:

1. **Digital optimization in sales and operations**
2. **Sustainability/ESG strategy**, including support for *pre-owned economy* aspects
3. **Intelligent supply chain** and logistics management
4. **Integrated order and inventory** operations and management
5. **Multichannel and omncommerce enablement** for buying, returning and cross-channel shopping with support
6. **Enablement of micro-fulfilment, quick commerce**, on-demand and dark store capabilities to facilitate impulse buying with rapid-response delivery
7. **Consumer payment optimization** with digital and non-digital options, including the integration of commerce systems with the finance and payment systems of stores and third parties to facilitate features such as buy now, pay later.



## Business Transformation Services

### Observations

In the U.S., transformation service providers are continuously investing in establishing labs and innovative solutions to bolster advisory capabilities in the retail and CPG industry. They are harnessing technologies such as AI, ML, cloud and IoT to streamline operations, optimize inventory, personalize marketing, enhance customer experiences and drive business growth. There is a growing emphasis on ESG mandates and sustainability, with a focus on developing frameworks and other intellectual property, thus elevating decision-making. Moreover, the surge in GenAI adoption dominates the tech landscape, prompting providers to deliver customized solutions. The providers are also investing in enhancing business partnerships and strengthening their workforce to optimize their costs and operations and offer transparency in the ecosystem.

The retail and CPG industry will likely undergo significant transformations in the future, propelled by ongoing technological advancements and changing consumer preferences. The key trends will likely

encompass omnichannel retail, personalized customer experiences powered by data analytics and AI, sustainability initiatives and digital transformation to enhance operational efficiency. Service providers are expected to play a crucial role in assisting enterprises by providing customized solutions that integrate advanced technologies such as AI, IoT and blockchain to meet their operational and business needs. The U.S. market might see a growing focus on investments in enhancing cybersecurity measures and supporting digital marketing initiatives specific to business lines.

From the 45 companies assessed for this study, 32 qualified for this quadrant, with 10 being Leaders and one a Rising Star.



**Accenture** has been focusing on adopting acquisition-led growth in the U.S. Its deep digital transformation expertise with its Industry X capabilities enhances productivity and cost savings for clients in the retail and CPG industry.



**Capgemini** uses its consulting capabilities and large engineering practice to help retail and CPG clients optimize processes, improve efficiency and predict maintenance needs. The firm invests in expanding partner ecosystems, GenAI, products, solutions and other IP to broaden its capabilities.



**Cognizant** focuses on providing automation-driven services with its customer-centric approach. The firm enhances its advisory capabilities through strategic acquisitions and investments in technologies such as GenAI to modernize its operations, enhance efficiency and improve agility.



**Deloitte's** vast experience in consulting helps clients streamline operations and improve efficiency. The firm has established strong relationships and alliances with more than 300 technology partners and delivers transformation services to clients through 28 delivery centers.



**HCLTech's** consulting services and comprehensive retail and CPG-specific platforms in the business transformation domain have positioned it as a Leader. The firm aims to forge strategic partnerships with clients and invest in mobility and technologies such as GenAI and big data.



**IBM** leverages its solutions portfolio, deep consulting and industry knowledge to provide differentiated end-to-end offerings. It helps retail and CPG firms optimize current business operations while building a strong and adaptable foundation for future industry changes.



**Infosys** continuously invests in labs and develops innovative solutions for the retail and CPG industry while improving traditional solutions by adding new technologies such as AI, cloud and IoT.



## Business Transformation Services



**KPMG** continues to expand its advisory capabilities specific to retail and CPG by adopting technologies such as AI and cloud and through partnerships with hyperscalers, other tech vendors and industry leaders.



**TCS'** consumer product group is its second-largest vertical, with many long-standing client relationships. The company's proprietary frameworks, such as Algo Retail™, help clients improve sales and reduce costs.



**Wipro** offers robust end-to-end advisory services and in-house solutions across the retail and CPG industry. The company's partnerships and investments in new-age technologies help clients in strategy design and digital transformation initiatives.



**LTIMindtree's** (Rising Star) deep advisory and industry expertise assists clients across the retail and CPG sector. It focuses on building solutions through joint go-to-market (GTM) strategies with partners such as hyperscalers and other tech vendors.



# Cognizant



"Cognizant's strong engineering, technology and differentiated industry-specific offerings focused on new-age technologies give it a competitive edge in business transformation services for retail and CPG clients."

*Bruce Gupthill*

## Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23 the company generated \$19.4 billion in revenue, with Financial Services as its largest segment. Cognizant has deep partnerships with hyperscalers, technology vendors and industry leaders such as Google, Microsoft, AWS, SAP, Shopify and Manhattan to offer future-ready, technologically advanced solutions. In 2024, Cognizant launched an Advanced AI Lab in San Francisco as a part of its \$1 billion investment in GenAI over the next three years.

## Strengths

### Strong regional expansion prospect:

Cognizant has expanded its industry-specific infrastructure transformation portfolio with a focus on enhancing advisory expertise and gaining access to a skilled workforce. Acquisitions including AustinCSI, OneSource Virtual, Mobica and Thirdera help the company meet regional demands across digital engineering, IoT, data analytics and cloud.

**Industry-specific platforms:** Cognizant has redefined its engagement model with U.S.-based enterprises to offer services aligned to areas such as inventory management, sourcing and micro fulfillment through its vast solutions suite. The firm's in-house offerings, such as OrderServ 2.0, Cognizant® Interactive Data Visualization Platform,

OneOMS, NorthSTAR and Cognizant® Digital Maturity Diagnostic (DMD), help clients achieve faster value propositions through automated workflows, data-driven insights and proactive anomaly detection.

**Automation-enabled offerings:** Cognizant has committed \$1 billion over the next three years, including for training 25,000 associates, launching AI studios and developing industry-specific and cross-industry solutions to enhance clients' operational efficiency. The company has developed an AI-enabled platform, Cognizant Neuro® AI, to accelerate responsible GenAI adoption GenAI among enterprises and enable effective decision-making processes.

## Caution

Cognizant should consider offering more outcome-based pricing options to attract additional clients and drive growth. The company should also prioritize expanding its presence and growth in the midmarket segment.





# Digital Innovation Services

### Who Should Read This Section

This quadrant is relevant to retail and CPG enterprises in the U.S. that are evaluating digital innovation service providers.

In this quadrant, ISG highlights the current market positioning of digital innovation service providers in the U.S. and how they address the key challenges enterprises face in the region.

In the U.S., retail and CPG enterprises are actively pursuing digital innovation to stay competitive in a rapidly evolving market. They face significant challenges, including the high cost of technology implementation, data privacy concerns and the complexity of integrating new digital systems with legacy infrastructures. Despite these challenges, consumer demand for personalization, operational efficiency needs and competitive pressure drive companies to innovate.

Enterprises seek new tools and methodologies leveraging AI, IoT, cloud, AR, VR and the metaverse to enhance customer experience and differentiate from competitors. They are looking for service providers that offer scalable digital solutions, seamless system integration, enhanced cybersecurity, actionable data insights and end-to-end support to ensure their digital transformation efforts yield tangible business outcomes.

In 2024, service providers are implementing hyperpersonalization solutions and advanced digital services, including analytics, AI and ML, to enhance engagement, provide seamless shopping experiences and boost innovation and operational efficiency in the retail and CPG industries.



**Marketing, sales and operations leaders** such as CMOs should read this report to gain insights into market trends and consumer behavior and enhance customer experience.



**Technology leaders**, such as CTOs and innovation heads, should read this report to evaluate provider capabilities, analyze portfolios, strengths and weaknesses and leverage technologies for improved CX.



**Procurement leaders** such as CPOs should read this report to better understand the competitive landscape among digital innovation service providers in the U.S.



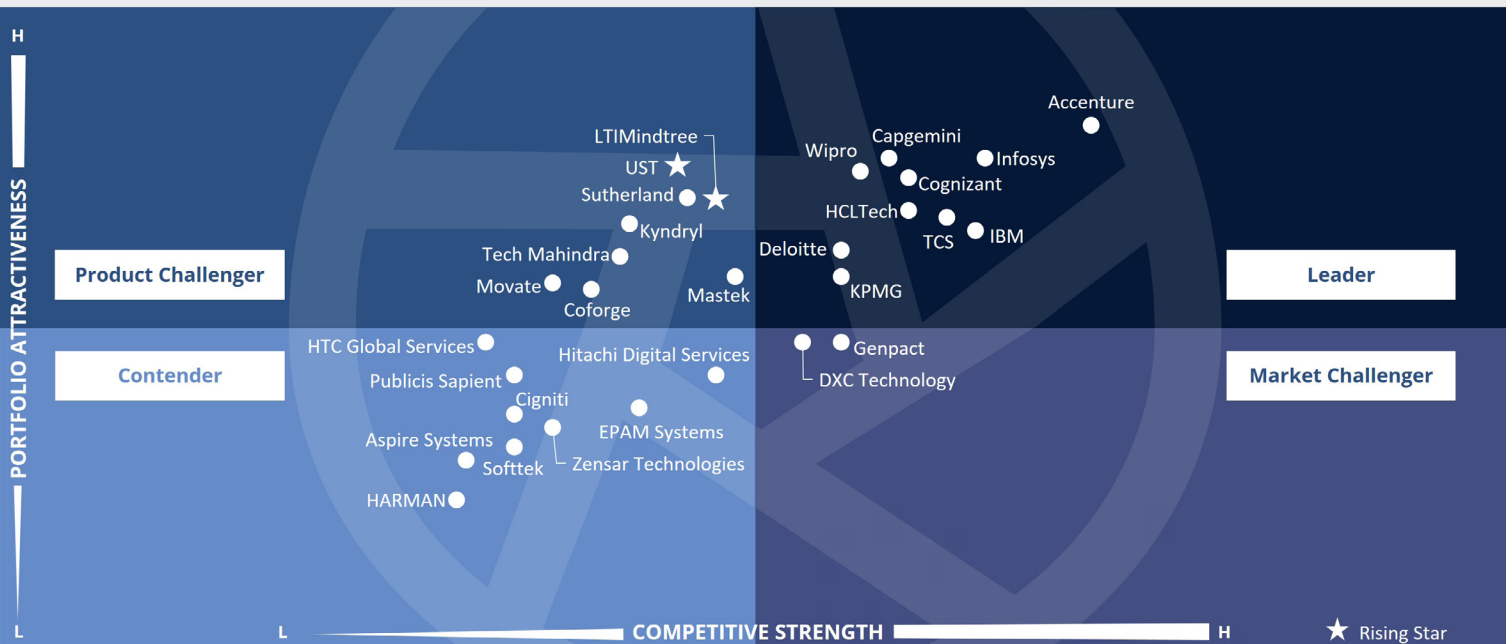
**Digital leaders** such as CDOs and CIOs should read this report to drive digital transformation and leverage data-driven solutions to align with market changes and meet business goals.



**ISG** Provider Lens™  
Retail & CPG Services  
Digital Innovation Services

Source: ISG RESEARCH

U.S. 2024



This quadrant assesses providers offering services that **enable and sustain digital business change**, development and improvement, allowing retail and CPG clients to invent or reinvent their businesses.

*Bruce Guptill*



## Digital Innovation Services

### Definition

This quadrant assesses providers based on their ability to offer technological innovations that transform retail and CPG enterprises. Clients in this realm seek providers offering new tools and methods to enhance or create business capabilities, including innovative approaches to creating customer value, conducting business, and possibly even establishing entirely new ventures. Clients seeking services offered by providers assessed in this quadrant typically look for answers to the following questions:

- Which technologies and services should be employed to innovatively develop and deliver enhanced customer value?
- How should these technologies and services be utilized?

Providers in this quadrant help clients undergoing digital transformation create business innovations that enable:

- Novel forms of customer and market interaction
- Improved revenue streams from customers
- New business models with increased revenue and profit margins

Clients in this domain undergo strategic digital transformations and seek ways to enhance their capabilities to achieve significant business benefits, including establishing new ventures, finding advanced business methods and entering new markets. The success of these endeavors depends on their ability to combine established, emerging, leading-edge and potentially disruptive technologies such as AR, VR, blockchain and AI. For these clients, providers' value depends on their ability to translate the use of innovative technologies into tangible business innovations.

### Eligibility Criteria

In addition to having a presence and an active client base in the retail and CPG industry, providers must have expertise in some or all of the following:

1. **AI and GenAI capabilities** for data management, analytics, and adaptive, intelligent and efficient business opportunities and transformations
2. Hyperpersonalized experiences and marketing using AI, CRM and multiple media, **optimizing interactions**, micro-targeting messaging and improving customer loyalty
3. Blockchain technologies to **make complex supply chains and logistics transparent**
4. **AR and VR** environments and applications to enhance CX
5. **Camera vision and robotics** for checkout-free stores, automatic inventory replenishment and warehouse automation
6. Retail media or point-of-purchase marketing, including **stored, streaming and interactive media** tailored to potential purchasers
7. **AI-generated content.**



### Observations

Research from ISG, Accenture, Deloitte and other industry thought leaders reveals an important reason why digital innovation is of critical importance to retail and CPG firms: 90 to 95 percent of industry executives report that their customers are changing faster than retailers and CPG firms can change their own business models and operations.

While all of the capabilities and technologies assessed in our Digital Innovation Services quadrant enable the increasingly necessary reinvention of business, three stand out as the most immediately impactful for most clients:

- **AI and GenAI for data management and hyperpersonalization:** The combination of AI and GenAI provides a powerful one-two punch. AI helps to analyze vast customer data more accurately to understand preferences, while GenAI helps personalize the experience in real time with targeted messaging and content.

- **Camera vision and robotics for checkout-free stores and automation:** The camera vision and robotics capabilities directly impact consumers' in-store experience, making shopping and buying faster and more convenient.
- **Blockchain technologies for supply chain transparency:** Blockchain enables significantly improved trust with suppliers, buyers and consumers who value ethical sourcing and sustainability.

These three advancements stand out because they directly affect the customer experience, operational efficiency and brand reputation — all crucial aspects of modern retail success.

While the other technologies listed in this quadrant's eligibility criteria are innovative and valuable, their impact on the broader retail landscape through 2025 can be considered less widespread than the top three.

From the 45 companies assessed for this study, 29 qualified for this quadrant, with 10 being Leaders and two Rising Stars.

### accenture

**Accenture** leverages deep domain business consulting expertise with regional labs and solutions such as its ai.RETAIL platform to enable innovation in forecasting, inventory and customer experiences and the creation of new business types.

### Capgemini

**Capgemini** offers cutting-edge GenAI solutions, from personalized marketing to supply chain optimization. The company's industry-specific accelerators, built on real client success stories, deliver predictable outcomes that help improve clients' innovation success.

### cognizant

**Cognizant** partners with leading-edge firms in AI, AR, VR and data management, codevelops solutions in its labs with clients and tech partners, and leverages its Retail Co-Innovation Framework into a structured and adaptable approach for efficient and effective innovation.

### Deloitte

**Deloitte** leverages AI and automation on unified platforms from partners such as Oracle to drive data-powered customer-centricity. Its deep industry expertise and ongoing research fuel innovation by keeping clients ahead of trends in areas such as consumer behavior and supply chain.

### HCLTech

**HCLTech** stands out in digital retail innovation through blockchain solutions, a robust software portfolio (including former IBM products) focused on CX and security, and strong AI applications for tasks such as procurement and content creation.

### IBM

**IBM** offers its powerful watsonx.ai™ platform with prebuilt applications, deep industry expertise, and a commitment to GenAI solutions to help innovate between what customers expect and what they experience.



## Digital Innovation Services



**Infosys'** \$3 billion retail practice leverages cocreation, internal platforms such as Equinox and TradeEdge, partnerships with Microsoft, Google and AWS for AI-powered innovation, and ongoing acquisitions, extending the firm's CX and service delivery capabilities.



**KPMG** stands out in retail and CPG digital innovation by combining real-time data insights from its AI platform, KPMG Dash, with deep industry expertise to guide clients in developing innovative business models, all supported by ongoing research and market intelligence.



**TCS** leads the retail and CPG innovation through deep investment in AI and advanced analytics. Its Pace™ platform and codevelopment approach foster innovation strategies and ecosystems for clients.



**Wipro** combines deep domain expertise, a dedicated \$1 billion AI investment, its retail cloud platform and its robust GenAI framework to enable customized solutions in areas such as conversational AI and content creation.



Rising Star **LTIMindtree** leverages industry-specific accelerators (Redar, APEX) for e-commerce growth and optimized product stock and assortments, and a robust library of services and IP (POS Smart, AR advertising platform) that fosters sustainable digital innovation.



Rising Star **UST** Global has made great strides in its digital innovation portfolio strengths and attractiveness with blockchain applications, self-checkout solutions, integrative cybersecurity and industry-optimized digital accelerators.



# Cognizant



"Cognizant leads retail and CPG digital innovation with cutting-edge partnerships (including for AI, AR and VR), codevelopment labs and a structured framework for efficient client-tailored solutions."

*Bruce Guptill*

## Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23 the company generated \$19.4 billion in revenue, with Financial Services as its largest segment. Cognizant has more than 3,000 FTEs working on digital innovation for retail and CPG clients. Its retail clients in the U.S. include major convenience, department, discount and grocery store brands, along with specialty retailers. CPG segments served by Cognizant include apparel and footwear, consumer durables, consumer electronics, food and beverage, and home and personal care.

## Strengths

**Leading-edge partnerships for digital innovation:** Cognizant collaborates with industry leaders such as Dataiku, DataRobot, Kore.AI, Rockwell Automation and Vinai to offer advanced AI, automation and data science solutions to retail and CPG clients. Such partnerships empower clients to leverage cutting-edge technologies for tasks such as building intelligent workflows, deploying ML models faster and implementing virtual assistants. This integrated approach helps clients optimize operations, enhance efficiency and achieve better business outcomes.

## Innovation codevelopment through labs:

Cognizant codevelops innovative solutions through its theMarkt retail experience innovation lab with retailers and tech partners (including many startups noted above). It has three innovation labs in the U.S. and one in India that support retail and CPG industry clients and partners, leveraging robotics, AI and analytics.

**Framework for guiding efficient and effective advancement:** Cognizant's Retail Co-Innovation Framework provides structure and roadmaps for developing, delivering and measuring innovation for clients. The framework emphasizes client-bespoke efficient development and delivery of continuous, collaborative and customer innovation.

## Caution

Cognizant continues to emphasize traditional fixed-fee and time-and-material pricing for 95 percent of its retail and CPG innovation engagements. Integrating more outcome-based pricing could help clients better justify innovation initiatives.





# Platform Modernization Services

## Platform Modernization Services

### Who Should Read This Section

This quadrant is relevant to retail and CPG enterprises in the U.S. that are evaluating platform modernization service providers.

In this quadrant, ISG highlights the current market positioning of platform modernization service providers in the U.S. and how they address the key challenges enterprises face there.

The U.S. has been a leading market for technology modernization, particularly pertaining to cloud migration. Enterprises depend on legacy systems and face data silos that impede information flow. They seek service providers to modernize these systems without disrupting operations and to integrate data for improved analytics and decision-making. They look for service providers with strong alliances with major cloud providers to accelerate their cloud adoption.

Enterprises are seeking service providers to assist them in modernizing key components or all core business management software models. They seek to accelerate the migration

and modernization process to provide agility, customer reach, IT economies and scalability to new businesses.

With security becoming paramount due to increasing cyber threats, data breaches and cyberattacks are a major concern among enterprises. Retail and CPG firms seek service providers who can offer comprehensive security solutions protecting customer data and complying with data privacy regulations such as the California Consumer Privacy Act (CCPA) and GDPR.

In 2024, service providers are making substantial investments in their marketing activities, along with improving their service offerings, such as application modernization, cost optimization and legacy infrastructure management to expand their customer base across the retail and CPG industry while retaining their existing clients.



#### **Marketing, sales and operations leaders**

such as CMOs and COOs should read this report to assess providers' abilities in boosting CX and refining business processes using innovative cloud solutions.



**Technology leaders** such as CTOs should read this report to understand providers' modernization capabilities and ensure suitable technology integration into products, services and business administration.



**Procurement leaders** such as CPOs should read this report to gain a deeper understanding of the competitive landscape among platform modernization service providers in the U.S.



**Digital leaders** such as CDOs and CIOs should read this report to drive digital transformation and leverage data-driven solutions to align with market changes and meet business goals.





This quadrant assesses service providers that offer **platform modernization services**, including upgrading, migration and management of applications, data and workflows, to enable more competitive business and operating models for retail and CPG clients.

Bruce Guptill



## Platform Modernization Services

### Definition

This quadrant assesses service providers' ability to modernize the core software landscape of retail and CPG client firms. It includes fostering digital-first environments that enable and sustain clients' ability to transform and evolve into competitive digital business leaders.

Clients seeking services in this space typically look for providers that can support them in modernizing key components or their complete core business management software landscapes. A key aspect of this support is the providers' ability to migrate client workloads into secure and flexible cloud environments. It often includes the migration of core business management software platforms, such as Microsoft, Oracle and SAP, and business data to secure public, private or hybrid cloud environments that ensure greater flexibility, scalability and cost-efficiency and facilitate digital business capabilities.

Critical provider capabilities include an overall digital vision for retail and CPG businesses and demonstrated expertise in aligning that vision with client-specific business strategies, goals and operations. Leaders in this quadrant deliver enhanced software and service architectures and advanced ways to access and utilize them more effectively in evolving and emerging digital-first environments (for example, by enabling mobile-optimized interactions). Many providers are also in the process of developing or refining GenAI capabilities in this space.

### Eligibility Criteria

In addition to a **presence and an active client base in the retail and CPG industry**, providers must have expertise in some or all of the following:

1. **Software workload, data migration** and management capabilities, including migration and harmonization of business data
2. **Cloud vision** and as-a-service offerings that deliver scalability and operational cost advantages using public, private or hybrid clouds
3. **Application migration and modernization**, including software lift and shift and complete landscape migration
4. **Cybersecurity offerings** to protect data, prevent data breaches and ensure operational viability
5. **Mobile-first enablement** to improve the ability of consumers and staff to interact with retail and CPG firms and their systems
6. **Headless commerce architectures** for better control over branding, CX, scalability and flexibility.



## Platform Modernization Services

### Observations

Over the past few years, many developments have been shaping retail and CPG clients' needs to migrate and modernize major platforms, applications and workloads to the cloud. Those most directly shaping the sector include the following:

- **Cloud-native focus:** Retail and CPG companies are rapidly adopting cloud-first strategies, migrating core applications and data to platforms such as AWS, Azure, Google Cloud and Oracle Cloud Infrastructure (OCI) for scalability, agility and easier integration with modern tools. Development approaches are therefore shifting toward building cloud-native applications, leveraging containerization, microservices architectures and DevOps methodologies.
- **Focus on CX:** Unified commerce platforms are gaining traction, allowing retailers to manage inventory, orders and customer data across all touchpoints (physical stores, online platforms and mobile apps). This streamlines the customer journey and

provides a consistent experience. Retailers are leveraging AI and ML to personalize CXs, recommend relevant products and optimize pricing strategies.

- **Data-driven operations:** Data platforms are becoming crucial for managing and analyzing massive datasets from an increasing range of sources. This empowers retailers with real-time insights to optimize supply chains, predict customer behavior and make data-driven decisions.
- **Focus on agility and innovation:** Low-code/no-code platforms enable faster custom development without deep coding expertise. This empowers businesses to innovate and adapt to changing market demands rapidly. API ecosystems facilitate seamless integration between internal systems and external partners, allowing for faster innovation and collaboration.

From the 45 companies assessed for this study, 25 qualified for this quadrant, with 10 being Leaders and 2 Rising Stars.

### accenture

**Accenture's** 7R platform modernization framework tailors solutions to specific needs, while its industry expertise ensures strategic modernization from planning to execution. The firm's deep business expertise complements its technology services, driving holistic transformations.

### Capgemini

**Capgemini** enables mobile-first customer optimization with more than 200 mobile assets and its unified commerce platform. The firm's industry-focused accelerators speed up time to market with prebuilt solutions for faster improvement and modernization.

### cognizant

**Cognizant** offers market-leading platform modernization for retail and CPG clients. It combines Agile methods, data tools and its Modernize+ suite with a two-pronged strategy for business goals and app functionality, all backed by strong cloud and low-code/no-code partnerships.

### Deloitte

**Deloitte** approaches retail and CPG platform modernization with a three-pronged methodology built on deep industry expertise, prioritizing workforce needs, automation and cloud-native microservices solutions, often leveraging Oracle's AI and cloud for data-driven innovation.

### HCLTech

**HCLTech** offers its own three-level methodology for assessing, designing and implementing platform migrations and modernization, with a robust array of industry-specific accelerators powered by future-proof IP.

### Infosys

**Infosys** stands out in retail and CPG platform modernization with its vast industry expertise and a deep portfolio of over 70 offerings, including cloud migration, low-code/no-code and supply chain modernization through its award-winning DSCM platform and SAP expertise.



## Platform Modernization Services



**KPMG** leverages deep business expertise and its Modern Data Platform (MDP) with containerization using Red Hat OpenShift for flexible modernization. Its accounting and consulting heritage translates to measurable business value for platform migrations.



**Kyndryl** offers deep retail and CPG platform expertise, including over 1,300 Oracle and SAP certifications. It leverages decades of cloud infrastructure experience and industry-optimized accelerators to deliver secure, automated solutions.



**TCS** leads in retail and CPG platform modernization with deep consulting, implementation and managed services expertise across platforms, industry-specific solutions and automated data migration for seamless replatforming.



**Wipro's** Data Intelligence Suite and Boundaryless Enterprise framework accelerate cloud data migration and secure multicloud deployments. The firm's Digital Rig DevSecOps platform streamlines secure application development.



**Genpact** (Rising Star) prioritizes security and business goals, with deep industry expertise to design future-proof architectures, agile methodologies for continuous innovation and low-code/no-code tools for streamlined workflows and legacy system updates.



**LTIMindtree** (Rising Star) offers a strong platform modernization suite, including AI-powered tools such as Canvas for development insights, FinOps for cloud cost optimization and LAMPS for automated SAP migrations.



# Cognizant



"Cognizant leads retail and CPG platform modernization with agile methods, data tools, Modernize+ suite, a two-pronged business-app strategy and strong cloud and low-code/no-code partnerships."

*Bruce Guptill*

## Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23 the company generated \$19.4 billion in revenue, with Financial Services as its largest segment. Cognizant has more than 3,000 FTEs working on digital innovation for retail and CPG clients. The firm collaborates and codevelops offerings with leading technology providers, including hyperscalers such as AWS, Azure and Google, as well as IBM and Shopify, to deliver best-in-class platform modernization solutions.

## Strengths

**Application modernization as a core service specialty:** Cognizant's Application Modernization offering combines agile methodologies and data management tools with its own and third-party technologies. Key software capabilities include its Modernize+ suite of platforms, encompassing Cognizant Modernization Acceleration Platform and Cognizant Cloud Acceleration Platform. The firm's two-pronged consulting strategy focuses on business goals via its Digital Footprint Diagnostics and application functionality using its contain-maintain-invest framework.

**Platform-driven modernization accelerators:** Cognizant Modernization Acceleration Platform includes a substantial portfolio of tools and services, including Cognizant's

Cloud Acceleration Platform; SM4J Swift Migrator for Java; DOT NET Upgrader; and the company's AppLens®, ApplInsight and LogicLens tools. The portfolio also includes the Digital Readiness Framework and Business Value Management Framework.

### Outstanding partnership portfolio:

Partnerships with major cloud providers (AWS, Azure, Google Cloud) and low-code/no-code platforms further strengthen Cognizant's capabilities in migrating workloads and designing solutions. Key partnerships include ServiceNow, AWS, Google, IBM Red Hat, Teradata, T-Systems, VMware, HPE, OVHcloud, SAP, Salesforce, Adobe, NCR and Shopify.

## Caution

While Cognizant offers a substantial portfolio with outstanding capabilities, it should continue to improve seamless application and data integration and interoperability solutions that enable smooth data flow and communication end-to-end throughout clients' modernized landscapes.





# Managed Services

## Managed Services

### Who Should Read This Section

This quadrant is relevant to retail and CPG enterprises in the U.S. evaluating managed service providers.

In this quadrant, ISG highlights the current market positioning of managed service providers in the U.S. and how they address the key challenges enterprises face in the region.

The U.S. region is witnessing numerous challenges, including data security and AI regulations, complex IT infrastructures, legacy system modernization, rapid technological advancement, rising costs and supply chain disruptions. Retail and CPG enterprises are actively embracing cloud-native and cloud-first strategies and solutions to automate tasks and improve transparency by utilizing state-of-the-art development and management services. This approach aims to facilitate expansion and drive transformation to enhance operational efficiency, elevate customer satisfaction and foster business growth.

Enterprises seek providers delivering business process services to enhance their operations, including customer service and support, insight and analytics, finance and industry-specific processes such as store operations, buying and planning.

In 2024, managed service providers (MSPs) are focusing on crafting and delivering services tailored to meet clients' strategic business requirements by leveraging new-age technologies. Service providers investing substantially in cloud cost optimization to offer proactive client support and develop IPs and automation tools for more efficient infrastructure management.



**Marketing, sales and operations leaders** such as CMOs should read this report to understand providers' capabilities in handling CX, business processes and data management to reduce costs and enhance operations.



**Technology leaders** such as CTOs should read this report to understand providers' strengths, weaknesses and the scale and scope of their modernization, IT management and cybersecurity services.



**Procurement leaders** such as CPOs should read this report to gain a deeper understanding of the current landscape and partner ecosystem of managed service providers in the U.S.



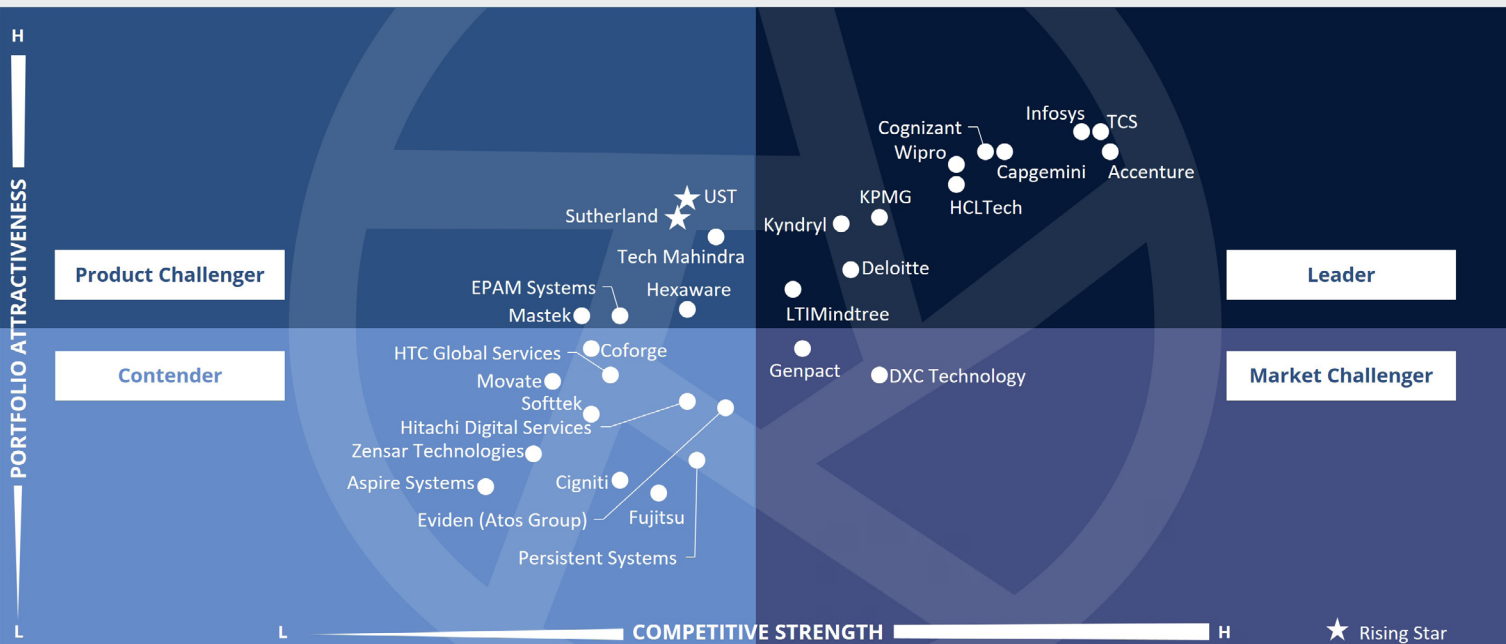
**Digital leaders** such as CDOs and CIOs should read this report to drive digital transformation and leverage data-driven solutions to align with market changes and meet business goals.



**\*ISG Provider Lens™**  
**Retail & CPG Services**  
**Managed Services**

Source: ISG RESEARCH

U.S. 2024



This quadrant examines and assesses providers of **managed services** used by retail and CPG client firms to **optimize their IT and business operations**, reduce and manage costs, improve business and system effectiveness, and create new opportunities.

Bruce Guptill



## Managed Services

### Definition

This quadrant assesses providers of managed IT services tailored for retail and CPG clients. These services typically include infrastructure, networking, applications development and management, and IT security delivered and managed as a service.

Clients seeking service providers in this space aim to outsource some or all of their IT infrastructure, operations, solutions development, user support, and associated development and management. Leading providers exhibit agility and effectively manage evolving software, networking, infrastructure and support requirements. The integration of multiple forms of AI improves the agility of MSPs.

The most efficient providers harness AI for large-scale, adaptable automation, enabling the use of predictive analytics, system diagnostics and assisted decision-making to increase the efficiency of business operations. Most Leaders have already initiated the development or expansion of GenAI capabilities in this regard. Clients prefer providers that ensure compliance with data privacy regulations, such as GDPR.

MSPs should develop and provide services that address clients' strategic business needs using disruptive, emerging and market-optimized technologies. These providers are critical resources in enabling the growth and success of retail and CPG clients as digital-first and innovative enterprises.

### Eligibility Criteria

In addition to having a **proven presence and an active client base in the retail and CPG industry**, providers assessed in this quadrant must demonstrate expertise in some or all of the following capabilities:

1. **Management** of core finance, ERP, HCM, CRM, sourcing, procurement, purchasing and SCM applications; POS and payment software; and mobile apps
2. **Agile development**, QA and testing, including DevOps and AIOps
3. **Privacy and GDPR compliance management**
4. **IT security management**, including security as a service
5. **Network and infrastructure management**, including core infrastructure and VPN/SDN management.



### Observations

Since 2022, several managed services have become increasingly valuable to retail and CPG firms, focusing on efficiency, automation, cybersecurity and leveraging data. The five service types that ISG research sees as having the most client investment since 2022 are listed below:

- **Cloud-based solutions:** The retail industry has been relatively laggard in adopting and advancing cloud-based capabilities. Retailers are finally moving toward migrating core IT to cloud platforms and leveraging managed services for cloud infrastructure.
- **Supply chain management (SCM):** The global pandemic forced every type of firm to reexamine and rethink supply networks (including suppliers) and their capabilities to mitigate future supply chain shock. Managed services for supply chain visibility, optimization and risk mitigation are crucial in today's complex global retail and CPG arenas.

- **Customer analytics and marketing automation:** Extracting insights from customer data and automating marketing campaigns is essential for targeted advertising and improved customer experiences.
- **AI-powered services:** AI-enabled – and managed – automation is being adopted and adapted primarily for reducing costs, including for labor. In addition to generating product ideas and content, GenAI can more adaptively automate tasks, improve decision-making, and personalize customer experiences.
- **Emphasis on cybersecurity:** Managed security services for threat detection, data protection and compliance are becoming more valuable. Increased emphasis on AI-powered security frameworks and data privacy compliance results from a more complex cloud presence and greater exposure to risk

From the 45 companies assessed for this study, 30 qualified for this quadrant, with 11 being Leaders and two Rising Stars.

### accenture

**Accenture** offers a comprehensive suite of managed services that combine its vast cloud, network, advisory and security resources with industry-specific platforms and frameworks. The company's recent acquisitions have improved its services, automation and application modernization.

### Capgemini

**Capgemini** stands out in retail and CPG managed services with three offerings: Smart QA for Agile development, Frictionless Enterprise that leverages AI and analytics for intelligent BPaaS, and the data-driven 890 platform offering ongoing analytics solutions for retail and CPG clients.

### cognizant

**Cognizant** stands out with its deep domain expertise, strong sector growth, pervasive DevOps/Agile practices and AI-powered automation, including its Neuro® IT Operations and GenAI Data Engineering Navigator.

### Deloitte

**Deloitte** offers a comprehensive managed services portfolio for retail and CPG clients, encompassing infrastructure, applications, DevOps, cybersecurity, cloud (via its OpenCloud platform) and software management.

### HCLTech

**HCLTech** leverages a robust digital services portfolio encompassing data, engineering, IoT, cloud, security and consulting, with a comprehensive BPaaS suite, a library of industry-specific accelerators and a strong managed security portfolio.

### Infosys

**Infosys** offers managed services that optimize business processes across applications, infrastructure and DevOps. Its services encompass ERP management, digital platform implementation, secure DevSecOps practices, and network/infrastructure support, focusing on automation and cost-efficiency.



## Managed Services



**KPMG** combines deep business organizational and operational knowledge with automation to streamline operations, improve inventory management and build sustainable supply chains. Its subscription-based services enable pay-as-you-go access to expertise and services for clients.



**Kyndryl** DevOps managed services span application management, cloud services, core system care, and data and AI solutions. Its AIOps platform simplifies hybrid IT management, while its core DevOps services deliver secure CI/CD pipelines, automation and end-to-end visibility.



**LTIMindtree** leads with its *3E framework* emphasizing next-gen IT operations, intelligent automation, network consulting, design and management services, and a comprehensive application management portfolio using 24/7 monitoring, automation and continuous improvement.



**TCS** stands out with its vast service portfolio (including ADM, AI, cloud and BPaaS) and deep commitment to the sector. End-to-end solutions across IT and business processes include core business platform management and BPaaS for merchandising, finance and HR.



**Wipro** stands out in retail and CPG managed services with its SmartOps approach, leveraging AI, automation and flexible pricing models to optimize costs and streamline processes for clients across Oracle, SAP and custom applications.



**Sutherland** (Rising Star) offers end-to-end managed services for retail and CPG clients, blending IT and BPO expertise. Its services encompass application management, service desk support and software integration — all focused on delivering measurable business outcomes.



**UST** (Rising Star) offers a flexible managed services approach, blending its expertise and automation (using UST SmartOps). It has frameworks to address Agile and traditional needs, while BPaaS solutions for store operations and customer service complement its offerings.





"Cognizant leads the retail and CPG managed services with a large dedicated team, deep DevOps/Agile expertise, and AI-powered automation for efficient and intelligent operations."

*Bruce Guptill*

# Cognizant

## Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23 the company generated \$19.4 billion in revenue, with Financial Services as its largest segment. Its key retail and CPG clients in the U.S. include major convenience, department, discount and grocery store brands along with specialty retailers. CPG segments served by Cognizant include apparel and footwear, consumer durables, consumer electronics, food and beverage, and home and personal care. Cognizant has over 2,500 FTEs working on managed services for more than 170 retail and CPG clients.

## Strengths

### **Extensive DevOps and Agile expertise:**

Cognizant indicates that 30 percent of client engagements include DevOps and Agile development, giving it a solid track record in both disciplines. It has created a DevOps maturity model that guides clients on milestone-based DevOps journeys. Its AI-enabled intelligent process automation enables improved performance at lower costs.

### **Strong AIOps capabilities:**

Cognizant's Neuro® IT Operations platform uses AI-powered automated tools to improve resilience, reduce complexity and give enterprises complete visibility over IT operations. An automated, repeatable approach enables continuous learning. Cognizant's GenAI Data Engineering

Navigator solution helps streamline operations through AI-driven automation, optimizing efficiency and reducing manual effort.

### **Application services advantages:**

Cognizant offers a comprehensive suite of application services that leverage automation, industry expertise and strategic partnerships. Its approach emphasizes accelerated development and modernization, focusing on speed, adaptability, and measurable business value from greenfield builds through modernization efforts, including leading commerce platforms. Its application services engagements typically include continuous improvement initiatives.

## Caution

Cognizant's managed services portfolio for retail and CPG clients is quite robust. Clients could further benefit from enhanced capabilities in predictive AIOps, faster service creation and improvement (by leveraging more partner solutions), and enhanced sustainability and resiliency solutions.





# Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.





# Appendix

The ISG Provider Lens 2024 Retail & CPG Services study analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

All revenue references are in U.S. dollars (\$US) unless noted.

The study was divided into the following steps:

1. Definition of Retail & CPG Services market
2. Use of questionnaire-based surveys of service providers/vendors across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.

6. Use of the following main evaluation criteria:

- \* Strategy and vision
- \* Innovation
- \* Brand awareness and presence in the market
- \* Sales and partner landscape
- \* Breadth and depth of portfolio of services offered
- \* Technology advancements



## Author & Editor Biographies

### Lead Author



**Bruce Guptill**  
**Geography Coverage – Global and U.S.**

Bruce brings more than 30 years of technology development, acquisition, and management expertise to ISG clients. Beginning with software programming and systems architecture and design, his career path has included business analysis, sales, marketing, and engineering positions in PC reselling, telecommunications and computer networking, electronic commerce and online marketplaces, and software and services.

Within ISG, Bruce has helped develop and lead enterprise and public sector research development and delivery, global ISG Research operations, and client support. His primary research and analysis for ISG clients has focused on IT services market disruption and change. He currently leads ISG's Provider Lens research studies for the U.S. Public Sector.

### Research Analyst and Co-Author



**Varsha Sengar**  
**Senior Research Analyst**

Varsha Sengar is a senior research analyst at ISG and is responsible for supporting ISG Provider Lens™ studies on Workday, Retail & CPG, Manufacturing and Chemicals Services and Solutions. She has over seven years of experience in technology research and consulting. At ISG, she is responsible for delivering the enterprise perspective for IPL and collaborates with analysts, advisors, and enterprise clients on various research requests, including primary and

secondary research. She supports the lead analysts across multiple regions in the research process and authors the global summary report. Prior to this role, she carried out multiple ad-hoc projects and competitive benchmarking reports, delivering industry-level actionable insights and recommendations. Her area of expertise lies across various technologies such as IoT, AI, smart homes, and autonomous driving.



## Author & Editor Biographies

### Study Sponsor



**Iain Fisher**  
**Director, Research**

Iain leads ISG's Future of Work, Customer Experience and ESG solutioning redefining business models and operating models to drive out new ways of working with a CX and ESG focus. He joins up end to end value chains across a number of markets and advises clients on where digital and technology can be used to maximize benefit.

A regular Keynote speaker and online presenter, Iain has also authored several eBooks on these subjects.

### IPL Product Owner



**Jan Erik Aase**  
**Partner and Global Head, ISG Provider Lens**  
**United States**

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a partner and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



### iSG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

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### iSG

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