

IDC MarketScape

IDC MarketScape: Worldwide Product Information Management Applications for Commerce 2021 Vendor Assessment

Jordan Jewell

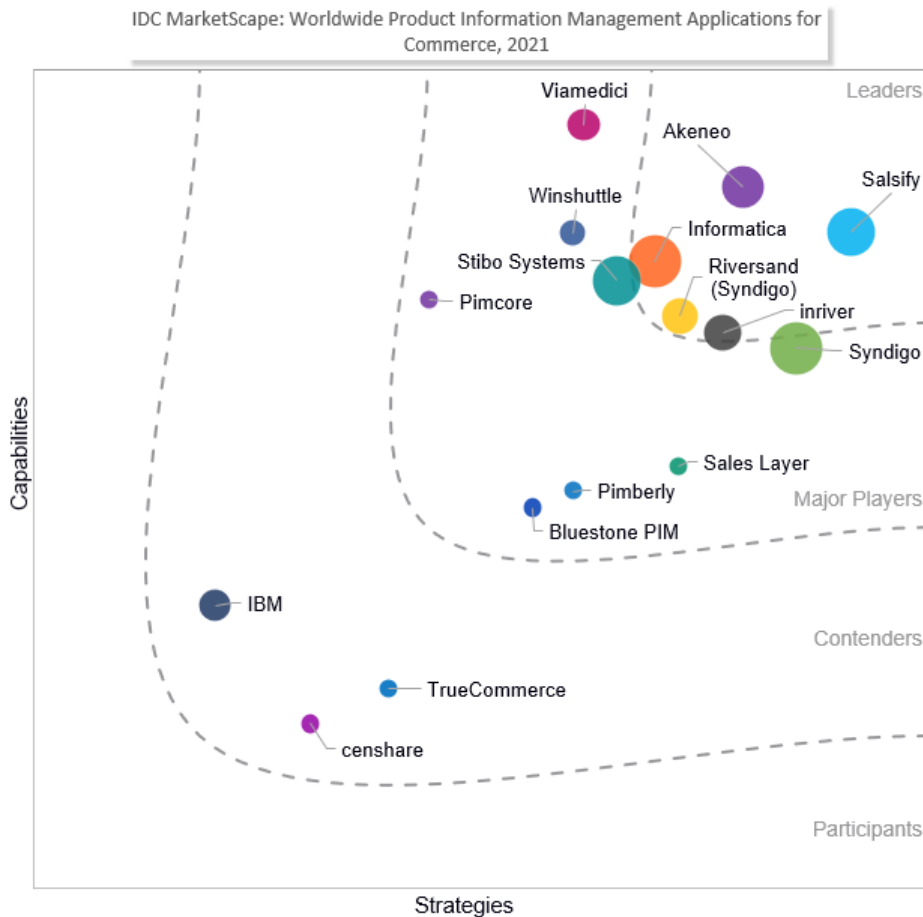
Marci Maddox

THIS IDC MARKETSCAPE EXCERPT FEATURES SALSIFY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Product Information Management Applications for Commerce Vendor Assessment



Source: IDC, 2021

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

IDC OPINION

Modern Digital Commerce Requires a Different Kind of PIM

With more touch points, services, and apps at their disposal than ever before, today's B2C and B2B customers have sky-high expectations for digital experiences and little patience for bad ones. From the moment they discover a product through post-purchase, buyers anticipate every digital interaction they have with a brand or retailer to be seamless, engaging, and personalized. In this environment, a strong long-term digital commerce strategy is no longer a "nice to have" but instead a "must-have" to survive. Product information management (PIM) software has emerged as a key ingredient to meet this challenge and deliver excellent commerce experiences.

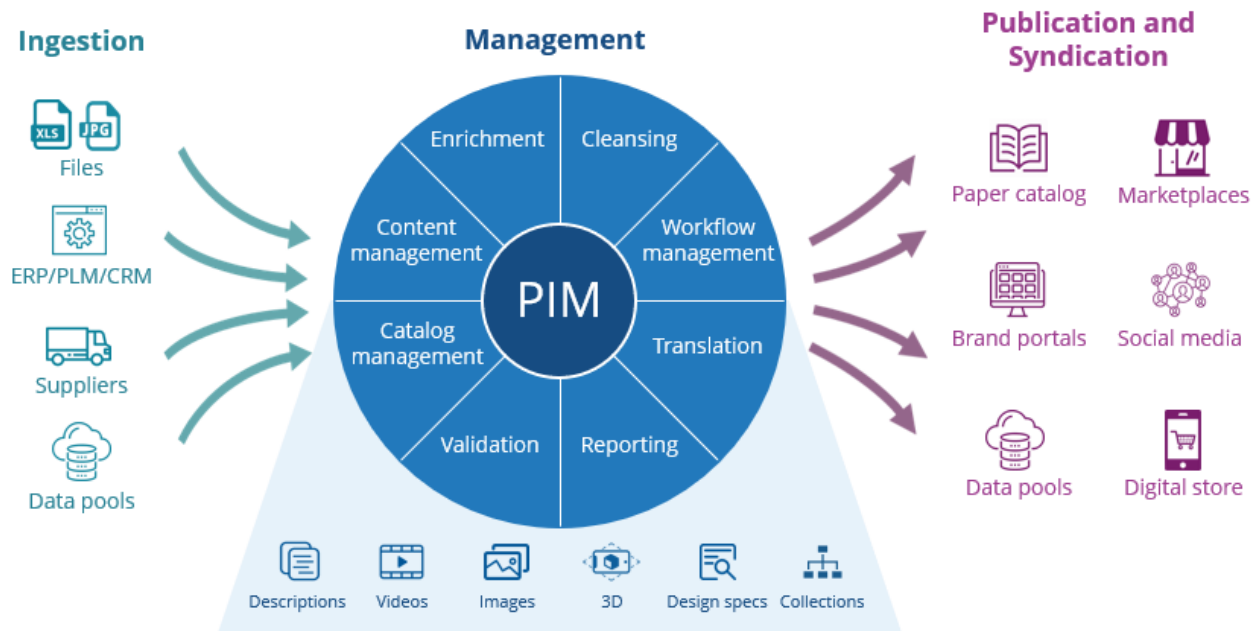
PIM software has been historically viewed as a back-office tool closely associated with the master data management (MDM) applications space, where the primary goal is to provide a golden record for product data. While it is still essential for a PIM to aggregate and ensure the quality of product data, modern commerce happens across a myriad of digital channels and touch points, each of which has its own requirements for how data and content should be exposed. This new generation of PIM applications must be purpose built for digital commerce and help online merchants:

- Support content images, video, augmented reality, enhanced content, and other rich content required to effectively merchandize products
- Syndicate product data and content to a myriad of channels, including a proprietary store and digital marketplaces that utilize unique product taxonomies
- Offer portals that facilitate distribution of product data and content to the company's distribution network
- Rank higher in search engine, retailer, and marketplace algorithms
- Provide analytics to make smarter product merchandizing decisions and boost conversion
- Integrate with core commerce services, including inventory management, order management, and marketing automation

PIM applications for commerce (which may be positioned as product 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



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

Source: IDC, 2021

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 systems will only grow as a larger share of all transactions occur online, prompting organizations to seek out stronger customer relationships within both the creation and loyalty loops via engaging product stories.

FIGURE 3

PIM Improves the Entire Customer Journey



Source: IDC, 2021

IDC expects technology buyers will increasingly prioritize PIM applications that readily integrate with adjacent technologies such as digital commerce, content management, marketing automation, product life-cycle management, and ERP. Doing so enables online merchants to deliver modern digital experiences that enable them to tell richer stories about their products across the end-to-end customer journey. In addition, consumer and business buyers have increasingly shown demand for sustainable commerce initiatives, which aim to reduce the environmental and societal impacts of buying products online. PIM systems have a role to play here by improving transparency of the materials used to make products, exposing the carbon footprint associated with product manufacturing, and reducing returns by more accurately displaying products.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The vendor list for this evaluation consists of 16 vendors and was selected to depict the vendors that are most representative of any given PIM buyer's selection short list for digital commerce use cases. Inclusion criteria include:

- The vendor has an active customer base and is reported as seen in deals by other "PIM applications for commerce" vendors.
- The vendor meets IDC's definition for a PIM application for commerce in terms of functionality supported, including the ingestion, management, and publication/syndication of product information (both structured [data] and unstructured [content]) to facilitate digital commerce (see the Market Definition section and refer back Figure 2).
- The vendor's PIM application is qualified as "SaaS or cloud enabled."
- The vendor goes to market as a PIM application for digital commerce, specifically seeking out B2C and B2B online merchants.

ADVICE FOR TECHNOLOGY BUYERS

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

- A cloud-native architecture, cloud-first strategy, and strong representation of customers that have deployed in the cloud (Cloud-based PIM systems deliver greater business value, faster innovation, and quicker time to market.)
- Intuitive user interfaces for all users who interact with the PIM (e.g., marketers, brand managers, ecommerce managers, data governance teams, developers, administrators, and suppliers)
- 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, including automatic and frequent upgrades
- Out-of-the-box integrations to adjacent applications such as ERP, CRM, digital asset management (DAM), CMS, product life-cycle management, digital shelf analytics, and commerce systems to minimize custom code required
- Industry-specific capabilities that align to the buyer's use cases (e.g., retail, manufacturing, distribution, CPG, direct to consumer)
- Support for global commerce for organizations doing business in multiple geographies (e.g., support for multiple languages, currencies and measurement standards, publishing channels, 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 and developer ecosystem for implementation, support, and technology integrations

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 2021 IDC MarketScape for PIM applications for commerce.

Salsify is a privately held vendor of product information management, syndication, and digital asset management software for brand manufacturers. The company was founded in 2012 and is headquartered in Boston, Massachusetts, the United States. The company's PIM offering, ProductXM, was purpose built to help brands manage product information for and syndicate to a myriad of digital channels. Salsify acquired Alkemics in May 2021, bringing complementary content management functionality for retailers to its product portfolio.

Quick facts about Salsify are:

- **Employees:** Over 600
- **Industry focus:** Historically focused on brand manufacturers but now offering more robust retailer and distributor offerings via the Alkemics acquisition
- **Cloud:** Completely cloud-native, multitenant SaaS application deployed on AWS
- **Pricing model:** Salsify offers module-based pricing with an annual subscription. The enterprise PIM module can be coupled with additional modules, like syndication, enhanced content, GDSN, or digital shelf analytics, which comes with a standard set of entitlements (user based and SKU based). Customers can buy additional entitlements as needed.
- **Largest customer:** Largest PIM customers are managing over 3.8 million products (15.4 million when including variants) and 4.5 million digital assets on Salsify PIM.
- **Number of customers:** Over 1,000 PIM customers worldwide
- **Partner ecosystem:** Has over 35 implementation partners and 15 technology partners
- **Global reach:** PIM customers in over 80 countries

Strengths

- **Syndication:** Salsify was developed with syndication across channels as a top priority and its syndication capabilities differentiate it from other PIM vendors. One customer we interviewed who uses Salsify heavily for syndication said, "If we got rid of Salsify, we would have to hire 10 people to do the work Salsify has automated for us."
- **Implementation experience:** Customers and partner organizations we interviewed rated Salsify best in class for its ease of implementation. One implementation partner commented, "Of all the PIMs I have worked with, Salsify is definitely the quickest we can implement."
- **Alkemics acquisition:** Salsify's acquisition of Alkemics introduces a robust set of retailer content management capabilities into the Salsify ecosystem and is intended to help facilitate information sharing between brands and retailers. With the addition, Salsify wants to become an integrated system of record and workflow to help brands and retailers deliver continuously adaptive product experiences.

Challenges

- **Local partner networks:** Salsify's international network of partners is more limited than some of the other vendors in this evaluation. In addition, Salsify's UI cannot be localized at this time, making it more difficult for the company to win deals internationally.
- **Artificial intelligence:** Customers we interviewed rated Salsify below average for its artificial intelligence strategy. One reference commented, "AI is nonexistent in the product, from my perspective."
- **Scalability:** Salsify historically has run into performance limitations for catalogs with multimillion product counts, although it is making investments to address this. While this does not pose as a problem for the vast majority of brand manufacturers, those with large catalogs with many variants (often retailers) might want to look elsewhere.

Consider Salsify When

Consider Salsify if you are looking for a PIM purpose built for brand manufacturing to power your multichannel commerce experiences. Consider it if you are looking for a flexible and scalable multitenant SaaS PIM offering and you have over a few hundred SKUs that you sell across multiple channels.

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.

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 and content. PIM applications collect information from a wide array of sources and consolidate/format it into a single source of product information, identify and fix problematic data, and push product information out to a wide range of digital and physical channels involved in customer journeys.

PIM applications originating from the data integration and intelligence market can be thought of as a subcategory of, or related capability to, product-focused master data management (MDM), PIM applications coming from the persuasive content management market originated to bring rich content to the product experience, and PIM applications coming from digital commerce vendors reflect the need for systems that are more all-encompassing than standalone catalog software.

PIM applications for digital commerce should be able to satisfy the following functions:

- Collect and unify product information from various separate files and systems 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/publication:** 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.

Strategies and Capabilities Criteria

Tables 1 and 2 provide key strategy and capability measures, respectively, for the success of PIM applications for commerce.

TABLE 1

Key Strategy Measures for Success: Worldwide Product Information Management Applications for Commerce

Strategies Criteria	Definition	Weight (%)
Customer delivery strategy	Customers can easily upgrade between major releases of the application.	28.00
	Product road map is relevant to customers.	
	Product road map is clearly communicated to customers.	
	Customers believe the vendor is setting them up for future success in the digital economy.	
	Customers perceive the vendor's efforts in AI/automation as valuable.	

TABLE 1**Key Strategy Measures for Success: Worldwide Product Information Management Applications for Commerce**

Strategies Criteria	Definition	Weight (%)
Functionality of offering road map	UX, architecture, reporting, digital commerce, content management, and industry specialization are addressed in the road map.	15.00
	The vendor has plans to include advanced capabilities in its road map from the "advanced functionality" capabilities criteria.	
Architecture/platform strategy	The vendor has a strong strategy to improve its application's architecture/extensibility, including its APIs, developer community, microservices, and integrations. The long-term product vision extends to providing merchants with critical digital commerce insights.	10.00
Innovation	The vendor has plans to incorporate AI and other advanced technologies.	8.00
Cloud strategy	The vendor has a strategy to maintain a cloud-native platform. Multitenancy is planned for the application. Net-new customers can only be deployed in the cloud. Customers are actively being migrated to the cloud. A strong cloud road map is planned.	10.00
R&D pace and productivity	The vendor is investing heavily in product R&D, either directly or via acquisitions.	6.00

TABLE 1**Key Strategy Measures for Success: Worldwide Product Information Management Applications for Commerce**

Strategies Criteria	Definition	Weight (%)
Growth	The vendor is on a strong growth trajectory.	23.00
	The vendor's partner network is expanding and/or maturing.	
	The vendor has programs in place to support ongoing customer success.	
	The vendor is actively expanding its customer base outside of its home market.	
	The vendor is adequately capitalized to ensure long-term viability.	
Total		100.00

Source: IDC, 2021

TABLE 2**Key Capability Measures for Success: Worldwide Product Information Management Applications for Commerce**

Capabilities Criteria	Definition	Weight (%)
Functionality or offering	The application supports catalog management functions and a deep product taxonomy for commerce.	12.00
	The application includes granular workflow/task management capabilities.	
	The application includes functionality that helps users ensure the quality of their product information.	
	The application can ingest product data/content from a wide array of sources, in diverse formats.	
	The application has flexible reporting that meets the needs of the greatest number of customers out of the box.	
	The application provides robust search on PIM data/content.	
Advanced functionality	The application includes the ability to define catalogs according to business rules, with flexibility to overlay channel-specific taxonomies and/or data models — model constructs such as product lines, campaigns, and other types of collections.	14.00
	The application contains BI/visualization tools.	
	The application has digital asset management and dynamic media features.	

TABLE 2

Key Capability Measures for Success: Worldwide Product Information Management Applications for Commerce

Capabilities Criteria	Definition	Weight (%)
	The application contains functionality to facilitate successful merchandising and selling on digital channels.	
	The application has built-in syndication functionality for a wide range of channels.	
Architecture	The application is built API first, with modern API standards, and the vendor has taken steps to make its ecosystem more attractive for developers.	13.00
	It is easy to customize/configure the application.	
	The application is built with a modular microservices architecture.	
	Users can easily adopt new releases without migration efforts. Application and APIs are backward compatible.	
3rd Platform capabilities	The application has application-layer encryption and security measures embedded.	7.00
	The application has embedded artificial intelligence capabilities that assist users by automating tasks and improving decision making.	
Range of services	The vendor has an active ecosystem of developers for B2C commerce and has taken steps to make its ecosystem more attractive for developers.	13.00
	The vendor supports customers and end users across the world.	
	The vendor provides functionality to serve specific B2C verticals.	
	The vendor supports a wide range of out-of-the-box integrations and/or integration services specifically for B2C.	
	The vendor has a large ecosystem of implementation and technology partners.	
	The vendor has a strong formal partner program, and partners are trained and kept up to date with the vendor's road map.	
Cloud capabilities	Cloud versions of the PIM are mature, with a strong percentage of the customer base in the cloud.	12.00
	The vendor provides flexible pricing and contract terms to fit customers' needs.	
	Customers can deploy on the public cloud of their choice.	
	The application has a modern cloud-first architecture or has been fully re-architected for the cloud.	
	A high uptime is guaranteed in SLAs and delivered to customers.	

TABLE 2**Key Capability Measures for Success: Worldwide Product Information Management Applications for Commerce**

Capabilities Criteria	Definition	Weight (%)
Customer satisfaction	Customers receive good value relative to the price they pay for the application.	24.00
	The application is easy and intuitive to use.	
	Customers see strong performance on the PIM application, in terms of speed and uptime.	
	The application is relatively easy to implement.	
	It is easy to integrate the application with external systems (digital commerce, DAM, WCM, PLM, etc.).	
	The vendor's APIs provide customers with access to all the data and functionality they need in the application.	
	Customer service delivery	The vendor is able to solve customer service issues and keep customers happy.
Total		100.00

Source: IDC, 2021

LEARN MORE**Related Research**

- *Worldwide Persuasive Content Management Applications Market Shares, 2020: Market Leaders Shift as Cloud-Based Solutions Gain Traction* (IDC #US46252521, May 2021)
- *IDC Market Glance: Digital Commerce Software, 1Q21* (IDC #US47124321, March 2021)
- *Worldwide Product Information Management and Syndication Applications Forecast, 2020-2024* (IDC #US45737220, December 2020)
- *Market Analysis Perspective: Worldwide Product Information Management Software, 2020* (IDC #US46875820, September 2020)
- *IDC MarketScape: Worldwide Product Information Management Applications for Commerce 2019-2020 Vendor Assessment* (IDC #US45353419, December 2019)

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.

"Recent acceleration in the digital commerce market has raised the stakes for every B2C and B2B merchant to sell online effectively. Product information has a vital role in digital commerce well beyond the standard product detail page. Online merchants rely on PIM systems to inform customers about products, tell brand stories, sell across channels, facilitate collaboration with suppliers, merchandize products, deliver enhanced content, inform customer service reps, and much more," says Jordan Jewell, research director of IDC's Digital Commerce program. "Having the right PIM application enables organizations to achieve these goals and ultimately grow faster than their competition."

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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