IDC MarketScape

IDC MarketScape: Worldwide Product Information Management Applications for Commerce 2019–2020 Vendor Assessment

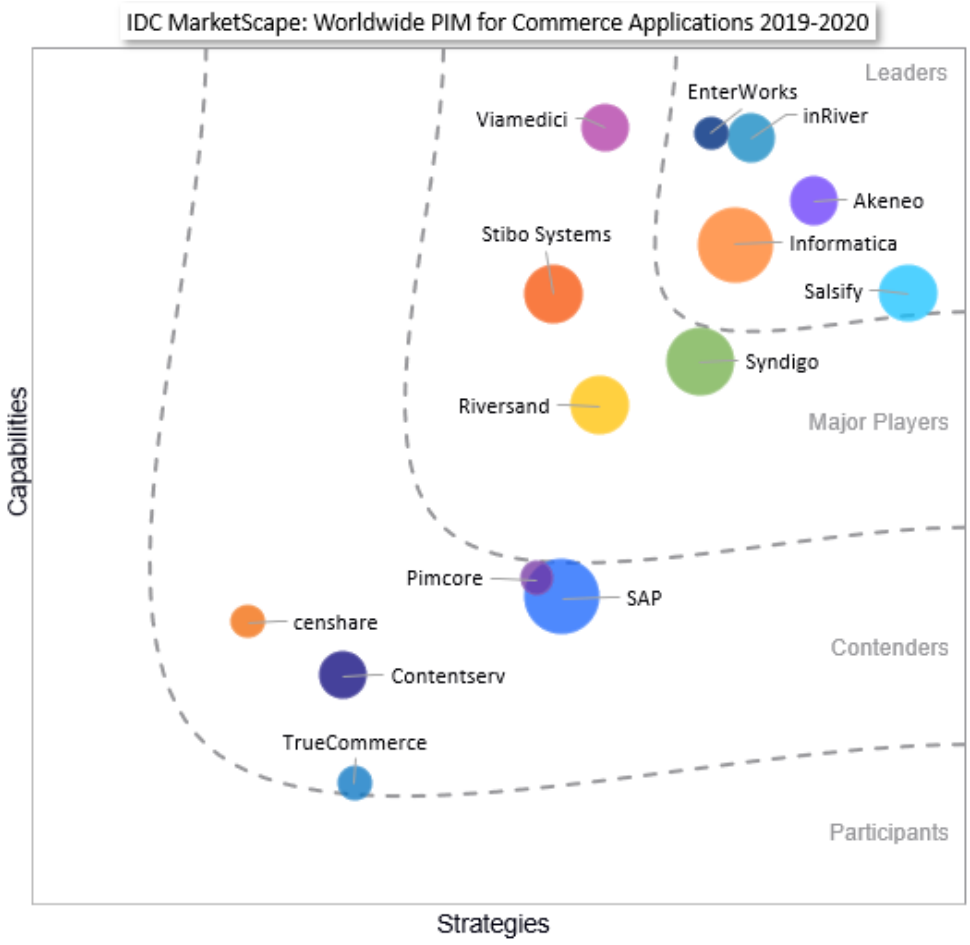
Jordan Jewell Melissa Webster

THIS IDC MARKETSCAPE EXCERPT FEATURES SALSIFY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Product Information Management Applications for Commerce Vendor Assessment



Source: IDC, 2019

December 2019, IDC #US45353419e

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Product Information Management Applications for Commerce 2019–2020 Vendor Assessment (Doc #US45353419). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

The Future of Commerce Demands Better Product Information

In the digital economy, both B2C and B2B customers are demanding more compelling, frictionless, and personalized commerce experiences. Retailers, manufacturers, and brands must deliver accurate product data to all their distribution channels to optimize the story being told around their products.

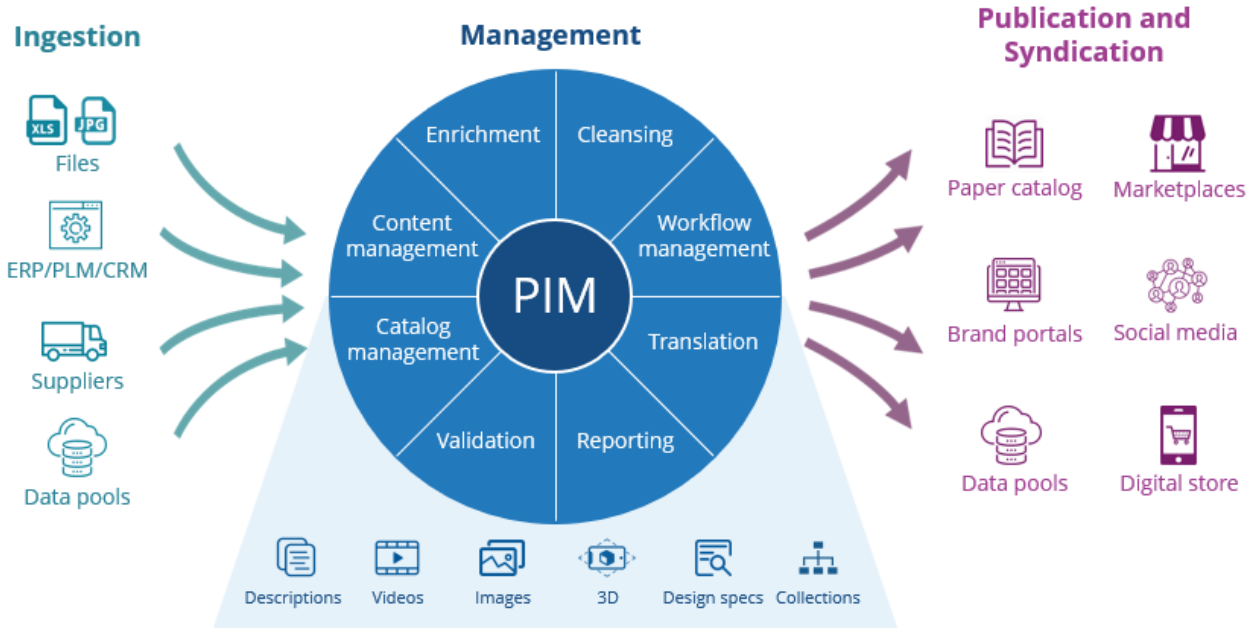
Product information management (PIM) software is an essential tool for organizations looking to more effectively sell their products and services across the many channels that their customers engage with. Historically, PIM has been closely associated with master data management (MDM) software, which provides a central source of truth for product data. However, MDM applications, as they were originally conceived, have some shortcomings when it comes to supporting today's digital commerce requirements. Gaps may include:

- Lack of support for image, video, and other rich content required to effectively merchandize products
- Syndication capabilities to publish product data and content to myriad channels, including a proprietary store and digital marketplaces that utilize their own product taxonomies
- Portals that facilitate distribution of product data and content to the company's distribution network
- Close integrations with core commerce services, including inventory management, order management, and marketing automation

PIM applications for commerce (which may be positioned as MDM, product content management, or product experience management solutions) offer a single system of truth for commerce that remedies these shortcomings. Figure 2 illustrates the key functions of PIM applications.

FIGURE 2

PIM: Better Product Data, Content, and Experiences for Digital Commerce



Source: IDC, 2019

Note: See the Appendix section for addition details about what defines PIM applications for commerce.

Importance of PIM in the End-to-End Customer Journey

Accurate, complete, and compelling product information is critical to all phases of the customer journey, from exploration through purchase and use to advocacy (see Figure 3). IDC believes the importance of PIM will only grow as organizations seek to forge stronger customer relationships within both the creation and loyalty loops via engaging product stories.

FIGURE 3

PIM Improves the Entire Customer Journey



Source: IDC, 2019

Going forward, technology buyers will increasingly prioritize PIM applications that readily integrate with the many adjacent technologies required to deliver the modern digital experience and that enable them to tell richer stories about their products, across the end-to-end customer journey.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendors included in this document offer the capabilities described previously (refer back to Figure 2), including the ingestion, management, and publication/syndication of product information (both structured [data] and unstructured [content]) to facilitate digital commerce. In addition to assessing vendor strengths and weaknesses in each of these areas, we investigated vendors for their cloud readiness and their capabilities and strategies for leveraging artificial intelligence (AI) and machine learning (ML).

ADVICE FOR TECHNOLOGY BUYERS

The need to deliver more engaging commerce experiences will demand more of PIM vendors in the coming years. IDC advises technology buyers to look for the following when selecting a vendor:

- A strong cloud strategy and road map (Cloud-ready solutions deliver greater business value, faster innovation, and quicker time to market.)
- A modern, API-first, microservices-based architecture to ensure performance and ease of integration
- Innovation track record and a demonstrated ability to deliver enhancements on a regular cadence in a seamless manner
- Out-of-the-box integrations to adjacent applications such as ERP, CRM, digital asset management (DAM), CMS, and commerce to minimize custom code required
- Industry-specific capabilities that align to the buyer's use case(s) (e.g., B2B, B2C, or B2B2C) and product domain(s)

- Support for global commerce for organizations doing business in multiple geographies (e.g., support for multiple languages, currencies and measurement standards, and product data exchange standards)
- Digital asset management capabilities that support image, video, 3D, 360 spin, and emerging formats that are essential for effective merchandizing in today's digital channels
- Financial stability and ability to support future PIM applications for commerce requirements
- A strong partner ecosystem for implementation and support

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Salsify

After a thorough evaluation of Salsify's strategy and capabilities, IDC has positioned the company in the Leaders category within this 2019–2020 IDC MarketScape for PIM applications for commerce.

Salsify is a privately held vendor of a product experience management platform for brand manufacturers. The company was founded in 2012 and is headquartered in Boston, Massachusetts, the United States. The company's PIM offering, Salsify PIM, was purpose built to help brands succeed in the era of digital commerce, with a focus on consumer analytics, content management, and syndication capabilities. Quick facts about Salsify:

- **Employees:** Over 370
- **Global reach:** PIM customers with headquarters in over 10 countries
- **Industry focus:** Consumer goods, department and home, and industrial and consumer specialty
- **Ideal customer size:** Lower midmarket to enterprise
- **Cloud:** Application is multitenant at the application, database, and infrastructure layers and is deployed on AWS.
- **Pricing model:** Pricing model is subscription based.
- **Largest customer:** Largest PIM customers are managing over 4 million products on Salsify PIM.
- **Number of customers:** Over 630 PIM customers worldwide
- **Partner ecosystem:** Has 3 implementation partners and 6 technology partners
- **Interesting fact:** Salsify was named after a root vegetable whose flower is similar to that of a dandelion. The original concept for Salsify was based on a dandelion, in that the founders wanted product content spread far and wide, like the seeds on a dandelion flower.

Strengths

- **Syndication:** Salsify was developed with syndication as a top priority and its syndication capabilities are strong. One customer reported that it takes just one click to syndicate its products/catalogs to marketplaces such as Amazon.
- **Ease of use:** Customers that we interviewed rated Salsify's ease of use well above the market average.

- **Flexibility:** Salsify's PIM supports very flexible data modeling. One customer described Salsify as a PIM that allows you to "choose your own adventure."

Challenges

- **Implementation experience:** Salsify's interviewed customers rated its implementation experience below the market average.
- **PIM-lite reputation:** Salsify historically focused on content management and syndication, while its PIM functionality was weaker. Salsify has heavily invested in PIM but still finds itself battling this market reputation.
- **PIM focus:** Salsify has been investing heavily in functional areas adjacent to PIM, such as digital asset management. While these investments should bring value to the platform, one customer expressed concern that Salsify should focus on excelling in PIM with its offering before branching out.

Consider Salsify When

Consider Salsify when you are a brand manufacturer that understands the importance of creating consistent, engaging, and multichannel product experiences to drive commerce. You are looking for a flexible and scalable, multitenant SaaS PIM offering.

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 market share of each individual vendor within the specific market segment being assessed. For this IDC MarketScape, vendor size was determined based on IDC's estimates for each vendor's revenue in the PIM applications market. On-premises/others and public cloud services revenue both counted toward vendors' market size (refer back to Figure 1).

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

PIM applications provide a centralized platform to manage product and service data for digital commerce. Organizations use PIM applications to ensure the consistency and quality of product data. PIM collects data from multiple sources and consolidates/formats them into a single source of product master data, identifies and fixes problematic data, and pushes data out to a wide range of digital and physical channels involved in customers' journeys. PIM can be considered a subcategory or adjacent to the master data management (MDM) that is specific to digital commerce and is more all-encompassing than a standalone catalog software.

PIM applications should be able to satisfy the following functions:

- Collect and unify product information from various, separate files into one source.
- Identify and fix inconsistent data.
- Automate data and digital commerce business processes.
- Provide search functionality for products/services.
- Create and manage categories to organize products/services.
- Push products/information out to sales, social media, marketing channels, and marketplaces.

In summary, the key functions of PIM applications are:

- **Ingestion:** PIM applications provide user interfaces, connectors, and APIs that enable organizations to import product data and content from a wide array of sources including files, other enterprise systems, supplier systems, and data pools. An important aspect of ingestion is mapping data and content from these sources to product hierarchies in the PIM.
- **Management:** PIM applications enable organizations to define product hierarchies or taxonomies, product attributes, product variants, and relationships between products. They manage both structured and unstructured (content) product information and generally support enrichment for multiple languages, geographies, channels, and so forth. Key capabilities include the ability to set up and enforce data validation rules, deduplicate product records, identify and connect product variants, and manage the data quality process. Generally, PIM applications provide capabilities for task management (review and approval) and potentially more advanced workflow to support the completion of product information along with analytical dashboards/reporting that guide people responsible for product data quality. Vendors are starting to leverage AI/ML to partially automate some of these tasks.
- **Syndication:** PIM applications provide various export options that enable organizations to distribute product information to "downstream" channels and distribution partners. These may include export to files, connectors to digital commerce systems, integrations to data pools and popular digital marketplaces, and portals. A key requirement for customers selling through digital marketplaces is the ability to map export formats to the specific product hierarchies and taxonomies required by the specific marketplace.

LEARN MORE

Related Research

- *IDC Market Glance: Digital Commerce Software, 3Q19* (IDC #US45465019, September 2019)
- *Market Analysis Perspective: Persuasive Content Management Software, 2019* (IDC #US44256319, September 2019)
- *Market Analysis Perspective: Worldwide Digital Commerce Software, 2019* (IDC #US44644419, September 2019)
- *IDC MarketScape: Worldwide SaaS and Cloud-Enabled B2C Digital Commerce Platforms 2018 Vendor Assessment* (IDC #US44288618, October 2018)
- *IDC MarketScape: Worldwide SaaS and Cloud-Enabled B2B Digital Commerce Platforms 2018 Vendor Assessment* (IDC #US43262518, September 2018)

Synopsis

This IDC study provides an assessment of the primary PIM application vendors for digital commerce use cases. The study also discusses what criteria are most important for companies to consider when selecting a system.

"Product information has a vital role in digital commerce, across the entire customer journey. Both B2B and B2C customers interact with product data and content in discovery, search, order placement, and even post purchase. PIM applications are an essential tool in sellers' arsenal but selecting the right vendor to partner with is no easy task, as there isn't a one-size-fits-all PIM application," says Jordan Jewell, research manager of IDC's Digital Commerce program. "The right PIM applications should provide organizations with a competitive advantage when selling online and be flexible enough to support different kinds of products and commerce business models in the years to come."

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. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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