PIM MARKET 2019 AND BEYOND
Transforming Ecommerce: PIM Market 2019 and Beyond

In the age of digital transformation where the need for accurate, centralized data is a must for competitive retailers and manufacturers; easy-to-use, scalable, and cloud-based product information management (PIM) platforms have become an essential tool in businesses of all shapes and sizes around the world.

That’s why, in this report, we’ll explore the aggressive growth of technology adoption, the leading reasons sellers are flocking to PIM, the top features that set PIM market leaders apart, the trends that will shape the PIM market, where the next hotbed of PIM adoption will spring up, and the major players in the PIM market so readers can fully understand the significant impact PIM will have on ecommerce in 2019 and beyond.
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The PIM Market is Exploding

Digital transformation has increased both the volume and speed of data generation and consumption many times over in a relatively small span of time.

In fact, mobile data already reaches around 11 exabytes (that’s 10 to the eighteenth power) per month. Cloud computing accounts for 320 exabytes per month in North America alone.

As a result, organizations that are able to store and manage all this data efficiently and securely will have a clear competitive advantage over those that aren’t. And that’s driving massive adoption of product information management.

PIM is a centralized software platform used to store, manage, and deliver product data including descriptions, SKU numbers, pricing, images, and more to a variety of different channels.

With an extremely healthy compound annual growth rate (CAGR) of just over 25 percent, the PIM market is projected to explode in value—reaching $31 billion USD by 2024 and over $48 billion USD by the year 2026.

Cloud-based PIM in particular is becoming more and more popular among organizations who prefer the ease of deployment and collaboration, affordability, and ability to scale.

In fact, cloud growth in itself is extremely widespread. Every major geographical market is expected to grow cloud adoption by more than 20 percent every single year for the next several years. And with over 80 percent of small and medium-sized businesses (SMBs) reporting an interest in investing in businesses technology in 2019 and 70 percent looking at cloud-based solutions specifically; we expect to see cloud-based, affordable, and SMB-friendly PIM providers enjoy a spike in adoption around the globe.

PIM is being adopted in a variety of verticals ranging from retail to manufacturing, energy and utilities, healthcare, IT, telecommunication, government, transportation and logistics, and more.
Retail shows especially strong PIM adoption as shopping swiftly becomes one of the most popular online activities. Worldwide ecommerce sales are projected to reach nearly $5 trillion USD by 2021.

The PIM Market is Exploding

The PIM market is gaining traction thanks to its ability to provide improved information management and storage all while reducing the time and cost associated with creating, publishing, managing, and storing product data. Later, we’ll dig into several distinct reasons the PIM market is exploding, including omnichannel empowerment, the demand for cloud-based solutions, team-wide collaboration enablement, and more. An important note is that lack of awareness and concerns over data security and inaccuracy are the biggest hurdles that the product information management market will face.

There is no doubt that the age of digital transformation has brought with it a growing need for centralized data management—and cloud-based, SMB-friendly PIM has become the foremost solution for businesses around the world. In the remainder of this white paper, we will observe aggressive SMB technology adoption, the leading reasons retailers and manufacturers flock to PIM, the top features that set PIM market leaders apart, the tech trends that are shaping the PIM market, where the next hotbed of PIM adoption will spring up, and finally check in with how the major players in the PIM market are propelling PIM into the spotlight now and in the future.
The PIM Market is Exploding

- **PIM Compound Annual Growth Rate**
  - 25%

- **PIM Market Size**
  - 2024: $31B USD
  - 2026: $48B USD

- **Largest PIM Market**
  - North America

- **Fastest Growing PIM Market**
  - Asia Pacific
CHAPTER TWO

SMBs Are Adopting Business Tech Like PIM at an Aggressive Rate

The challenge to maintain consistent, accurate, and high-quality product information across growing channels and listings is a major concern for brands and manufacturers looking to expand in 2019 and beyond.

Small and medium-sized businesses with large, complex product catalogs that are rapidly adding and editing volumes of products across several channels have it the worst. Their choices have historically been limited when it comes to product management software that meets their needs as well as their budget. The time is nigh for cloud-based product information management that is intuitive, affordable, and empowers businesses to scale without breaking the bank. Especially since software and cloud spending at small and medium businesses is at its highest point in years. Right now, SMBs are riding a post-recession high. Optimism is on the rise as businesses benefit from a strong economy.

In 2019, 83 percent of SMBs reported that they were planning on investing in businesses technology soon. Over 70 percent indicated plans to increase their investment in cloud-based technologies specifically.

Overall, small and medium businesses spend more on software subscriptions and new software than large enterprises—whose spending focuses on maintenance and consulting. SMBs are the most aggressive of all businesses in their plans for software adoption. They drive the highest rate of cloud adoption and have a special interest in software that can help grow revenue and increase competitive advantage, which indicates that cloud PIM platforms with built-in product information analytics are in high demand.

According to Gartner, software spending among North American SMBs is growing at CAGR of 7 percent. With steady YOY growth, spending is expected to reach $305 billion USD by 2022.

On average, global ecommerce enterprises grow 6 times faster than small and medium-sized businesses. Prohibitively-priced and resource-intensive ecommerce software only serves to widen this performance gap. As a central element of the ecommerce technology stack, affordable PIM that’s easy to use and easy to scale is enabling millions of SMBs around the globe to gain an edge in the hyper-competitive retail environment.
Omnichannel is Becoming More Demanding Every Day

In 2019 and beyond, omnichannel marketing is no longer a trend—it’s a must-have for retailers and manufacturers who want to remain competitive. The demands of omnichannel...
7 Reasons Today’s Retailers and Manufacturers are Flocking to PIM

sales and marketing keep growing and PIM has emerged as the best way for businesses to keep up.

It’s been shown that the majority of consumers shop in multiple physical and digital channels. Omnichannel shoppers spend more on each transaction, generate more overall profit, and are more valuable over their lifetime than single-channel shoppers.

Companies with a focus on Omnichannel Engagement Strategies vs. Companies with No or Lacking Omnichannel Efforts

Compared to single-channel shoppers, omnichannel shoppers account for:

- 4% More spending in-store
- 10% More spending online
- 35% More spending during the average transaction
- 30% More value to brands over their lifetime

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- 30% More value to brands over their lifetime

Companies with a focus on Omnichannel Engagement Strategies

- AVERAGE ANNUAL REVENUE GROWTH: 9.5%
- AVERAGE YOY CUSTOMER COST SAVINGS: 7.5%
- CUSTOMER RETENTION RATE: 89%

Companies with No or Lacking Omnichannel Efforts

- AVERAGE ANNUAL REVENUE GROWTH: 3.4%
- AVERAGE YOY CUSTOMER COST SAVINGS: 0.2%
- CUSTOMER RETENTION RATE: 33%
7 Reasons Today’s Retailers and Manufacturers are Flocking to PIM

On top of being present on various sales and marketing channels, the need to be accurate on each reigns supreme. Half of consumers have reported sending a product back because it didn’t match its description.

Unfortunately, 80 percent of companies today don’t feel confident in their product data. Yet 73 percent of them say it’s either too difficult or impractical to spend the time cleaning up that data.

The need has never been more pressing for a tool that automates the syndication of optimized product content to an ever-increasing number of sales channels. Simply using an ecommerce platform as a distribution hub is no longer enough. In order to get the right product data in front of the right audience at the right time, sellers are prioritizing the addition of PIM to their marketing and sales budgets and stacks.

However, today’s most heavily-adopted ecommerce systems were not designed with the modern product manager in mind. Clunky ecommerce systems are difficult to work with at scale—it simply takes too long to navigate, manage products, and publish changes via their overbuilt and outdated user interfaces.

Instead, agile businesses are adopting PIM platforms that integrate directly with their web stores so they can make any changes at any scale with the confidence that they won’t break or cause downtime on important product pages.

Product information management expert and author Abraham Jorij found that companies spend about 25 minutes per SKU when they have to manually update data. That’s 20 months for every 10,000 SKUs!

PIM cuts those 25 minutes per SKU down to just four.

Full-Stack Ecommerce Systems Are Not Designed for Continuous Improvements

Good ecommerce managers are constantly tweaking pricing, adjusting messaging, adding new product descriptions, and making numerous other updates to optimize sales.
Controlling Product Data is a Growing Challenge

Any product team that has worked within tight product launch deadlines—and who hasn’t?—knows how big of a setback it can be to launch incorrect product data just to spend hours rolling it back, making adjustments, and relaunching it. As more ecommerce sellers add more products and data, setbacks like these waste a lot of money.

On average, errors in product data cost anywhere from $50 to $80 each to fix. Worldwide, inaccurate product data costs the ecommerce industry over $100 billion USD every year.

Companies who refuse to sacrifice their time and profit to control product data are adopting PIMs to ensure that no faulty or incomplete product information is ever published.

Managing Product Information is No Longer a One-Person Job

It’s not uncommon for an online product to have as many as 200 attributes—meaning ecommerce managers and marketers have thousands if not millions of data points to create, optimize, and maintain.

Product content management is no longer a one-person job. Increasing demands call for an increase in resources. That’s why companies are turning to PIM platforms to serve as a single source of truth where translators, copywriters, product managers, and others can collaborate seamlessly without the hassle of managing multiple spreadsheets and file storage systems.

With PIM, in just a few clicks organizations can push content, data, product categories, product assets, and more to distributors; share updated product information with suppliers; and dispense training and promotional information to their sales and product teams.

Product teams with way more important things to do than chase down outdated data all day are a major driver in the growing adoption of user-friendly PIM systems.

More and More Major Sellers Will Soon Require PIM

It seems like every week another leading retailer demands that their suppliers send their product content from a PIM—especially in those
7 Reasons Today’s Retailers and Manufacturers are Flocking to PIM

Verticals that are governed by industry standards like the European Technical Information Model (ETIM) and others.

Insiders at comparison shopping engines and marketplaces including Google Shopping and Amazon reveal that it’s only a matter of time before they also require that all product data be sent to their platforms via a certified data partner such as a PIM platform.

Digital Asset Management Tools Aren’t Cutting It

Today’s leading retailers are incorporating video, audio, additional reading, and even augmented reality experiences into their product descriptions to provide engaging and effective ways to convey tons of product information.

Whether it’s a file hosting service such as

PIM helps organizations deal with incoming, outgoing, and cross-departmental product information such as:

- **ESSENTIAL PRODUCT DATA**
  - SKUs, UPCs, names, titles, descriptions, etc.

- **TAXONOMY AND RELATIONSHIPS**
  - Categories, labels, variations, etc.

- **TECHNICAL SPECIFICATIONS**
  - Measurements, materials, ingredients, warranties, etc.

- **DIGITAL ASSETS**
  - Images, videos, documents, etc.

- **MARKETING DATA**
  - Keywords, personas, SEO elements, etc.

- **SALES INFORMATION**
  - Prices, testimonials, customer reviews, etc.

- **DESIGN SPECIFICATIONS**
  - Style sheets, designer notes, assembly instructions, etc.

- **CHANNEL-SPECIFIC INFO**
  - Google categories, Amazon titles, mobile descriptions, etc.

- **LOCALIZED INFORMATION**
  - Multi-lingual copy, translations, etc.

- **SUPPLIER AND MANUFACTURER DATA**
7 Reasons Today’s Retailers and Manufacturers are Flocking to PIM

Dropbox or an actual Digital Asset Management (DAM) tool, it’s becoming *painfully* obvious that traditional, static file containers aren’t going to cut it in this hyper-competitive day and age. Modern businesses are flocking to PIMs that don’t just store packshots, spec sheets, 360-degree images, TIF files, videos, and more—but make them *searchable* and allow them to be linked directly to products so they are easy to both find and actually use.

However, it’s nearly impossible for an ecommerce business to keep track of every single piece of product data across the entire world wide web—unless of course *they’re* the ones who put it there.

PIMs with smart catalog features empower brands to carefully craft the information they share with resellers and distributors so that’s it’s perfectly correct and beautifully formatted every time. PIMs with fulfillment capabilities built right into their catalogs take the conversions to another level by allowing for orders to be placed without ever needing to get a salesperson involved.

Brands that are able to grow their loyal customers by just 5 percent may see anywhere from a 25 percent to a 95 percent boom in profits.

PIM Boosts Brand Consistency

Now that competitors are just a hop, skip, and a click away—brand recognition and consistency are more important than ever. Nielsen found that about 60 percent of people are more inclined to buy products from familiar brands and that half of them are more willing to try a new product from a brand they already recognize than trying a new brand.
Here's an example of a consistent brand catalog, built using Plytix PIM software:
Experts have revealed that it’s only a matter of time before major platforms like Google and Amazon require product data be sent to them through a certified data partner such as a PIM—thus furthering the importance of making PIM an integral part of the ecommerce stack for online sellers of all sizes.
The Top 5 Features That Companies Value Above All When Choosing a PIM

After reviewing today’s most successful product information management platforms, we’ve identified five main features that businesses find the most valuable when choosing their PIM.

1. Omnichannel Marketing Enablement

In the eyes of a modern manufacturer or retailer, the most show-stopping feature a PIM platform can have is one that enables the syndication of product content to multiple systems in a delightful and scalable way.

The PIM tool that provides the most integrations with the most user-friendly functionality is also typically the one that will provide the best return to the bottom line. For a business of any size, that’s a top reason to invest.

2. Customer Support

Half of all companies, especially SMBs, that adopt PIMs do so because they’re seeking relief from manual and inaccurate spreadsheet-based product management workflows. The other half are looking for an alternative to a do-it-all ecommerce platform that has become too expensive and complicated to scale along with their company.

For both groups, one very important feature stands out when shopping for PIM: The level of customer support they can expect from the provider.

Re-platforming and adopting new software can be tedious and confusing no matter how great the new platform is. When a brand’s livelihood relies on their new PIM platform quickly and seamlessly syncing product information across several sales channels, it’s vital to them that someone who understands it like the back of their hand is available for critical issues.

Retail and manufacturing businesses, especially small and medium-sized ones, aren’t interested in just buying software—they want service, as well. Some of the best PIMs on the market are those with an available account management team that continue to help clients beyond just onboarding.
The Top 5 Features That Today’s PIM Market Leaders Share

3. User-Focused Interface

A decade ago, product information lived in a static repository where only those with IT degrees would dare to go. And that worked—then. Today, however, PIM has evolved into an essential marketing tool for any business with product information management needs. As such, the average user also looks a lot different than they did a decade ago. Today’s PIM power users include salespeople, content and ecommerce managers, marketers, and even SMB owners who demand an interface that’s both beautiful and easy to use.

Businesses that use PIM to aid in product marketing and communication prefer platforms that have a simple, easy-to-use interface that is beautifully designed with the user in mind.

4. Cloud-Based PIMs

Businesses around the globe are already using one or more cloud-based solutions. Time and time again, it’s scalability, ease of implementation and operation, low maintenance, and cost savings that draw business leaders towards cloud solutions—and PIM is no different.

According to International Data Corporation’s Worldwide Semiannual Public Cloud Services Spending Guide, cloud software including PIM is becoming an indispensable element in business process transformation.

Cloud investments continue to grow at nearly seven times the rate of overall IT spending. In fact, the cloud market is growing nearly as quickly as PIM, with an average CAGR of 22 percent. Cloud investments are expected to top $360 billion USD worldwide by 2023. SaaS spending...
The Top 5 Features That Today’s PIM Market Leaders Share

on applications and infrastructure will continue to account for 60 percent of all cloud spending into the year 2020.

In retail markets where PIM adoption soars, cloud-based solutions are expanding at an accelerated rate. Retail cloud spending continues to grow 22.8 percent annually. Digital commerce platforms are growing at 15 percent CAGR and non-store retailers report 12 percent year-over-year growth.

The U.S. in particular is expected to remain the largest market for cloud-based software such as PIM—generating more than 60 percent of total worldwide revenues. However, every single geographic market is expected to meet or exceed 20 percent cloud adoption year over year. Notably, the fastest-growing cloud spending will take place in Latin America with 26.6 percent YOY spending and Asia Pacific (excluding Japan) with 28 percent annual growth.

Cloud has reached a tipping point. Today, growth is systemic and sustained. As the cloud-based PIM market matures rapidly in response, now is the time for PIM providers and partners to invest in capturing yet untapped segments of shoppers.

5. Brandable Catalogs

For manufacturers in particular, tools that make it easy to maintain brand consistency are vital when selecting a PIM. Therefore the top PIMs among manufacturers are those that provide powerful yet easy-to-brand catalogs.

Modern PIM providers recognize how important it is to empower their users to cut through the competition. Those that lead the PIM market include smart, fully-customizable product catalogs that allow manufacturers to quickly craft beautifully on-brand catalogs that they can print or digitally share with resellers, distributors, and the media.
CHAPTER FIVE

3 Tech Trends That Will Shape the Future of the PIM Market

Decades in the PIM industry have taught us how to spot which trends will take hold. In 2019, these are the top technological advancements successful PIM providers are investing in to remain competitive in the future.

1. **Product Analytics**

One of the most disruptive trends to hit the PIM market will be analytics for products—and we can see why. Consumer demands change so quickly and competitors pop up so readily that retailers must be able to analyze and make decisions on what works and what doesn't quickly and precisely. We are sure that the PIM platforms that will succeed in 2019 and beyond are those who strive to provide the best actionable insights on product data.

PIM companies that invest in technologies to automate time-consuming tasks like translating, writing, optimizing, distributing, and analyzing product content and data today will lead the way for the rest of the PIM market.

2. **Automation**

PIM is in the right place at the right time. Around the world, people are becoming more digitally connected and big data is giving businesses the kind of insight that could only be dreamed of a decade ago. In addition, technological advancements are empowering automation that delivers product updates faster and smarter thanks to this abundance of data.

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3. **Big Data**

Over 60 percent of Amazon’s sales are driven by recommendation engine. Unfortunately, most sellers don’t have access to that level of technology or data—unless they start using a PIM in the near future.

Major PIM platforms sit on goldmines of data from thousands of retailers. With aggregation, insights from this data can be applied to give customers recommendation capabilities on par with Amazon’s. The same data could also help brands develop performance-enhancing technology that enables their stores to dynamically display products based on a shopper’s preferences. PIMs including Plytix and Akeneo are already using data aggregation to enhance performance with investments in semantic search technologies.
While North America is geographically the largest market for product information management, Asia Pacific is the fastest growing. This is due largely to small and medium-sized businesses springing up in the region, which fuel economic growth and increase investments in cloud and data management technologies like PIM. In addition to the maturing of the business economy as a whole, ecommerce in particular is gaining speed. Thanks in part to global organizations that are moving their supply chain capabilities to China and Singapore, important technology like PIM is in high demand to help with managing supply chains, logistics, and analytics.

As the availability of technology changes and grows, so will the need to keep up with all the ways consumers make digital transactions. Online retailers and manufacturers will flock to user-friendly, cloud-based PIMs that promise omnichannel enablement, focus on customer support, and feature brandable catalogs all while implementing today’s most important technological trends.
The Major Players in the PIM Market

As more modern online brands and retailers break into the ecommerce game, feature-heavy PIM software with complicated workflows and expensive add-ons is becoming a thing of the past. Today, users are looking for a solution that’s cloud-based, easy to use, and easy to integrate as their business grows to new sales channels.

Here are three examples of the different PIMs that define the market today: Salsify, Akeneo, and Plytix.

**Salsify**
- **DESCRIPTION**: A feature-saturated, cloud-based solution, built and priced for large enterprises.
- **PRICING**: Salsify doesn’t communicate their prices online. After interviewing some of their clients, the lowest starting price encountered was $24,000 USD per year.
- **IDEAL CUSTOMER**: Large enterprises with 500+ employees.

**Akeneo**
- **DESCRIPTION**: Built for large enterprises. Focused on providing a core system, with add-ons you can buy.
- **PRICING**: Akeneo also does not communicate prices online. After interviews with some of their clients, we found the lowest starting price was $38,000 USD per year.
- **IDEAL CUSTOMER**: Large enterprises with 500+ employees.

**Plytix**
- **DESCRIPTION**: Simple, powerful PIM designed and priced for small and medium-sized businesses.
- **PRICING**: Plytix offers fixed pricing plans which include a free package, a pro plan starting at $830 USD per month, and more.
- **IDEAL CUSTOMER**: Small and medium businesses with 10 to 500 employees.
Salsify is a cloud-based PIM solution tailored to large enterprises. Their mission is to prepare enterprises for the threat of competition by helping them “win on the digital shelf.”
Akeneo is a highly extensible and customizable open source PIM system designed for large enterprises. It comes with an import engine to streamline data, onboarding from virtually any source, a product grid to put info in order, and capabilities that help users execute advanced catalog searches.
Plytix is a cloud-based PIM tailored to SMBs. Founded by former Googlers, Plytix is built to help SMBs compete against enterprises by providing a powerful platform at an affordable cost. Continuous product development and always-on customer support are at the core of their operation.
Summary

The PIM market is showing healthy growth—and for good reason.

Ecommerce revenues are projected to jump from $3.5 trillion in 2019 to nearly $5 trillion USD by 2021. Because of this rapid growth, retail and manufacturing trends will continue to evolve quickly over the next decade. But right now, the existing tools are actually keeping retailers and manufacturers from being competitive.

Retailers and manufacturers are looking to invest in easy-to-use, scalable, cloud-based tools that save them time and money by automating branding, product information updates, marketing collaboration, and more. PIM platforms that provide these features with excellent customer service and a commitment to the latest ecommerce innovations are set to become essential tools in every seller’s marketing and technology stack in 2019 and beyond.

This report was written by:
The makers of Plytix

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Thank you for reading this report