



Innovator Matrix **Demand Forecasting**

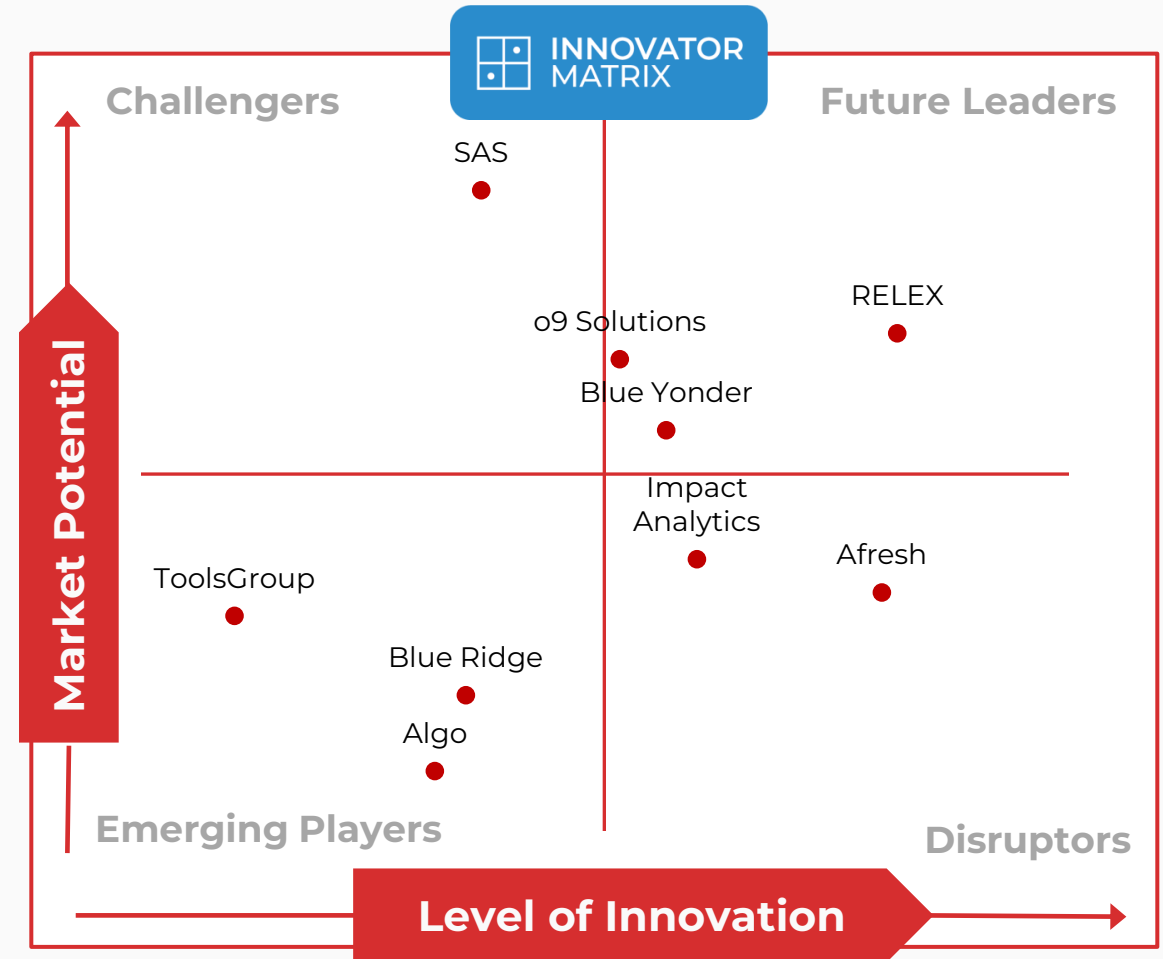


Executive Summary

We explore the evolving global demand-forecasting technology landscape, evaluating challenges faced by retailers and spotlighting the top private companies providing these solutions, based on their level of innovation and market potential.

- Demand forecasting is a critical component of retail operations that significantly impacts a retailer's ability to optimize inventory levels, reduce waste and improve customer satisfaction. The integration of advanced technologies such as artificial intelligence (AI) and machine learning (ML) is pivotal for retailers aiming to refine their demand-forecasting processes, achieve operational excellence and increase sales and profitability.
- The global predictive analytics software market (which drives demand forecasting) totals approximately \$29 billion in 2024 and will grow to \$58.3 billion in 2028, Coresight Research estimates.
- The top private and emerging innovators providing demand-forecasting solutions for US retail are Afresh, Algo, Blue Ridge, Blue Yonder, Impact Analytics, o9 Solutions, RELEX Solutions, SAS Institute and ToolsGroup.

Executive Summary Figure 1. Coresight Research Innovator Matrix: Demand Forecasting



Source: Coresight Research

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Introduction

What Is the *Innovator Matrix Series*?

The Coresight Research *Innovator Matrix* series is designed to:

- Help retailers and brands identify the top retail-technology companies to integrate into their technology stack to drive growth.
- Help investors identify the top pre-IPO (initial public offering) retail-technology companies that are poised for high growth and have the potential to lead the market in their respective technology areas in the future.

For each report, we conduct a quantitative and qualitative analysis of companies' level of innovation and market potential. Our selection of the top technology providers in each space is based on our analysts' expertise at the intersection of retail and technology, supported by key data sources.

We analyze, evaluate and score these companies based on their relative performance on a two-factor evaluation scale: innovation and market power. We define both scales—the axes for our matrix—below (see further details in the methodology at the end of this report).

- **Level of Innovation:** We rank each company on parameters that imply its vision in the broader retail market and how it positions itself to be a problem solver for both retailers and consumers using advanced and innovative technologies and retail strategies.
- **Market Potential:** We assess the extent of each company's prowess in terms of growth, funding, momentum to scale and whether its offerings are distinct and provide a competitive edge in the market.

This Report: Demand Forecasting

Demand forecasting in retail involves analyzing purchase trends and other data to predict future consumer demand and so ensure that the right products are available at the right time and at the right store, minimizing both stockouts and excess inventory. As shopper expectations around product availability rise and shopping behavior further diversifies across channels, accurately forecasting demand is becoming increasingly challenging for retailers.

Several key trends, including the rise of unified commerce (an evolution of omnichannel retail), the growing use of artificial intelligence (AI) and machine learning (ML), and an increased focus on sustainability by consumers and other stakeholders, are pushing retailers to rethink and refine their demand-forecasting strategies. By improving their forecasting capabilities, retailers can better align their supply chains with consumer needs, reduce costs and create a more seamless shopping experience that drives customer loyalty and boosts revenue and profitability.

In this report, we evaluate the top private and emerging innovators providing demand-forecasting solutions serving the US retail market, which we identified through a nine-criteria assessment.

The covered companies are Afresh, Algo, Blue Ridge, Blue Yonder, Impact Analytics, o9 Solutions, RELEX Solutions, SAS Institute and ToolsGroup.

Demand Forecasting: Landscape and Opportunity

The Problem

Demand forecasting is a critical yet challenging aspect of retail operations that significantly impacts a retailer's ability to maintain optimal inventory levels, meet consumer demand and drive both top- and bottom-line growth.

What makes demand forecasting so difficult?

- Rapid changes in consumer preferences
- Seasonal and promotional demand fluctuations
- The complexity of managing multiple sales channels
- The impacts of external factors such as economic shifts or global events

Inaccurate demand forecasts can lead to out-of-stocks or overstocking, reduced customer satisfaction due to product unavailability, and the inefficient use of capital and resources.

Accurate demand forecasting is essential for retailers to navigate the complexities of modern retail, where consumer expectations for product availability and instant gratification are higher than ever. Inaccurate forecasts can result in significant financial losses and damage to brand reputation, making demand forecasting a crucial focus area for retailers in 2024 and beyond.

The Solution

The integration of advanced technologies and sophisticated analytics is crucial for retailers and brands looking to overcome the challenges of demand forecasting and improve their inventory management.

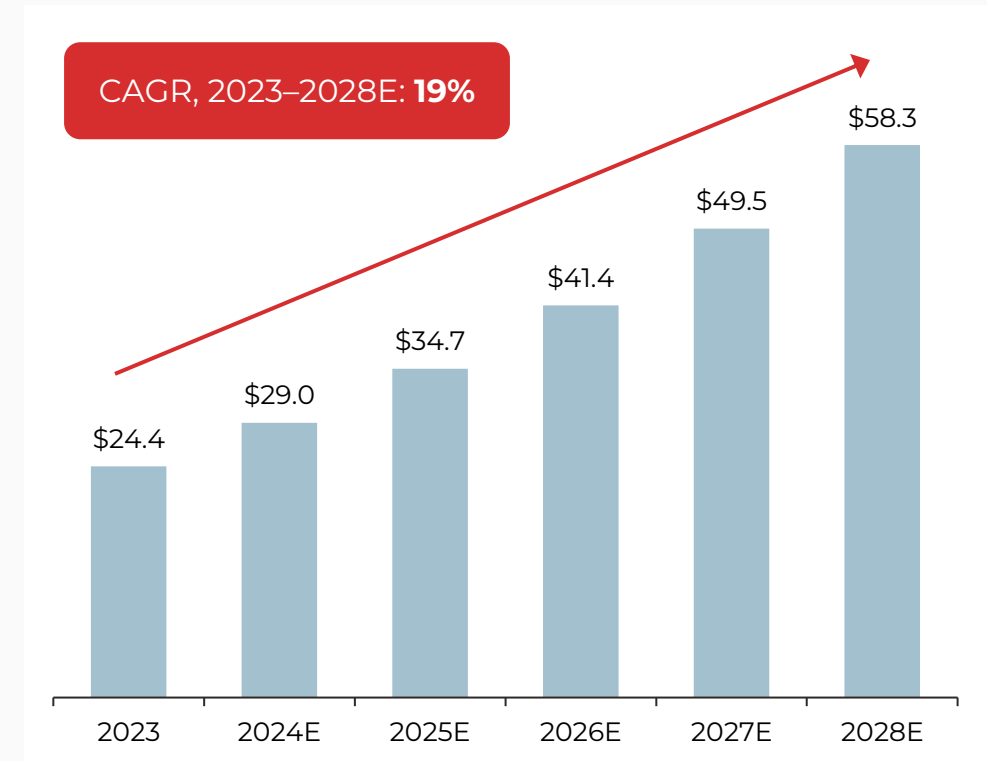
Demand-forecasting technology providers leverage AI, ML, big data analytics and cloud-based platforms to help retailers predict consumer demand more accurately, optimize stock levels and enhance their overall operational efficiency. Demand-forecasting solutions not only help retailers reduce costs and improve profitability but also enable them to deliver a more reliable and satisfying shopping experience to their customers.

The Opportunity

As the retail market grows increasingly complex, demand forecasting is becoming a vital tool for staying competitive. Innovations in data analytics and AI are opening new opportunities for retailers to refine their forecasting accuracy, ensuring the right products are available when and where customers want them.

The US predictive analytics software market (which drives demand forecasting) totals an estimated \$29 billion by the end of 2024 and is set to reach \$58.3 billion by 2028.

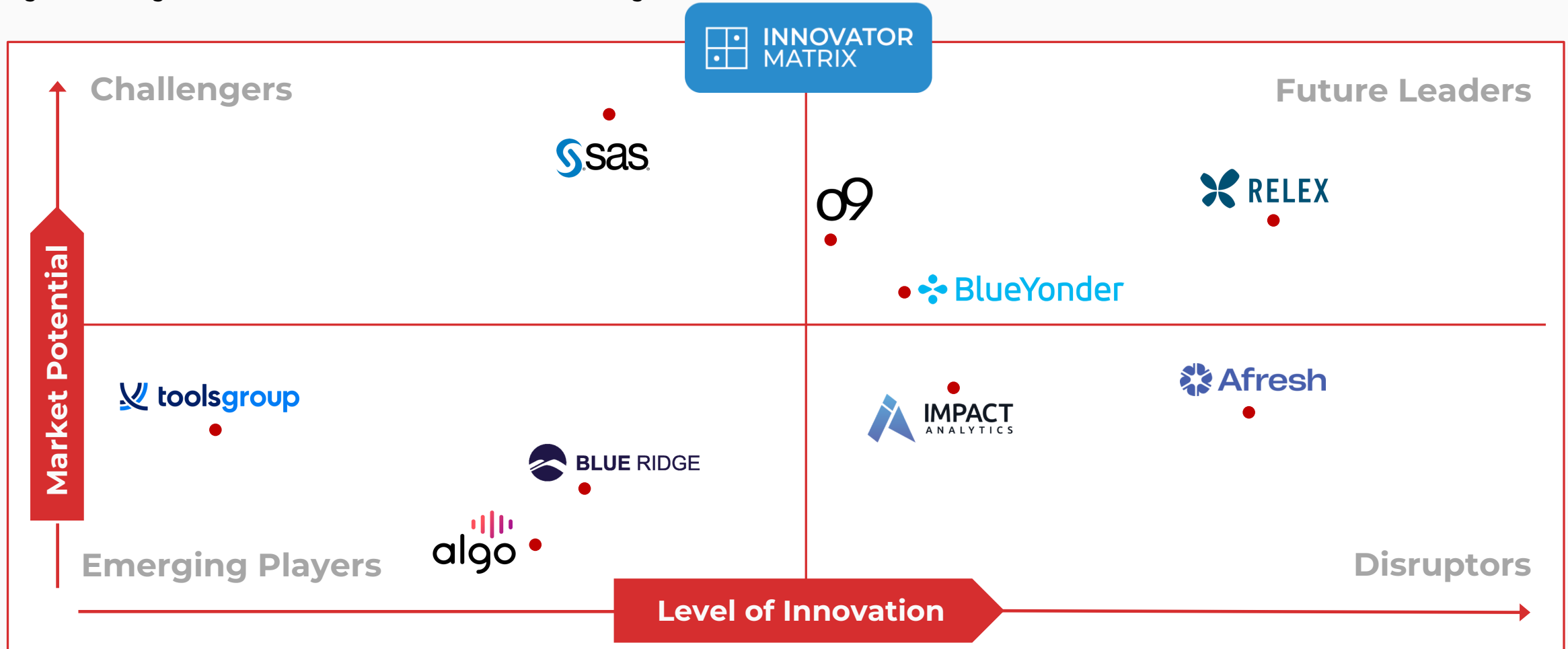
Figure 1. US Predictive Analytics Software Market (USD Bil.)



Source: Coresight Research

Innovator Matrix: Demand Forecasting

Figure 2. Coresight Research Innovator Matrix: Demand Forecasting



Source: Coresight Research

Quadrant Descriptions

Market Potential

Challengers

Companies that hold a strong market position while also making efforts in innovation. Generally, these companies have a competitive product, greater market share and a relatively mature operation that places them in a good position to further penetrate the market and become a challenger for a future leader, especially should they increase their use of innovative technologies and strategies.

Future Leaders

Companies that are highly innovative in technologies and retail strategies used and have a competitive edge through high market prowess. Generally, these companies take a highly innovative and disruptive approach to a retail issue and possess a strong industry background, a competitive product/offering, growing momentum in the market and ample funding to help the company continue to penetrate the market and become a future leader (if not already) in the space.

Emerging Players

Companies that are innovative in their approach to their market and are gaining traction within their technological niche. Generally, these companies are emerging players in the market and have high growth potential as they continue to build credibility in the market, gain more resources and continue to innovate their product/offering.

Disruptors

Companies that are highly innovative in technologies used, with many being highly specialized in the field and possessing a clear understanding of market needs. Generally, these companies are some of the most innovative in the matrix and have the potential to become future leaders in the sector as they build more foundational market positions, gain resources to sustain growth and attract more funding from VC (venture capital) firms.

Level of Innovation

Company Profiles

We present details of each innovator and its offerings in the demand-forecasting space, featured in alphabetical order.



Afresh

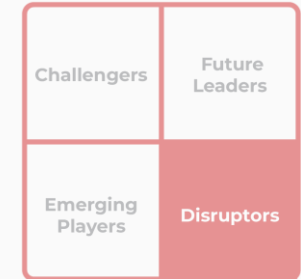
Year founded: 2017

Headquarters: Oakland, California, US

Funding raised to date: \$147.8 million—Series B

Overview: Afresh provides AI-driven demand forecasting and inventory management solutions to track demand and manage orders for fresh produce in grocery stores. The company leverages AI and ML to enhance demand forecasting specifically for perishable goods, which are a traditionally challenging area for demand planning, enabling retailers to maintain product quality and reduce waste.

Key offering: The Afresh platform integrates real-time data from various sources, employs ML to predict demand patterns with high accuracy, and is built on a cloud-native infrastructure for scalability and seamless integration with existing retail systems. Key benefits include significant reductions in food waste and stockouts, longer shelf life of products, and streamlined ordering processes. Afresh's innovative technology disrupts traditional retail models by focusing on fresh-food management, aligning with heightened awareness of sustainability and consumer demand for companies to adopt environmentally friendly practices.





Algo

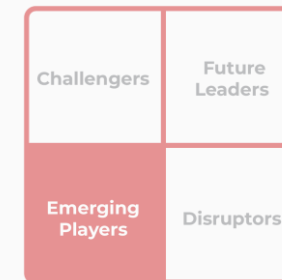
Year founded: 2016

Headquarters: Canton, Michigan, US

Funding raised to date: \$35 million

Overview: Algo is an enterprise AI-powered supply chain planning platform designed to streamline operations through advanced analytics and decision intelligence. The company integrates real-time data and scenario-planning capabilities to improve accuracy in demand forecasting, inventory management and overall supply chain efficiency.

Key offering: Algo offers a suite of AI-driven tools focused on demand forecasting and inventory optimization. Its core product, "Journeys," provides decision-intelligence solutions that convert analytics into actionable strategies, helping retailers reduce out-of-stocks, optimize inventory levels and streamline operations. Additionally, Algo employs digital-twin technology to simulate and optimize supply chain elements. Integrating data from various retail channels, the company supports seamless omnichannel strategies, enhancing collaboration and enabling companies to respond quickly to market changes.





Blue Ridge

Year founded: 2007

Headquarters: Marietta, Georgia, US

Funding raised to date: undisclosed—private equity

Overview: Blue Ridge is a cloud-based provider of supply chain planning and analytics solutions. The company specializes in using advanced statistical modeling and ML algorithms to create highly accurate demand forecasts. With significant experience and a strong focus on innovation, Blue Ridge aims to transform supply chain management for mid-sized to large enterprises.

Key offering: Blue Ridge offers comprehensive demand-forecasting solutions that leverage AI and ML to analyze vast data sets, including historical sales, customer demographics, and external factors such as weather patterns. The platform integrates seamlessly with ERP (enterprise resource planning) systems, enabling collaborative forecasting across supply chains and providing dynamic safety-stock calculations. The company's cloud-native infrastructure ensures scalability, security and real-time data processing, helping clients to achieve greater resilience and agility.





Blue Yonder

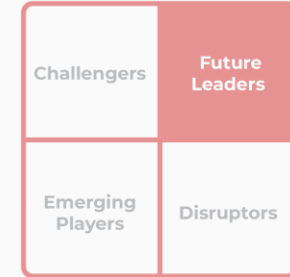
Year founded: 1985

Headquarters: Scottsdale, Arizona, US

Funding raised to date: \$1.7 billion—M&A

Overview: Blue Yonder is a leading digital supply chain and omnichannel commerce fulfillment platform. Blue Yonder provides an intelligent, end-to-end system that enables brands, retailers, manufacturers and logistics providers to predict and fulfill customer demand effectively. Known for its integration of AI- and ML-powered solutions, Blue Yonder's platform offers features such as dynamic pricing, inventory optimization and seamless omnichannel fulfillment. Leveraging these technologies, the company aims to improve operational efficiency, asset utilization and customer satisfaction.

Key offering: Blue Yonder's key offerings include the Luminate Planning solution suite, which provides ML-based demand forecasting by processing numerous demand signals and data points. The platform supports end-to-end visibility and the creation of digital twins for accurate predictions. Blue Yonder Orchestrator, a GenAI (generative AI) solution, enhances customers' capabilities by integrating hundreds of environmental variables into demand calculations. Blue Yonder's acquisitions of Flexis AG and One Network Enterprises (in February 2024 and August 2024, respectively) as well as its recent investments in interoperability further bolster the company's ability to provide comprehensive demand forecasting and supply chain solutions.



Note: Blue Yonder operates as an independent subsidiary of Panasonic Corporation following its acquisition in September 2021 (see Methodology)



Impact Analytics

Year founded: 2015

Headquarters: Linthicum Heights, Maryland, US

Funding raised to date: \$61.8 million—Series C

Overview: Impact Analytics is a business intelligence company that offers AI-powered predictive analytics solutions to enhance demand forecasting and inventory management. With significant funding and a diverse customer base, Impact Analytics aims to transform industries by offering innovative tools that support data-driven decision-making.

Key offering: Impact Analytics uses advanced AI algorithms to predict future demand by analyzing historical sales data, seasonal trends, market conditions and consumer behavior. The platform integrates real-time data from various sources, allowing retailers to adjust forecasts dynamically and optimize inventory levels to reduce stockouts and excess inventory. The AI models continuously learn and adapt to new data, providing automated, actionable insights for better inventory management. Impact Analytics offers advanced data visualization tools and provides seamless integration across online and offline channels, ensuring effective demand forecasting and improved operational efficiency.





o9 Solutions

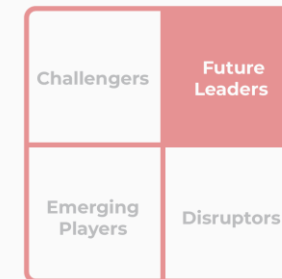
Year founded: 2009

Headquarters: Dallas, Texas, US

Funding raised to date: \$533 million—private equity

Overview: o9 Solutions provides a cloud-based business management platform that is designed to power the digital transformation of integrated planning and operations. Leveraging AI and ML, the company delivers comprehensive planning software for demand forecasting, supply management and price planning across diverse industries. With an emphasis on sustainability and ESG (environmental, social and corporate governance) goals, o9 Solutions has raised significant funding to support its "Digital Brain" platform.

Key offering: o9 Solutions offers AI-driven demand forecasting, collaborative planning and demand sensing software to help retailers maintain optimal inventory levels, reduce stockouts and enhance decision-making. Its technology stack includes advanced algorithms for scenario simulations, digital-twin technology, and cloud-based delivery to ensure scalable and reliable operations. The "Digital Brain" platform integrates all enterprise data, providing real-time insights and improving cross-functional collaboration.





RELEX Solutions

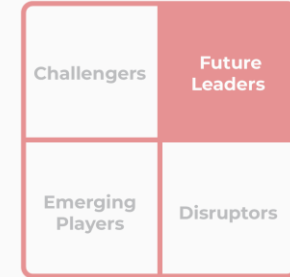
Year founded: 2005

Headquarters: Helsinki, Finland

Funding raised to date: \$804 million—private equity

Overview: RELEX Solutions provides an integrated retail and supply chain planning system designed to enhance forecasting accuracy and streamline operations for businesses worldwide. RELEX leverages AI and ML to automate planning processes, enabling its clients to respond quickly to changes in demand and improve overall efficiency. The company’s holistic approach removes siloed planning processes and integrates all demand drivers to deliver comprehensive solutions for diverse retail and manufacturing needs.

Key offering: RELEX offers robust AI-driven demand forecasting and supply chain solutions, featuring comprehensive dashboards, real-time visibility and an adaptable user interface for the easy integration of large data sets. The innovative platform automates processes to improve planning across merchandising, supply chain and operations, ensuring better product availability and reducing costs. RELEX’s technology optimizes inventory management, reduces stockouts and enhances decision-making for a wide range of retail and manufacturing environments.





SAS Institute

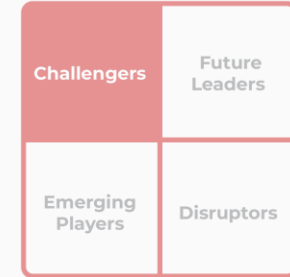
Year founded: 1976

Headquarters: Cary, North Carolina, US

Funding raised to date: Self-funded

Overview: SAS provides advanced business analytics and intelligence software and services to enable companies to optimize their operations. With 48 years of experience and a strong foundation in statistical analysis, AI and ML, SAS supports a wide range of industries with its innovative demand forecasting tools. The company is known for its high-quality, customizable solutions that improve forecast accuracy, streamline operations and enhance supply chain management.

Key offering: SAS offers a comprehensive suite of AI- and ML-driven and solutions for demand forecasting, including SAS Visual Forecasting and SAS Forecast Server. These solutions automate data transformation, feature generation and model deployment, enabling real-time and adaptive forecasting. The cloud-based SAS Intelligent Planning solution integrates open-source and proprietary algorithms, allowing businesses to visually analyze demand data, perform scenario planning and facilitate cross-functional collaboration.





ToolsGroup

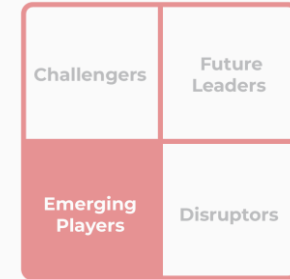
Year founded: 1993

Headquarters: Amsterdam, Noord-Holland, The Netherlands

Funding raised to date: undisclosed—private equity

Overview: ToolsGroup provides supply chain planning software, specializing in addressing demand volatility. The company leverages AI and ML to enhance the accuracy and reliability of supply chain predictions. ToolsGroup’s solutions are designed to manage the complexity and variability inherent in consumer demand, aiming to optimize supply chains and meet customer expectations.

Key offering: ToolsGroup offers a range of innovative solutions including AI-driven demand forecasting, in-season inventory optimization and AI-driven pricing strategies. Its SO99+ suite is designed for complex, multi-echelon supply chains. ToolsGroup enables retailers to dynamically respond to real-time fluctuations in demand, improve operational efficiency and provide competitive pricing, fostering a resilient and adaptive supply chain environment.



What We Think

The ability to forecast demand with precision enables retailers to optimize inventory and reduce costs, which are becoming ever more important in an increasingly dynamic retail landscape.

We believe that the standard for demand forecasting in retail will be elevated in the coming years, as more companies turn to leading technology innovators to help them accurately predict and respond to consumer demand in order to maintain high levels of customer satisfaction and loyalty.

By collaborating with demand-forecasting solution providers and implementing data-driven strategies, retailers can better meet consumer expectations, improve operational efficiency and secure long-term success.



Methodology

Innovator Matrix Analysis

Coresight Research analyzes companies based on a quantitative and qualitative analysis of their level of innovation and market potential. Our selection of the top technology providers in each space is based on our analysts' expertise at the intersection of retail and technology, supported by key data sources. We evaluate the companies based on two criteria:

- **Level of Innovation (x axis):** Coresight Research assesses companies' innovation in the retail and technology space by evaluating core components of the company's product development, their use of innovative technologies, retail application, market and product vision, and ESG contributions.
- **Market Potential (y axis):** Coresight Research assesses companies' market power by evaluating the edge that the company has in penetrating the market, based on product strengths, their ability to scale, brand awareness, funding and overall momentum.

We normalize the scores across both scales based on each company's total number of years in operation to assure fair scoring.

Demand Forecasting Companies

Parameters for Selection

- Company's product/offering must be primarily focused on demand-forecasting solutions that cater to the retail industry.
- Company must be private (companies in ongoing IPO discussions and independent subsidiaries of larger corporations included).
- Company must be headquartered and/or have significant operations in the US.

Selection Criteria

- Companies were evaluated based on their level of innovation and market power.
- Analysts selected the top nine companies from an evaluation of around 100 private, retail demand-forecasting companies.

Scoring

- **Level of Innovation:**

- Innovation and Disruption—how companies use innovative technologies and strategies to advance and disrupt a specific area of retail
- Benefits to Retailers and Consumers—how much the company’s product/solution provides benefits to both retailers and consumers
- Market and Product Vision—how well a company displays its understanding and vision of the retail market, both in terms of the broader market and how its solution will evolve to meet market shifts
- ESG Contribution—the contribution the company is making toward a positive environmental, social and corporate governance (ESG) impact

- **Market Potential:**

- Competitive Edge—how well a company measures up against the competition in terms of product quality, pricing power, market penetration, brand equity, website user interface and patents
- Ability to Scale—how well a company is positioned to scale compared to its competition, growth factors and market potential
- Brand Awareness—the company’s brand awareness in terms of social and online presence
- Relative Funding —how much funding a company has raised relative to the number of employees it has and its time in operation
- Momentum—short term growth in company size (employees), social presence (twitter followers), online presence (unique visitors to its website) and VC funding

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