

PIM Market and Beyond



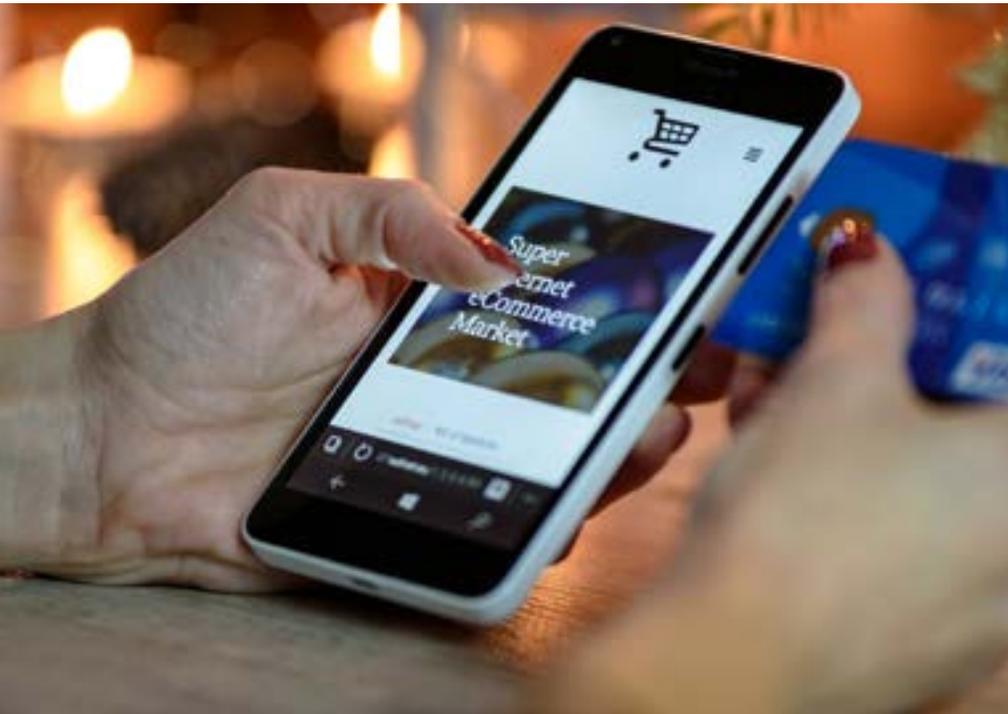
PIM Market and Beyond

In this white paper, we will explore global retail e-commerce; how it is reaching an all-time high and how seamless omnichannel syndication is becoming a requirement for sales success. We will discuss growing IT budgets, the hunger for cloud technology, cutting-edge artificial intelligence developments, and more of the e-commerce trends that will continue to drive adoption for user-friendly, scalable, cloud-based PIMs and beyond.

Table of Contents

E-commerce Trends That Will Fuel PIM Adoption in The Future	4	<i>Artificial Intelligence Enabling Exciting New E-commerce Opportunities</i>	9	The Most Interesting PIM Providers	13
<i>Global Retail E-commerce Continues to Grow</i>	5	1. Automated Content Planning and Creation	10	<i>Salsify</i>	14
<i>Seamless Omnichannel Syndication Required for Success</i>	5	2. Smarter Product Content Personalization	10	<i>Akeneo</i>	15
<i>Bigger Budgets and Hunger for Cloud Technology Pushes PIM Adoption</i>	8	3. Conversational Commerce	11	<i>Plytix</i>	16
<i>Globalization of E-commerce Calls for Product Content Localization</i>	8	4. Augmented Reality	12	Summary	17

E-commerce Trends That Will Fuel PIM Adoption in The Future

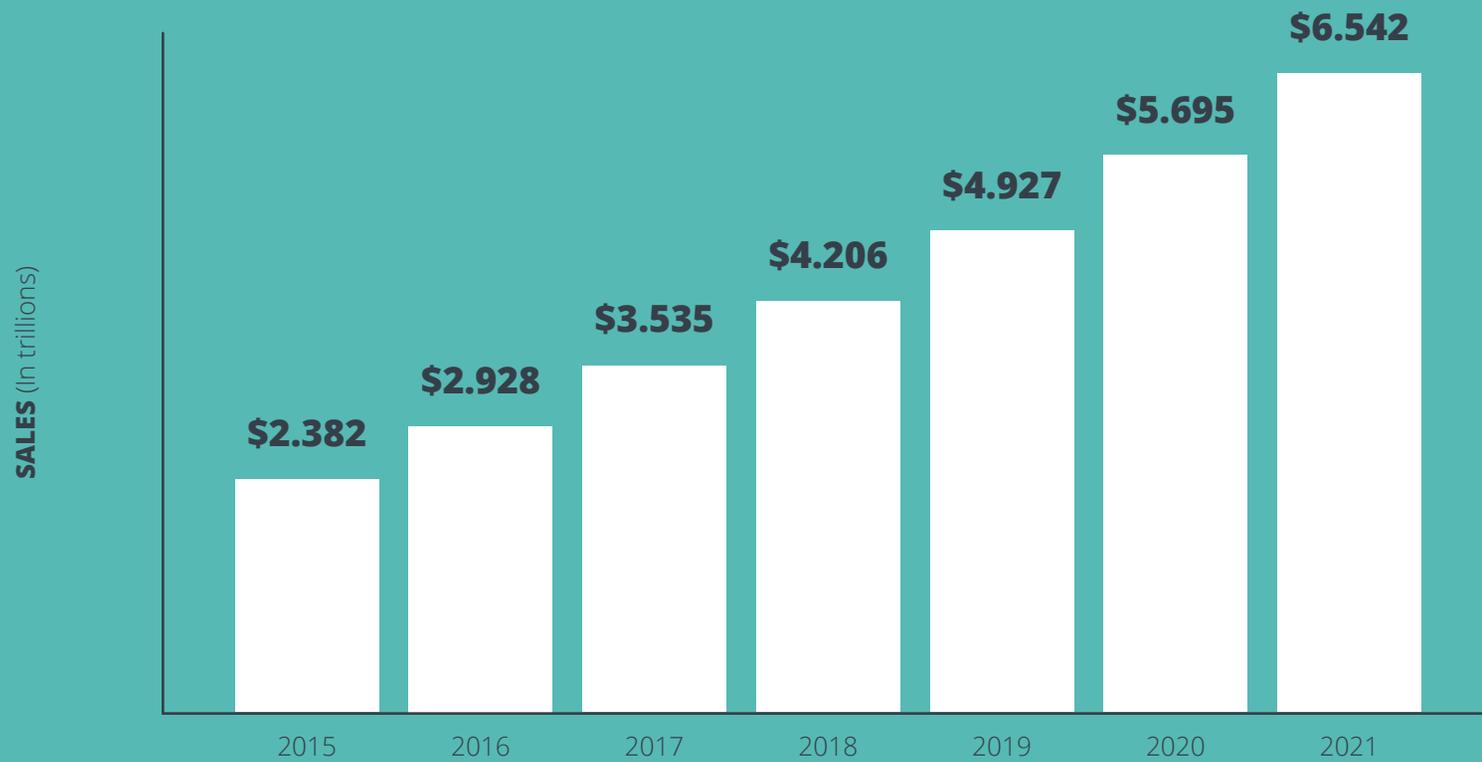


With an extremely healthy compound annual growth rate (CAGR) of just over 25 percent, the product information management (PIM) market will only continue to grow in value—reaching \$61,263 million USD by 2027.

Why? Because PIM—a centralized software platform used to store, manage, and deliver product data such as descriptions, SKU numbers, pricing, images, and more to a variety of different channels—is in more demand than ever thanks to a confluence of e-commerce trends both brand new and longstanding.

In this white paper, we'll explore global retail e-commerce numbers reaching an all-time high; seamless omnichannel syndication going from a “nice-to-have” to a requirement for sales success; growing IT budgets and a hunger for cloud technology—especially in the SMB sector; globalized e-commerce that calls for content localization; and the cutting-edge artificial intelligence developments that will only increase the demand for user-friendly, scalable, and cloud-based PIMs.

Retail Ecommerce Sales Globally (in trillions)



Source: <https://www.emarketer.com/content/global-ecommerce-2019>

E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond

Global Retail E-commerce Continues to Grow

While PIM is useful in a variety of verticals including manufacturing, healthcare, IT, telecommunication, government, transportation and logistics, and more—the retail e-commerce sector shows especially high adoption as online shopping continues to grow in popularity.

Global retail e-commerce sales will continue to increase, with predictions that they'll surpass \$6.5 trillion USD by 2023.

Organizations that are able to organize, manage, and distribute their product data efficiently and effectively will have a competitive advantage over those that aren't—a fact which is driving massive adoption of product information management software.

This year, in 2021, half of all organizations will use modern PIM platforms to manage product processes and experiences.

Seamless Omnichannel Syndication Required for Success

Slowly, seamless omnichannel syndication is becoming an absolute must for retailers and manufacturers.

This is because modern consumers demand the ability to shop and interact with businesses when and where is most convenient for them—no matter the time, device, or channel. Businesses should be happy to cater to this trend, considering that omnichannel shoppers spend more on each transaction, generate more overall profit, and are more valuable over their lifetime than single-channel shoppers.

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

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

35% More spending in-store

10% More spending online

35% More spending during the avg. transaction

30% More value to brands over their lifetime

E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond

its description. In addition, 59 percent of consumers expect a company to have consistent information on every channel. And, when content does change, 60 percent expect a company's website(s), emails, and distribution channels to all reflect these changes on the very same day.

The need has never been more pressing for a tool that automates the seamless syndication of optimized product information to an ever-scaling variety of channels including web stores, marketplaces, and more.

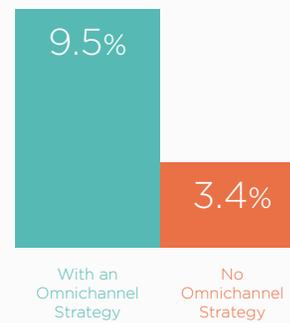
Simply using an e-commerce platform as a distribution hub is no longer enough. In order to get the right product data in front of the right audience at the right time, sellers should prioritize the addition of PIM to their marketing and sales stacks.

Companies with a focus on
**Omnichannel
Engagement Strategies**

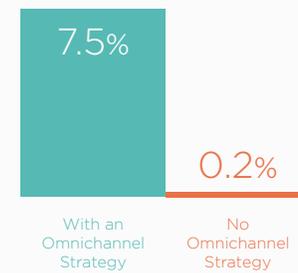
vs.

Companies with
**No or Lacking
Omnichannel Efforts**

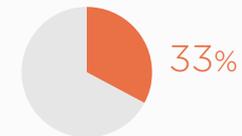
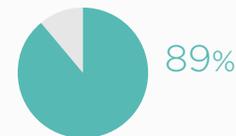
AVERAGE ANNUAL
REVENUE GROWTH



AVERAGE YOY CUSTOMER
COST SAVINGS



CUSTOMER
RETENTION
RATE



E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond

Bigger Budgets and Hunger for Cloud Technology Pushes PIM Adoption

Software and cloud spending in the small and medium-sized business (SMB) sector is at its highest point in years.

SMBs are benefiting from a strong economy and 83 percent of them report a current interest in investing in their businesses—with 44 percent planning to increase their IT budgets in 2020 (up from 38 percent in 2019).

SMBs are the most aggressive of all businesses when it comes to software adoption. Software spending among North American SMBs is growing at a CAGR of 7 percent. With steady YOY growth, spending is expected to reach \$305 billion USD by 2022.

Cloud-based technology in particular is becoming more and more popular among organizations that prefer the ease of

deployment and collaboration, affordability, and ability to scale.

With over [80 percent of SMBs](#) 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.

With over 70 percent of SMBs 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.

Globalization of E-commerce Calls for Product Content Localization

If you've ever done any marketing, chances are you've heard the expression "Content is king." If that's the case, context is queen.



Global Cloud Spending

5-year CAGR over 22%

Expected to reach nearly \$500 billion in 2023

Instances of "cross-border" shopping will continue to grow. In fact, more than 57 percent of online shoppers already make purchases from overseas retailers.

Businesses that aren't equipped to contextualize their product data and content for various locales will be missing out on a growing opportunity.

Localization is the process of creating stand-alone content that is both technically and contextually correct to a specific customer's language, slang, culture, history, currency, measurement units, and other unique factors. And, it's a *must* for retailers and manufacturers that want to compete on a global scale. Not surprisingly, PIM is a vital element of this effort.

E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond



In most cases, businesses will hire a localization service provider or run their product content and data through a software platform to prepare it for new markets. In order for localization to work in a way that's scalable and affordable, all of this product information must be extremely organized, centralized, and accessible. A modern PIM delivers on all these points and can even simplify the process further by easily integrating with localization platforms as needed.

Artificial Intelligence Enabling Exciting New E-commerce Opportunities

Artificial intelligence, or AI, refers to machines and computers that are able to perform human cognitive activities as well as or better than humans. It includes multiple technologies, such as machine learning, natural language processing, natural language generation, and more.

The rapid rise of AI in the business world is creating all kinds of new and exciting opportunities for e-commerce—from automation to smart customization to AR to voice-based content delivery.

And all of these opportunities need the same thing to succeed: Structured content and data.

E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond

PIM centralizes and structures product content and data so that it's easy for AI-enabled machines to locate and implement whether they're automating menial tasks or providing relevant information in customer support queries.

PIM is a core element for any e-commerce business that wants to pursue any of the following AI trends that will reshape business—and the world—as we know it.

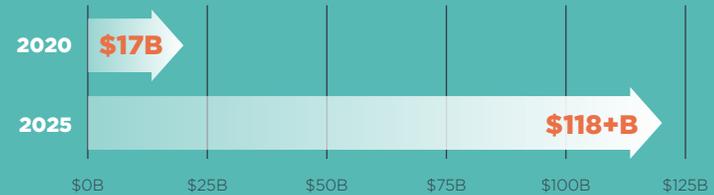
1 Automated Content Planning and Creation

Artificial intelligence can do everything from collate information from multiple sources to identify trends to analyze your own consumers' behaviors in order to recommend products, content, and marketing channels that would resonate best with your audience.

And as we've learned from well-known content producers like Forbes, the Washington Post, and the Associated Press; AI can be deployed to *help write* almost anything you need—including product descriptions, marketing emails, and content marketing articles!

The Global AI Market Is Expanding Rapidly

2019



Source: <https://www.contentstack.com/blog/all-about-headless/implementing-ai-for-content-marketing>

2 Smarter Product Content Personalization

Half of consumers expect brands to anticipate their needs and serve relevant suggestions—before the shopper even makes contact with the brand.

The demand for personalization is very real. And, at the scale at which most e-commerce businesses are operating, it's nearly impossible to achieve without AI-enabled automation.

With AI, computers armed with machine learning can collect data from consumers, use it to create unique profiles, then use those profiles to inform and even create personalized recommendations, content, products, and more.

E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond

PIM enables flawless personalization by keeping channel-specific and demographic-specific product information organized and well-labeled so personalization tools can access it to do their jobs.

79% of consumers will only engage with personalized offers

500% ↑↑↑↑↑
Increasing personalization across channels can boost consumer spending by as much as 500%

70% ↗
Shoppers who click on personalized recommendations are 70% more likely to make a purchase

3 Conversational Commerce

The rise in voice-based search using tools like Siri, Google Assistant, and Amazon Alexa will force a shift in the way product information is located and delivered to the consumer.

In conversational commerce, machine learning is applied to product data like attributes, classifications, availability, location, etc. to deliver on spoken customer queries. Clean, organized, and easy-to-find data—like that created using a modern PIM—is absolutely vital for machine learning to perform the way it’s supposed to.

By 2025, 95% of customer interactions will be powered by artificial intelligence (AI).



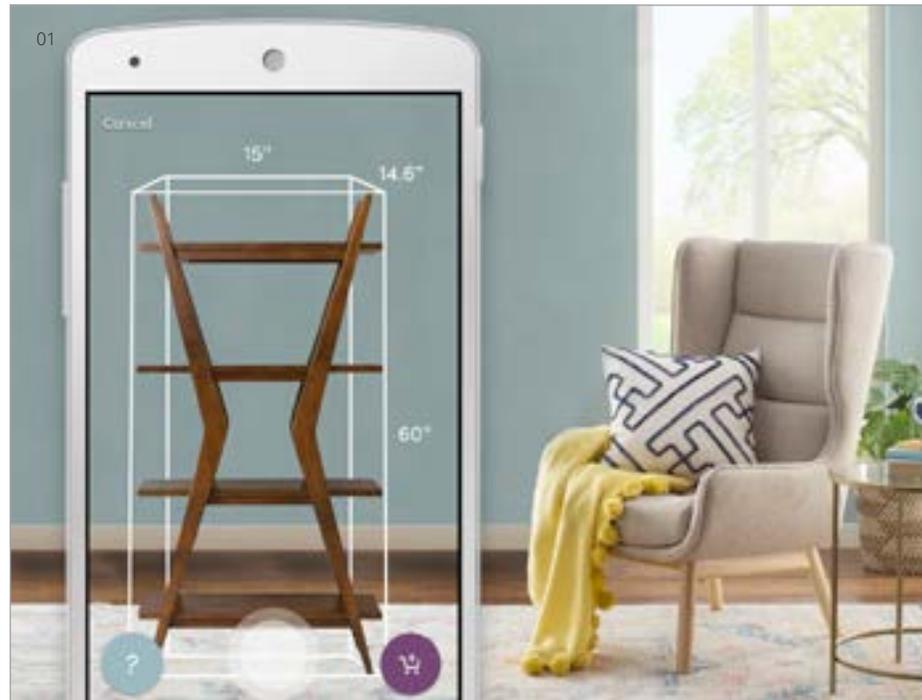
E-commerce Trends That Will Fuel PIM Adoption in 2020 and Beyond

4 Augmented Reality

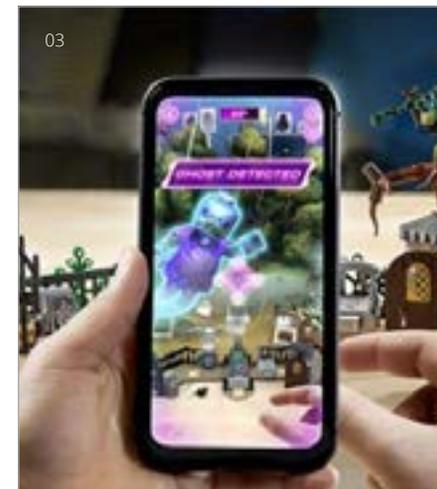
Augmented reality (AR) is technology that uses a camera, sensors, and a special app to display intangible items “layered over” the real world. Popular examples include the Pokémon GO mobile game and IKEA’s Place app that lets you simulate how certain pieces of furniture may look in a room.

This is another case where PIM doesn’t create the experience but is so consequential to the outcome that it’d be a waste of time to try without it. That’s because the data housed within a PIM is very important in building accurate AR experiences. Also, somewhat uniquely, an AR experience can actually live within PIM so that it can be displayed alongside a product just like other important information such as pricing and availability.

With the global AR market expected to reach \$149 billion USD by 2025, it’s worth looking into PIM that can help you implement AR experiences to increase consumer engagement and, ideally, conversions.



01 **WAYFAIR** built AR functionality into their mobile apps so users can visualize where items will go before making a purchase.



02 **YOUCAM MAKEUP** is a mobile app that lets users “try on” different makeup using photos or real-time video.

03 **LEGO AR-STUDIO** lets users play with virtual building blocks and superimpose their creations into their real-world environment.

PART TWO

The Most Interesting PIM Providers

As more modern online brands and retailers break into the e-commerce game, feature-heavy PIMs with complicated workflows and expensive add-ons are becoming outdated technology.

Today, users are looking for a solution that's cloud-based, easy to use, and easy to integrate as their retail e-commerce sales grow, they expand to new sales channels, and they strive to keep up with AI and other emerging trends.

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



DESCRIPTION

A feature-saturated, cloud-based solution, built and priced for large enterprises.

DESCRIPTION

Built for large enterprises. Focused on providing a core system, with add-ons you can buy.

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.

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.

IDEAL CUSTOMER

Large enterprises with 500+ employees.

The Most Interesting PIM Providers



DESCRIPTION

Described as a Content Experience Hub, Syndigo is a single-source network for managing and syndicating content.

PRICING

Syndigo does not provide pricing information on their website.

IDEAL CUSTOMER

Large enterprises with 500+ employees.



DESCRIPTION

A self-service, catalog management tool with big features that meet simplicity.

PRICING

Sales Layer does not offer customers a free version, but there is an option of a free trial. The paid version starts at \$1,000/month.

IDEAL CUSTOMER

All businesses, big or small.



DESCRIPTION

Simple, powerful PIM designed and priced for businesses of all sizes.

PRICING

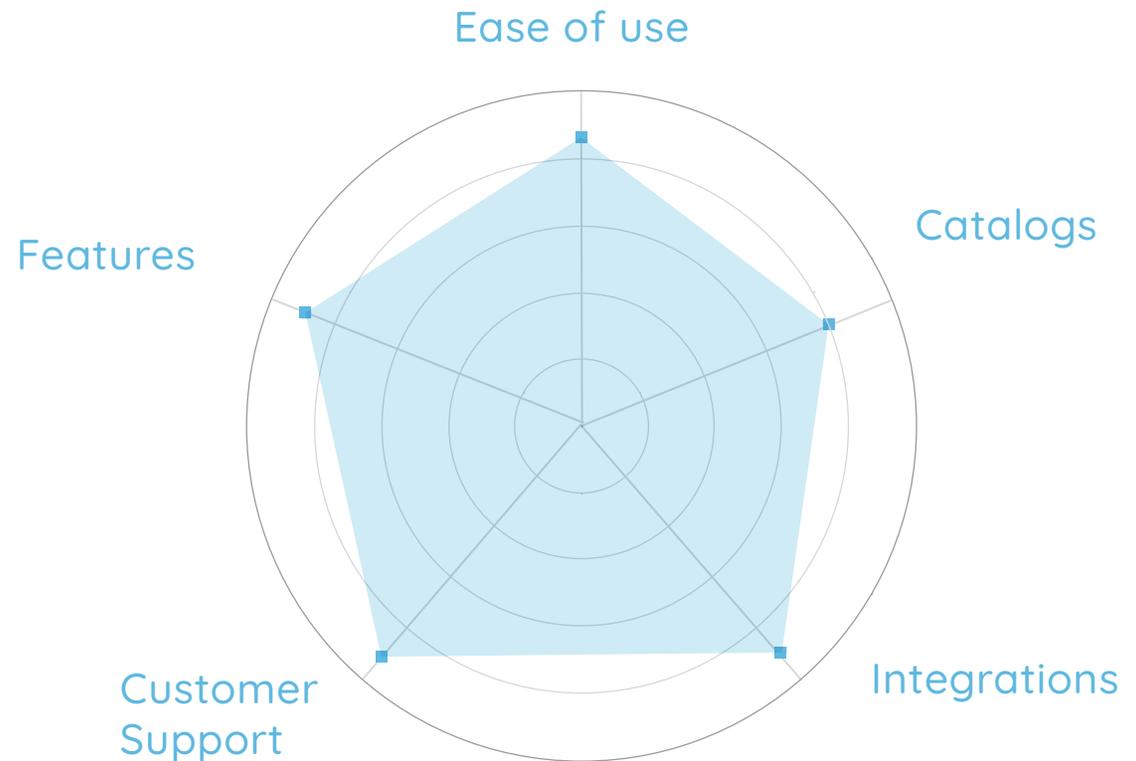
Plytix offers fixed pricing plans which include a \$300 package, and a PRO plan starting which allows you to tailor your system with modules that work for you.

IDEAL CUSTOMER

Businesses of all sizes.

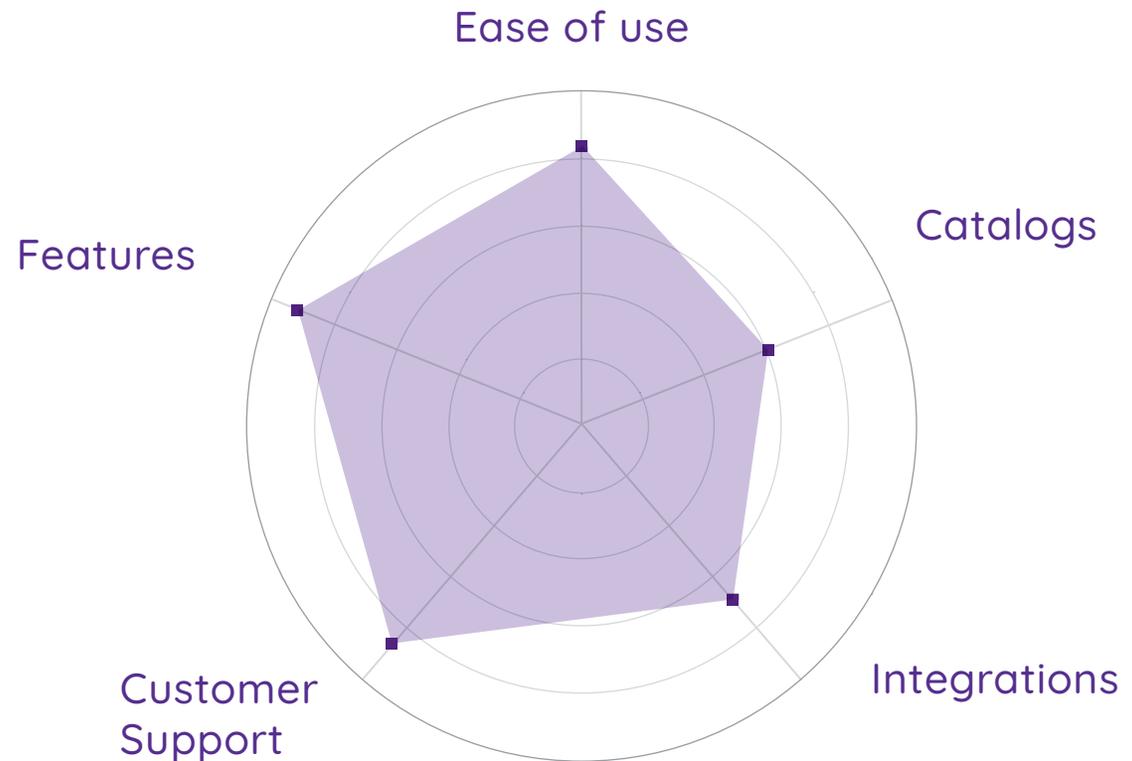


is a cloud based PIM solution tailored to large enterprises. Their main mission is to help big enterprises against the threat of newcomers - by helping them 'win on the digital shelf.'



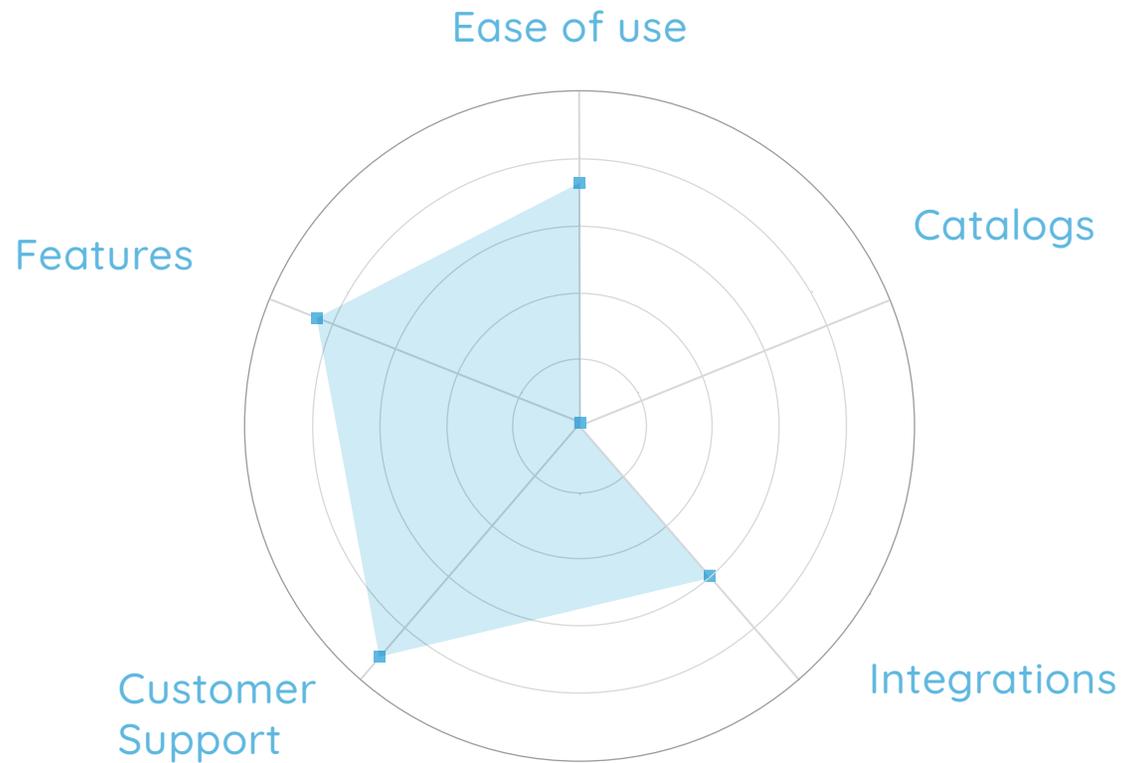


is a highly extensible and customizable open source PIM system designed for large enterprises. It comes with an import engine to streamline data, onboarding from virtually any source and utilizes a product grid to put info in order - whilst helping you execute advanced catalog searches.



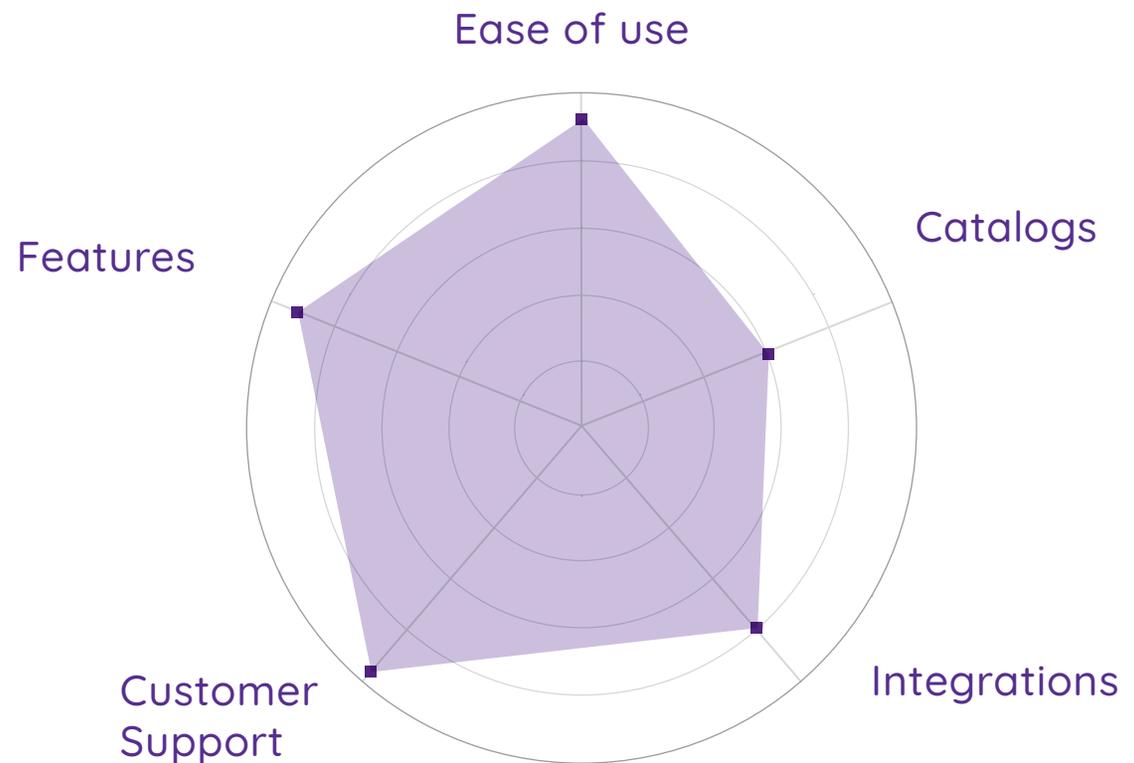


is a Content Experience Hub for manufacturers, suppliers, distributors, and retailer recipients. A platform to expand reach and elevate experiences—all powered by data.



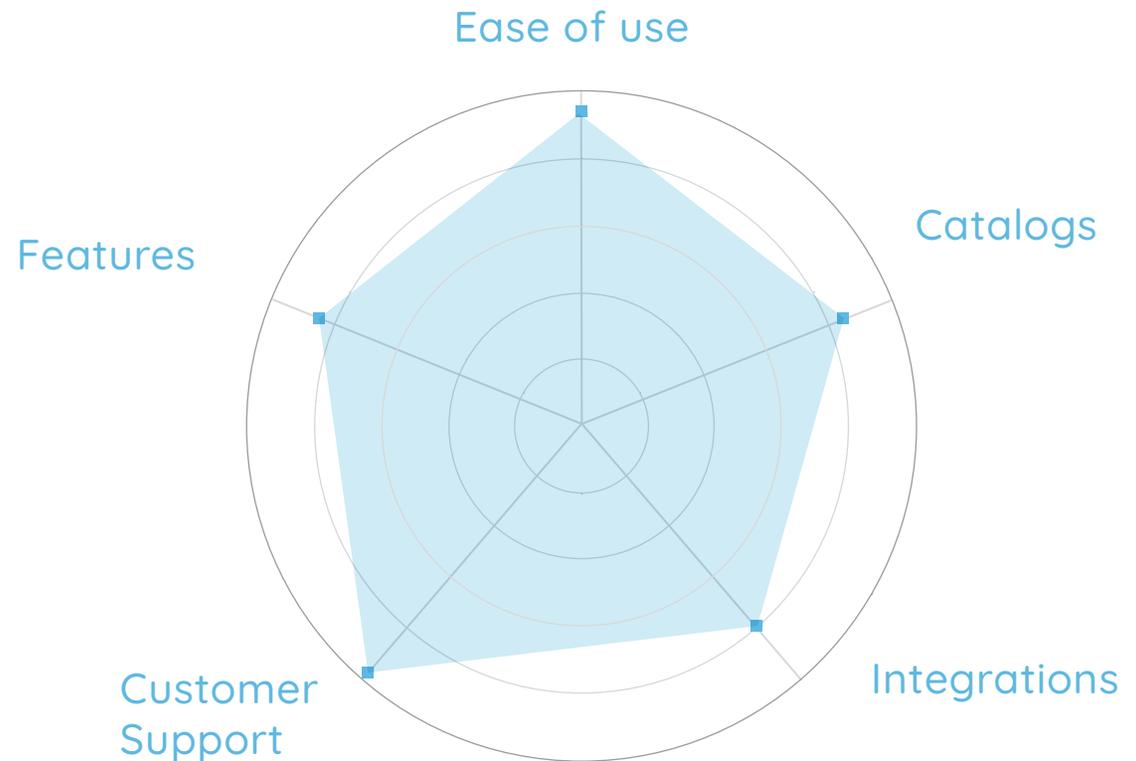


is a cloud-hosted database for product catalogs. You can manage and share content to marketplaces, distributors, and manufacturers, both upstream and downstream.





is a cloud based PIM, tailored to e-commerce companies, big or small. Founded by ex-googlers, their mission is to help online retailers compete in the hypercompetitive market by providing a powerful platform at a low cost. Plytix has product development and customer support at its very core of their operation.



Summary

With retail e-commerce sales projected to jump to a whopping \$6.5 trillion USD in 2023, the time is nigh to pay attention to the influential trends that are redefining e-commerce as we know it.

Whether it's due to the growth of the global retail e-commerce market, the demand for seamless syndication across various channels, bigger-and-better IT budgets, retail globalization, or cutting-edge opportunities enabled by artificial intelligence; ***PIM is in more demand than ever—and the tool that can deliver usability, scalability, and cloud-based functionality will set the bar in years to come!***

GET IN TOUCH

hello@plytix.com

 Alameda Principal 24, 2^a
29005 Malaga
Spain

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