IDC MarketScape

# IDC MarketScape: Worldwide Point-of-Sale Software in the Quick Service/Fast-Casual Restaurant Sector 2024 Vendor Assessment

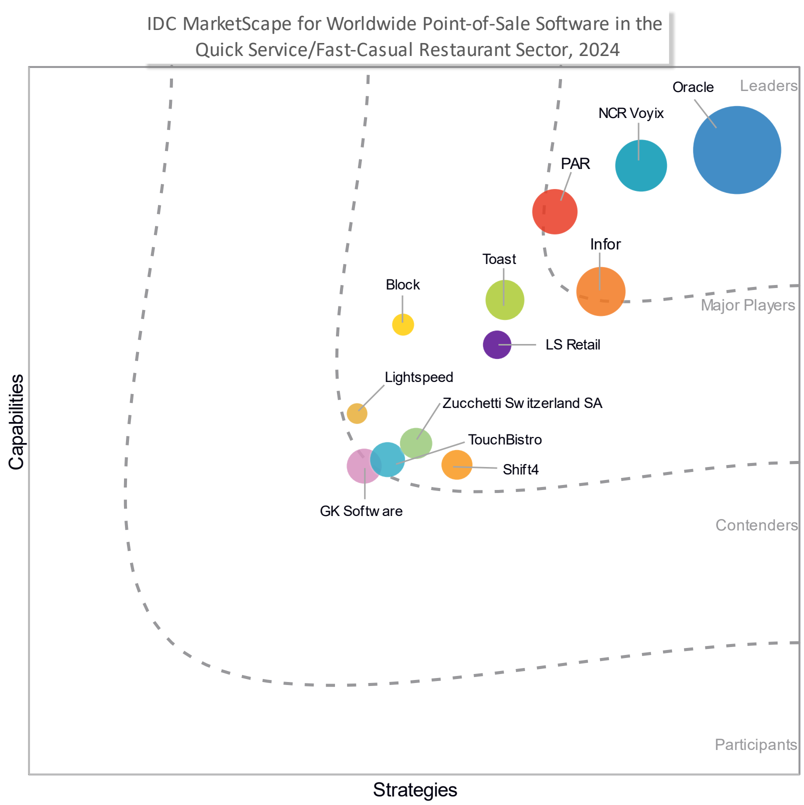
Dorothy Creamer

## THIS EXCERPT FEATURES ORACLE AS A LEADER

## IDC MARKETSCAPE FIGURE

### FIGURE 1

**IDC MarketScape Worldwide Point-of-Sale Software in the Quick Service/Fast-Casual Restaurant Sector Vendor Assessment**




Source: IDC, 2024

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Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Point-of-Sale Software in the Quick Service/Fast-Casual Restaurant Sector 2024 Vendor Assessment (Doc # US49096423).

## IDC OPINION

The point of sale (POS) in quick-service restaurants (QSRs) and fast-casual restaurants has undergone quite a metamorphosis. Sentiments are shifting around whether the POS is the heart of an organization or one of the many vital arteries feeding a central operational platform. Regardless, its importance cannot be understated, and enterprises evaluate and invest in POS systems, knowing they can make the difference between an efficient, healthy business and one that cannot keep up with the competition.

Competition is fierce. Restaurant brands are continuously consolidating, creating larger enterprise-level restaurant groups that put pressure on smaller and midmarket players. The equalizer may lie in the guest experiences that brands can offer. POS software will reach across digital divides to attract, win, and keep customers returning, driving up lifetime value.

As QSRs and fast-casual restaurants have evolved, so have the must-haves for POS providers. Gone are the days when omni-channel was a retail-centric term with little applicability. Today's QSRs and fast-casual brands drive large portions of business through online and digital channels and recognize the need for frictionless ordering and payment through multiple means to appeal to and capture the business of modern diners.

Feature lists for POS providers hoping to win more business in the QSR/fast-casual space have grown exponentially as software providers realize they must offer robust platforms with out-of-box functionality or solid integrations. Competition is fierce among POS vendors in providing holistic support and comprehensive capabilities. As such, point-of-sale suppliers are increasingly offering complete platforms to provide restaurants with a total package of services. According to IDC's July 2024 *Global Retail Survey,* more than a quarter of restaurants (28%) note that composable platforms encompassing POS, payments, and commerce are the top investment areas to support overall operations by 2026.

Omni-channel capabilities have become table stakes, and the next phase for POS revolves around the rise of automation and intelligence. This IDC MarketScape pays particular attention to the growing demand for frictionless automation for guests with self-ordering options and the need for employees to have solutions that speed up the order-taking process, eliminate errors, reduce transaction times, promote upsells, and offer business intelligence to increase efficiency. According to IDC's *Global Retail Survey*, the top areas in which restaurants plan to invest to improve operations are mobile devices for mobile POS (40%), computer vision at checkout (34%), and smart self-serve kiosks (22%).

POS providers' key differentiators are their abilities to provide impactful data to QSR and fast-casual operators with real-time and cross-unit visibility. The efficiency of data reporting from the POS and integrated systems is critical to generating KPIs and offering actionable insights to yield returns. POS software providers recognize the importance of embedding AI and ML into systems to ensure products are ready for the future and help operators increase their bottom lines.

As the POS landscape becomes more mature and competitive, vendors are fine-tuning their methods for serving specific market segments and business models. With several major players focusing solely on the restaurant space, larger enterprise providers encompassing multiple sectors are adjusting products to better meet the specific needs of businesses in the fast-casual and QSR markets. This IDC MarketScape assesses vendors that are providing point-of-sale software solutions to restaurants in the QSR/fast-casual sector. This study uses the IDC MarketScape model to assess multiple quantitative and qualitative criteria that can help evaluate a vendor's offerings and position in the marketplace. The evaluation is based on a standardized set of parameters, which IDC uses to compare POS software vendors.

As part of this evaluation process, participating technology vendors provided an assessment of their current capabilities and strategies, responses to an extensive questionnaire, an in-depth briefing, and access to reference clients to appraise their ability to meet the needs of technology buyers looking for point-of-sale providers.

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

For inclusion in this study, IDC Retail Insights stipulated that a vendor should meet the following criteria:

- Has an established reputation offering POS software solutions in the full-service (table-service) restaurant segment of the hospitality industry
- Has yearly revenue greater than $25 million

- Offers an enterprise-ready, global POS software solution with advanced omni-channel point-of-sale functions and capabilities
- Provides platform-like capabilities with out-of-the-box offerings (including drive-through capabilities, kiosk functionality, mobile options, online ordering, tableside ordering, kitchen display systems [KDSs], and delivery options/integrations)
- Must demonstrate the ability to scale POS solutions globally with deployment and support
- Must have restaurant clients in more than one country in the following regions: North America, South America, Asia/Pacific (APAC), Europe, and the Middle East and Africa (EMEA)
- Demonstrates significant POS software results in the fast-casual/QSR restaurant sector
- Demonstrates the ability to support multi-unit QSR/fast-casual restaurants

The restaurant market's population of POS software vendors is growing. The subset of POS software vendors serving the global enterprise QSR restaurant market that meets the inclusion criteria comprises many vendors.

This evaluation is part of a series of POS software vendor evaluations, including POS software for full-service restaurants and hotel POS software.

## ADVICE FOR TECHNOLOGY BUYERS

The IDC MarketScape research process includes vendor briefings, comprehensive RFI responses, customer reference calls, and ongoing research. Using this data, IDC offers these insights and recommendations for QSR and fast-casual restaurant operators:

- AI is still in its infancy in many POS solutions, but QSR and fast-casual restaurants will greatly benefit as this space matures. Operators should evaluate POS providers against current capabilities and their ability to deliver on road map promises. As AI matures, POS providers must leverage the advanced capabilities that intelligent systems can unlock.
- POS software is not one-size-fits-all, and restaurant brands increasingly seek composable platforms with varying features and sophistication levels.
- High turnover and reduced staffing levels are always concerns in hospitality environments. Operators should evaluate potential POS partners based on UX and intuitive interfaces to make training less time-consuming.
- Data visibility remains a key concern in hospitality. Restaurant operators should evaluate POS partners on the robustness of the reporting tools that the POS

solution provider offers or the availability of open partnerships with data and analytics systems to leverage POS data.

- Modern POS solutions must accept various payment types or have a road map for accepting newer payment options.

## VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While IDC evaluates every vendor against the criteria outlined in the Appendix, the description summarizes each vendor's strengths and challenges.

### Oracle

Oracle is positioned in the Leaders category in this 2024 IDC MarketScape for the worldwide POS software in the QSR/fast-casual restaurants sector.

With POS clients across six continents, Oracle has an established global presence. It has taken its Oracle Simphony all-in-one cloud platform with 350,000 workstations across 180 countries and 155 fiscal countries, with 90% of languages covered globally. Out of Oracle's roughly 159,000 worldwide employees, the restaurant global industry unit has dedicated technology and business professionals focused on the restaurant industry.

In 2020, Oracle reported 120,000 POS clients, accounting for 6.3 billion transactions and less than 1 billion API calls annually. Over four years, Oracle listened to restaurant operator requests for an open platform, connected enterprise, consumer-grade staff experiences, and consolidated operations. To address these demands, Oracle introduced and delivered Transaction Services Gen2 to the market with business intelligence API, content and configuration API, Oracle Payments, frontline manager, channel management, mobile order and guest pay, JavaScript extensibility, and people manager. Today, Oracle reports 295,000 POS clients, accounting for 8.9 billion transactions annually and 18 billion API calls. Oracle is a formidable presence in the global enterprise QSR market.

A key differentiator for QSRs and fast-casual restaurants is that order input processes mimic the flow of the cashier-customer conversation in fast-paced environments where speed of service is crucial.

In addition to its robust features and offerings for the QSR space as a restaurant ecosystem, Oracle's super-power may be credited to its continued focus on integrations to allow a composable architecture for brands. By building certified partners, which now number over 200, Oracle's Simphony product benefits from the scalability and security of Oracle's integration program. This includes development support, validation to ensure the appropriate use of APIs, and Oracle's Cloud Marketplace, where only validated solutions can be listed, ensuring integrations will be supported and will deliver expected outcomes.

The near-term road map for Simphony for QSRs focuses on composable omni-channel operations in three key areas: sales channels, acquisition, and loyalty; operational excellence; and business integration. In each category, Oracle plans to deliver key functionality and enhancements in a composable architecture to allow operators and IT teams flexibility, speed to market, and choice. Embedding Oracle ML models and advanced data science improves guest intelligence and personalization capabilities in the CrowdTwist loyalty platform. Embedding AI services to improve drive-through and counter service ordering and removing the dependency on desktop devices and call centers are other focus areas.

Oracle plans to release a highly configurable HTML5/JavaScript kiosk for self-service and self-checkout, which is particularly important for QSR and fast-casual environments. The existing mobile order and pay solutions will include core plugins for loyalty opt-in and tighter integrations with third parties to run the Oracle Simphony client on third-party payment service providers. Oracle is rounding its payment offering with Oracle Payments Checkout for ecommerce (card not present transactions) and plans to expand Oracle Payments into other countries. Embedding Oracle OCI AI services to core products for offer optimization to drive upsell/sell-through and promotion efficacy is also on the radar.

Quick facts about Oracle include:

- **POS solution:** Simphony
- **POS operating system:** Windows, Linux, and Android

## Strengths

- Oracle has leaned into MACH architecture for its Simphony product, which helps differentiate features and functionality while ensuring high composability and ease of reconfigurability.
- Oracle continues expanding its partnerships and focusing on integrations with other Oracle products. With more than 200 certified partners, Oracle can offer QSRs countless options for best-of-breed, industry-specific integrations while the integration program ensures development support and validation.
- Oracle's One Oracle strategy leverages a deep well of technology and architecture expertise, large R&D investments, and a broad supporting set of offerings and services, including security.
- Oracle is uniquely positioned to offer an enterprise, global perspective and telemetry across hardware and software to understand how the POS product works on the ground.

## Challenges

- Oracle strives to deliver round-the-clock service to global enterprises that vary in scope and technology skill level, which can create concerns about support. Key areas to address include identifying when level 2 support is needed before frustration occurs and having more skilled level 1 support staff trained appropriately so that their knowledge is greater than that of the restaurant staff calling for help.
- Oracle must continue to counter industry sentiment that its size and scope make it out of touch or reach for SMBs. The release of a fully self-service online buying, implementation, and support service for the independent SMB market will be strategic to Oracle's growth and enablement for limited-service franchises.
- As a global entity, Oracle often faces constraints due to stringent government regulations, which can impede some flexibility. Given its expertise in fiscal local taxation and multilanguage, Oracle must balance its ability to deploy solutions anywhere with maintaining an open dialogue with its restaurant operators about what constraints might exist.

## Consider Oracle When

QSR and fast-casual restaurants should consider Oracle for a highly configurable POS platform with out-of-the-box features. Oracle's broader ecosystem would benefit brands interested in or planning to experiment with more advanced capabilities.

# APPENDIX

## Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the overall revenue of each individual vendor within the specific market segment being assessed.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

This IDC MarketScape evaluates the capabilities and strategies of leading and major providers of POS software for the quick-service restaurant QSR and fast-casual restaurant segments of the hospitality industry. The research evaluates the vendor's offerings, specifically focusing on each vendor's omni-channel offerings directly or through partnerships.

IDC's industry taxonomy recognizes five sectors within the hospitality, dining, and travel vertical: travel, lodging and event management, food and beverage, recreation, and entertainment. Within the food and beverage sector, QSR is one of six recognized subsectors; the other subsectors within food and beverage are table service restaurants, catering services, cafés, food courts, and pubs.

QSRs, also known as fast-food restaurants within the industry, are specific restaurants that serve fast-food cuisine and have minimal table service. The quick-service restaurant is typically part of a restaurant chain or franchise operation that provides standardized ingredients or partially prepared foods and supplies to each restaurant through controlled supply channels.

Fast casual is a fast-growing subsegment of restaurants that blends QSR and café sensibilities. These brands provide a mix of pre-made food and options that customers can order for grab-and-go or sit-down dining, but they do not offer table service. This research focuses on QSR and fast-casual restaurants as a subsector undergoing disruptive innovation.

## LEARN MORE

### Related Research

- *IDC TechBrief: AI for Smart Signage in Hospitality and Travel* (IDC #US49228723, September 2024)
- *The Efficiency Era: Stadiums Showcase AWS Just Walk Out Tech Going Beyond Retail and Delivering Business Goals* (IDC #US52554424, September 2024)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2024: Experiential Hospitality, Dining, and Travel* (IDC #US52102324, August 2024)
- *How Are Hospitality and Travel Brands Investing in GenAI?* (IDC #US52467024, July 2024)
- *IDC PlanScape: Hyper-Personalized Loyalty in Hospitality and Travel* (IDC #US47249121, June 2024)
- *Generative AI Use Case Taxonomy, 2024: The Hospitality, Travel, and Dining Industry* (IDC #US52323724, June 2024)
- *IDC PeerScape: Practices to Improve Workforce Experience with Unified Platform Strategies in Hospitality and Travel* (IDC #US52077024, May 2024)
- *AI Everywhere, All at Once: Three Lessons for Hospitality and Travel from NRF 2024* (IDC #US51945124, March 2024)
- *Future of Foodservice: NRF 2024 Tech Trends Pave the Way for Specialized Speed of Service* (IDC #US51883824, March 2024)
- *IDC Survey: Hospitality and Dining Digital Strategies, Trends, and Investments* (IDC #US50799024, March 2024)

### Synopsis

This IDC study examines the key strategies and capabilities of POS software vendors in solutions for the QSR and fast-casual segments of the restaurant industry. It evaluates vendors' strengths as omni-channel partners and capabilities in integration and partnerships, reporting, customer engagement, delivery flexibility, and scalability.

"The demands for speed and accuracy coupled with personalization have put great pressure on QSRs and fast casual restaurants to find technology partners that can deliver next-gen solutions. The drive to become digital enterprises is keenly felt at the point of sale," says Dorothy Creamer, senior research manager, Hospitality and Travel Digital Strategies, IDC. "POS software increasingly must check all the boxes on features and functionalities that have always been necessary, while evolving to offer greater omnichannel capabilities and have embedded intelligence to drive profitability. This research uses a comprehensive set of criteria to evaluate POS software vendors that are offering solutions to the fast casual and QSR segment. With the heightened demands from consumers, restaurants must evaluate POS partners on what capabilities they can quickly roll out and iterate to help companies sustain and grow business in the years ahead as digital demands and market pressures increase."

## ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

## Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

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