Symphony RetailAI aims to empower retail managers with AI-enabled insights suite

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Summary

Looking to reimagine the insights and analytics engine behind high-volume retailers and wholesalers, Symphony RetailAI has overlaid its ongoing and historical customer-behavior data with an AI-backed digital analytic assistant named CINDE, short for Conversational Insights and Decision Engine. With immersive visualizations, natural language processing (NLP) and machine-learning capabilities, CINDE was launched in late 2017, with general availability in 2018.

The launch of CINDE came within a flurry of activity from the global software company, where it also announced a formal merging of its two business units. The move officially brought together Symphony GOLD – a provider of software products for merchandising and category management, retail operations, and supply chain planning and replenishment for over 30 years – with Symphony EYC, which is focused on customer-centric insights, category insights, and promotions and personalized, omni-channel customer interaction, under the Symphony RetailAI roof.

451 TAKE

The addition of CINDE, and the general retooling of the company's insight and analytics engine appears a shrewd and forward-thinking move from the grocery retail specialist. The platform's flexibility, apparent comprehensiveness, and user-friendly style displayed in the dashboard should give retail decision-makers plenty to chew, process and act upon as they use the tool. The practicality and effectiveness of CINDE remains to be seen. With just two customers currently using the digital analytics assistant, it will surely take time to iron out and optimize the AI-enabled helper. That said, if executed properly, CINDE has the ability to change the way retailers approach decision-making.

Context

Symphony RetailAI provides retail operations and analytics software to a range of large retailers globally. Since its founding in 2012, the company has specialized in serving retailers and wholesalers within high-volume retail segments, including grocery and mass merchandise. Symphony RetailAI touts the ability to provide timely feedback and back-end decision-making systems for a grocery retail ecosystem, which is historically difficult to track and analyze.

Over time, the company has amassed a customer base of over 1,200 merchants and distributors including 15 of the largest 25 global grocery chains. North American customers include Dollar General, Smart & Final, Rite Aid, Southeastern Grocers and Giant Eagle. Split 60/40 between Europe and the US, customers range from $1bn to $20bn in revenue. Headquartered just north of Dallas in Addison, Texas, with offices around the globe, Symphony RetailAI counts 700 employees and claims to have revenue of roughly $200 million annually.

Products

While a substantial portion of Symphony RetailAI's value proposition revolves around the company's category management and supply chain solutions, this report is primarily focused on its customer insights and intelligence offerings. Symphony RetailAI's Customer 360 AI platform stems from its original Symphony EYC customer behavior analytics software supported by a range of data streams. The dashboard provides insights and recommendations based on product performance and consumer actions. Targeting retail executives as well as regional and individual store managers, users have the ability to view and track customer segments, product sales and promotion effectiveness.

Symphony RetailAI's primary intelligence source fueling the analytics engine is customer data from across the company's wide merchant client pool. This includes POS transactional data from retail customers of over 70 million households, longitudinal survey-based purchase data on over 200,000 households and a recently developed 100,000 household e-commerce panel. Much of the transactional insight is enabled through integrations with third-party merchant loyalty programs. The platform also draws from the company's geolocation partner, Safegraph, which pulls from a pool of 10 million shoppers every 10 minutes.

The most recent addition to the offering is CINDE, the platform's digital analytic assistant. Bringing a predictive and conversational touch to augment Customer 360 AI's insight and analysis, CINDE leverages NLP and AI to interact with users, both responding to questions and pushing time-sensitive recommendations and alerts. Examples of the types of questions CINDE can answer include: 'How is X category performing in X store?' or 'What are customers buying instead of X product?' Moving forward, Symphony RetailAI will continue adding new skills to CINDE, and expects its capabilities to improve as it actively learns from interactions and is further integrated into the company's products.

Strategy

Since 2012, the company has invested heavily in bringing a fully unified offering to market. The rebranding under one Symphony RetailAI name further signifies this transition. As it stands today, the company's operations and supply-chain-based platform and its front-end decision engine have experienced steady cross-sales, with roughly one in four clients using both services. In parallel, Symphony RetailAI's customer intelligence and insights offering has also increasingly shifted from a managed services sales model to one based on recurring SaaS revenue. Its current revenue split includes 70% SaaS sales.

Regionally, the company has enjoyed most of its success among retailers in North America and in Europe. It is also experiencing growth with a number of customers in South America and Asia. Major clients include Albertsons, Dollar General, Giant Eagle, Southeastern Grocers, Carrefour, Pets at Home, and Pague Menos.

Competition

Symphony RetailAI's primary competitors on the customer intelligence and insights side of the business include Chicago-based IRi Software, dunnhumby, Nielsen, SAS Institute and Precima. Other vendors that compete with Symphony RetailAI across merchandising, store operations and supply chain include JDA, Nielsen, RELEX and SAP.

SWOT Analysis

STRENGTHS
Symphony RetailAI's deep portfolio of grocery and mass merchandise customers provides its insight tools with large pools of relevant data. This paired with the company's history within the space has bred a well-thought-out dashboard and targeted recommendations.

WEAKNESSES
Outside of high-volume retailers such as grocery, Symphony has less experience in other more mainstream retail verticals. This lack of depth may prove a challenge as the company increasingly looks to expand outside of its core market.

OPPORTUNITIES
While Symphony has enjoyed significant market penetration in the US and Europe, large growth markets including Latin America and APAC are ripe with growing grocery chains and other merchants within its core market.

THREATS
While opportunity is certainly abundant abroad, extending its analytics and recommendations tools to foreign language speakers may prove difficult. This will be particularly challenging when trying to extend CINDE and NLP capabilities.