Ntara | inriver

2024 US Manufacturers Digital Commerce Benchmarking Study

Analysis of digital maturity and go-to-market strategies for consumer brands and industrial manufacturers

Research by Ntara
Sponsored by inriver

Executive summary

B2B omnichannel enters full swing

Nearly 50% of industrial product manufacturers and 68% of consumer product brands sell through three or more channels. Both types of companies must provide a rich shopping experience to their customers across a variety of channels—each with different requirements.

Budgets mirror boost in optimism

Despite headwinds, both industrial manufacturers and consumer brands expect increased budgets and improved performance in 2024. Only 4% of respondents expect a decline in performance this year and only 19% are working with less funding compared to last year.

Product software upgrades anticipated in the next 1-5 years

Ecommerce tops the list, with 41% of consumer brands and 39% of industrial manufacturers planning upgrades. ERP is next in line for both groups, followed closely by CRM. Several respondents (18-25%) also plan to upgrade CMS, PIM, and DAM.

PIM and DAM adoption frequently centers around efficiency

Respondents reported that the primary drivers for selecting or upgrading PIM include creating a single source of truth for all product data (70%) and organization of product data (50%). For DAM, the primary drivers reported were centralized assets (62%), organization of media (40%), and process efficiency (37%).

Companies targeting PIM and DAM for growth see increased revenues YoY

When overlaid with public financial data, our findings suggest that companies that selected or upgraded PIM and DAM for top-line growth reasons saw consistent revenue increases year-over-year.

Research overview

Businesses that make and sell products must master digital commerce. In this report, we assess their progress and establish digital commerce benchmarks.

Specifically, we examine how consumer product brands and industrial product manufacturers bring products to market. We selected these groups based on what they have in common: They both design, make, market, and sell physical products through multiple channels.

This study documents how various segments of these groups use, succeed, and struggle with digital commerce software—specifically product information management (PIM) and digital asset management (DAM). It highlights trends and opportunities for companies in these industries, illuminating opportunities to improve strategies and increase revenue.

This report offers insights and verbatim quotes from research participants. By the end, you should understand how you stack up and what your business must do to become a leader in digital commerce.

Who is Ntara?

Ntara is a consulting and systems integration firm that specializes in product experience management (PXM). To us, PXM includes PIM, DAM, ecommerce, omnichannel strategy, digital shelf analytics, buyer research, and ongoing analytics. It's about the holistic strategy, insights, and ecosystem that support bringing products to market and serving the end user after purchase. We help consumer product brands and industrial brand manufacturers optimize product processes to support their complex business and go-to-market strategies.

Our research practice began in 1999, and our history includes custom studies for global consumer brands, industrial manufacturers, healthcare organizations, software companies, and more. We apply research findings and our expertise through consulting, business analysis, solutions engineering, and development to create PXM strategies that perform.

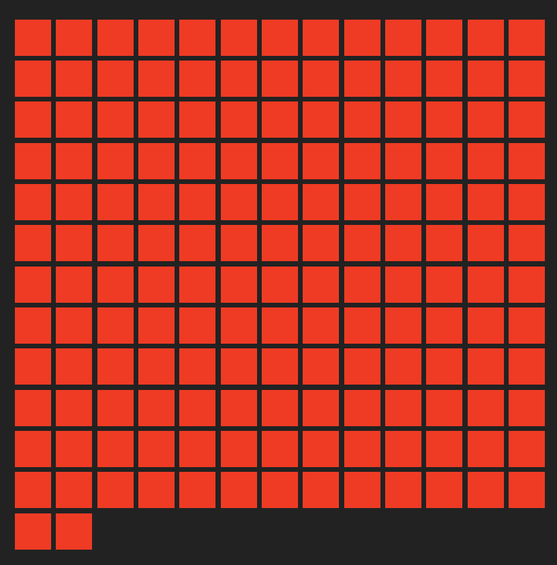
We conducted this benchmarking study to inform the industry, our partners, and the companies we work with. We want to reflect this data back to consumer brands and industrial manufacturers via a repeatable benchmark study that these industries can look to for years to come.

Who is inriver?

inriver is a leading SaaS provider that specializes in product information management (PIM). Their composable platform powers the entire product journey, combining the agility of the inriver PIM with advanced syndication, monitoring, digital shelf performance, and integration capabilities.

Founded in 2007, inriver helps brands, manufacturers, and retailers turn product information into strategic assets, maximizing profitability at every touchpoint for 1,600+ global brands. inriver supports both B2B and B2C enterprises throughout the entire product cycle.

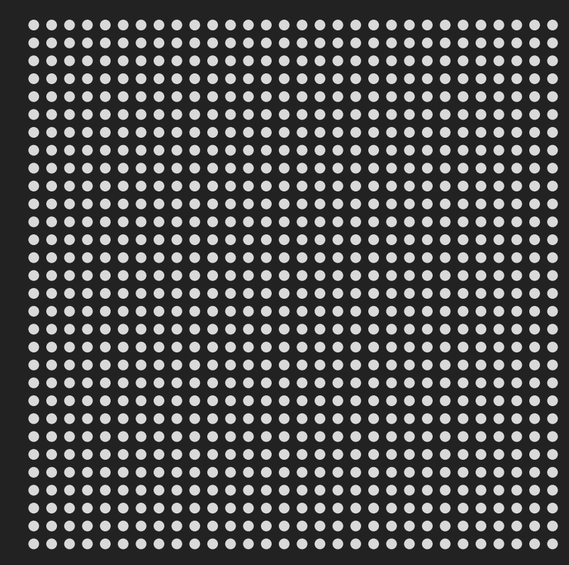
Research methodology



158
UNIQUE COMPANIES

REPRESENTING
$26B+
IN ANNUAL REVENUE

12
VERTICALS



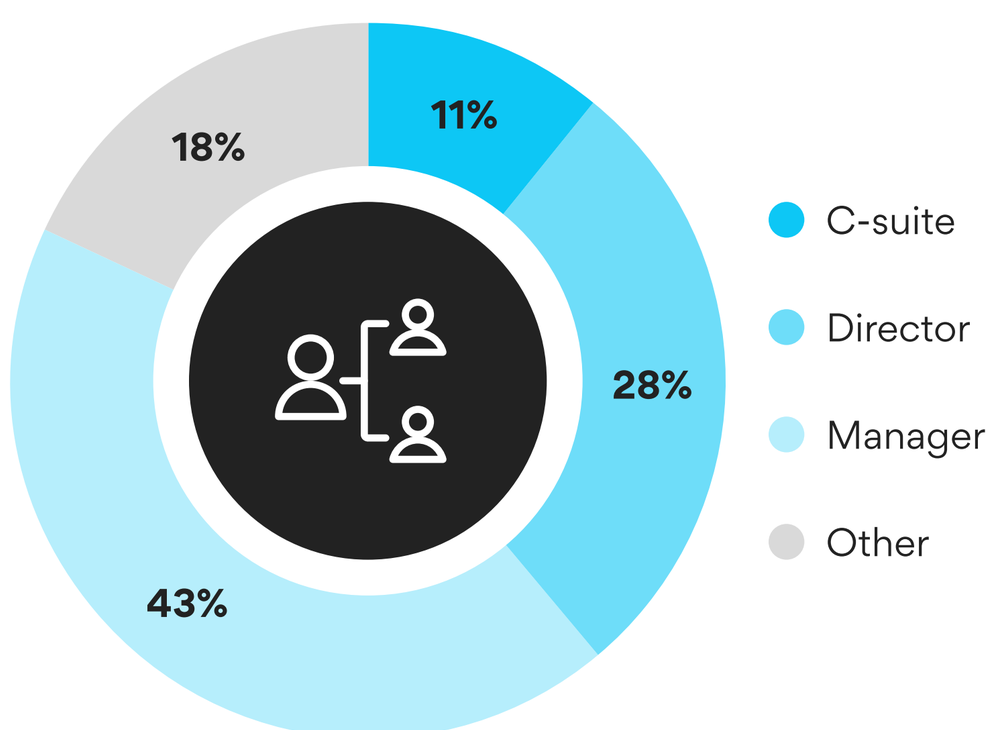
9,000+
DATA POINTS

Target audience

This benchmarking study targeted leaders, decision-makers, and software selection influencers from both consumer product brands and industrial product manufacturing companies headquartered in the United States. The functional roles of survey respondents primarily span the categories of IT, marketing, product, ecommerce, and digital. All graphs in this report will reference the "base," or the quantity of respondents represented.

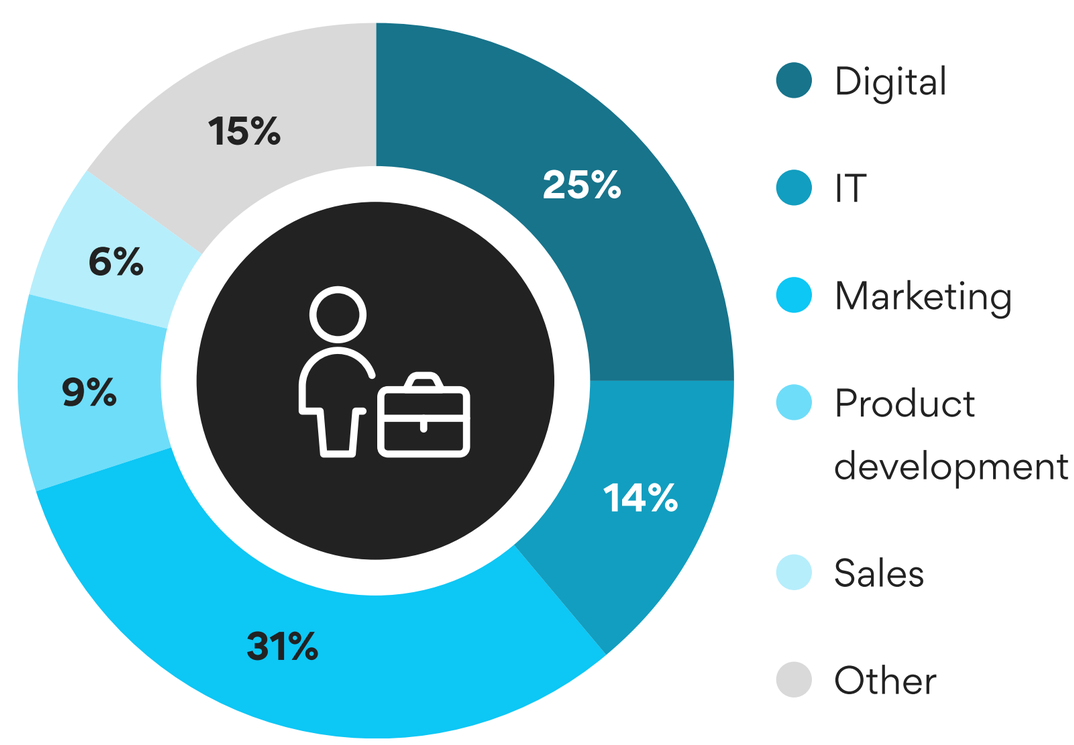
Level of PXM responsibility

Base: 195



Line of business

Base: 195



Quantitative survey

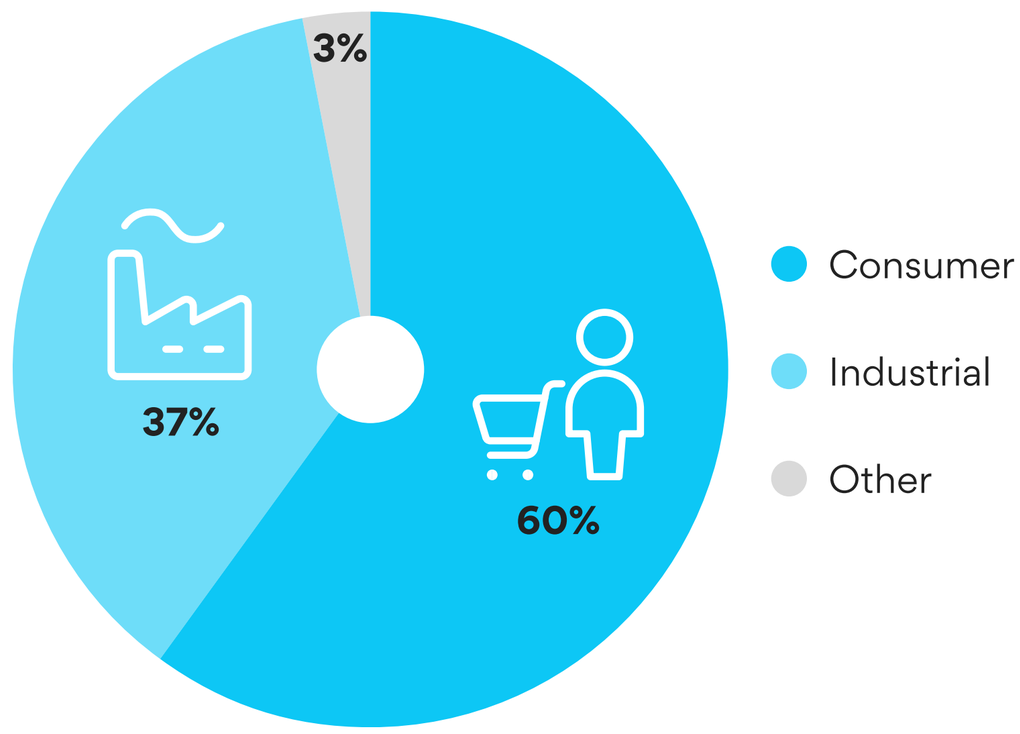
The survey collected data that reveals how companies bring products to market and how they leverage PIM and DAM software. However, this report is not a software evaluation report.

Rather, it's an exploration of how companies execute channel strategies and what they see as their biggest opportunities and threats. Each participant evaluated the company's digital maturity and collective understanding of these systems. They answered questions about company performance and digital commerce budget year-over-year. In total, we surveyed 195 people from 158 companies.

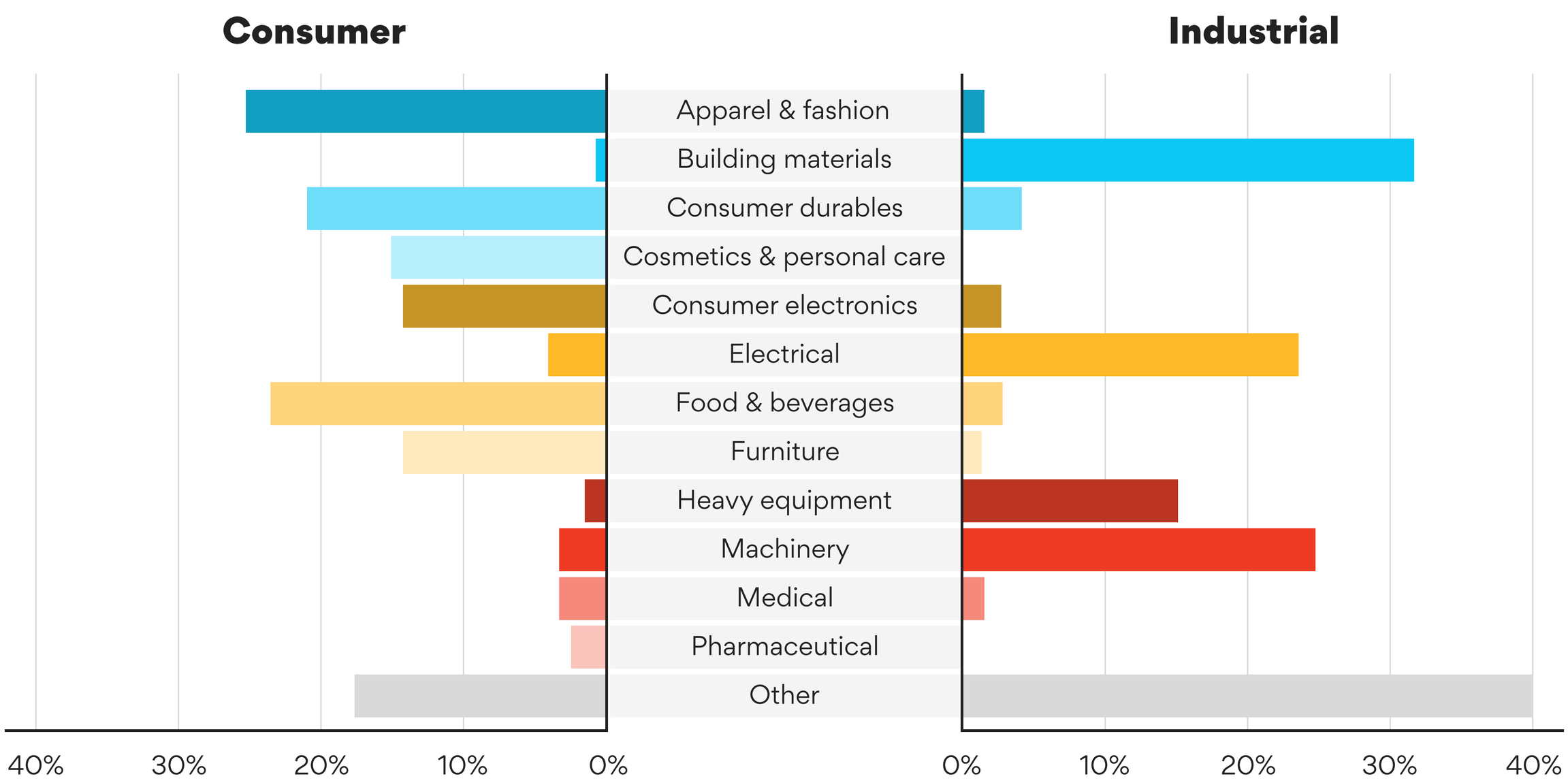
We created these two respondent groups by evaluating how each company, across a variety of industries, brings products to market. Those who sell products primarily to consumers were labeled "consumer product brands," and those who primarily sell business-to-business were labeled "industrial product manufacturers."

Note: Retailers, distributors, and wholesalers are also heavy users of multichannel software and may be included in a future study.

Respondent groups Base: 195



Industries Base: 189



Qualitative interviews

In addition to the survey, we also spoke with multiple business leaders, decision-makers, influencers, and users of PIM and DAM software. These discussions provided additional context for the survey insights.

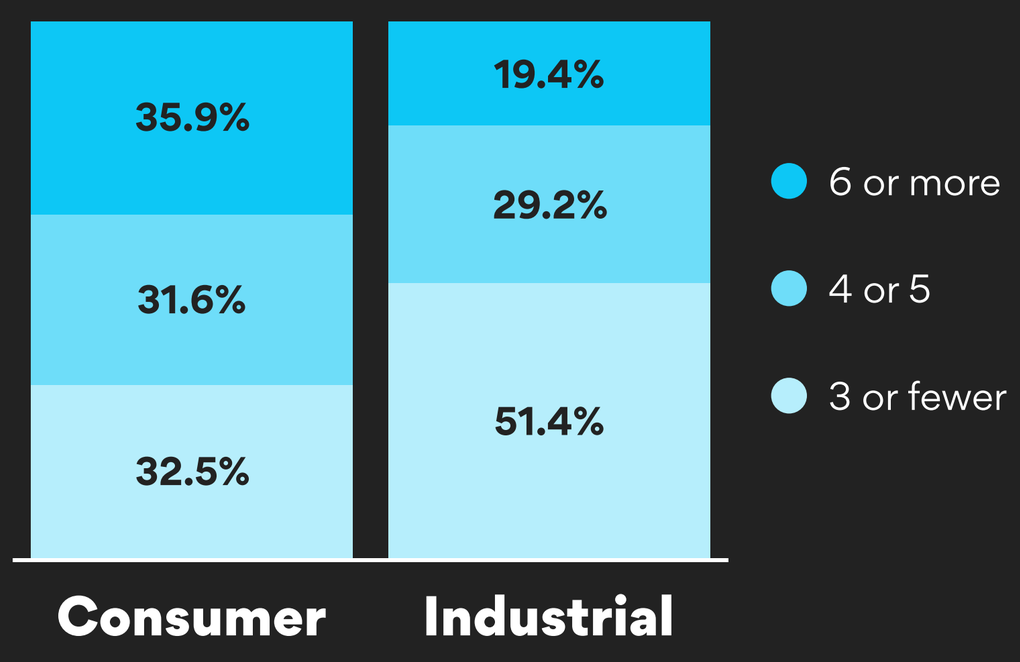
Here's what we found

Omnichannel is the "new normal" for B2B and B2C buyers

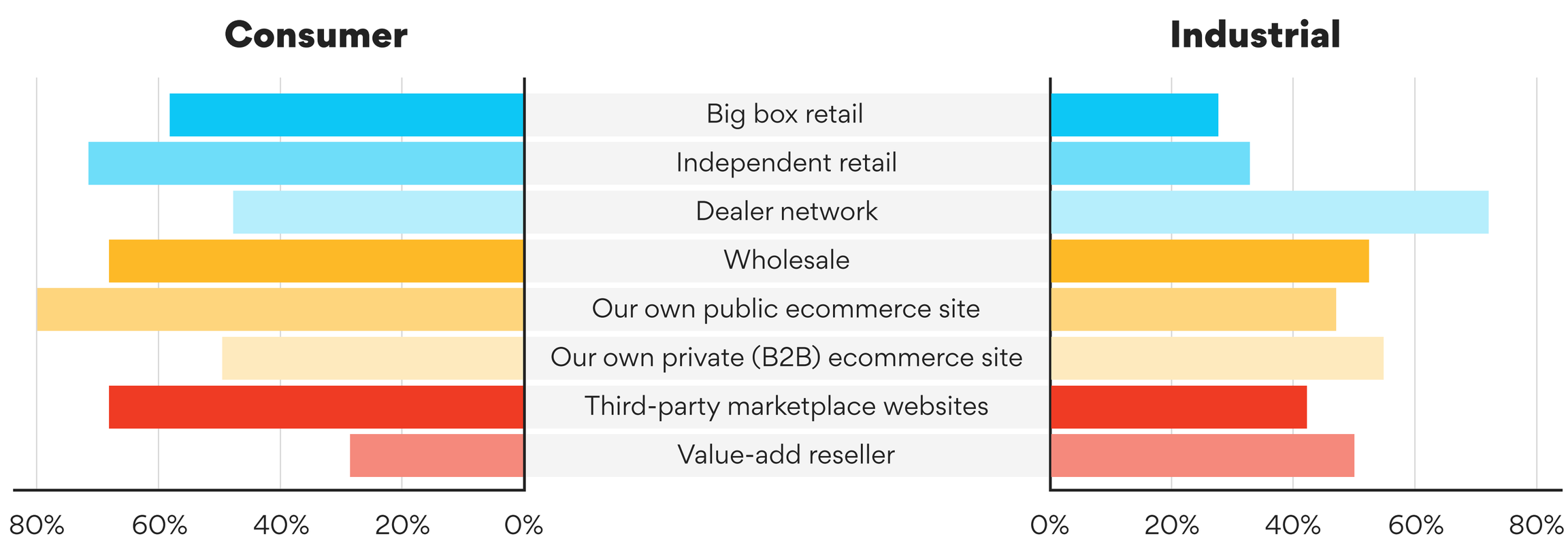
Both B2C and B2B consumers shop at their own pace, along their own paths. The question this presents isn't whether to adjust the go-to-market strategy; it's when and how.

Consumer brands reported selling through more channel types than industrial manufacturers—but both groups go to market through multiple channels.

Number of channel types Base: 189



Channels Base: 189



While many consumer brands sell through big box and independent retailers, nearly 80% also sell through ecommerce and 65% through third-party marketplaces. Industrial manufacturers typically have more private than public channels but over 50% had both.

This points to important use cases for software to manage the different data sets required by each channel. For example, an industrial manufacturer selling via a private B2B ecommerce site to distributors might require pallet-level information for a particular SKU that would not be required on the public, direct-to-consumer website for end consumers.

Despite headwinds, the 2024 outlook is optimistic

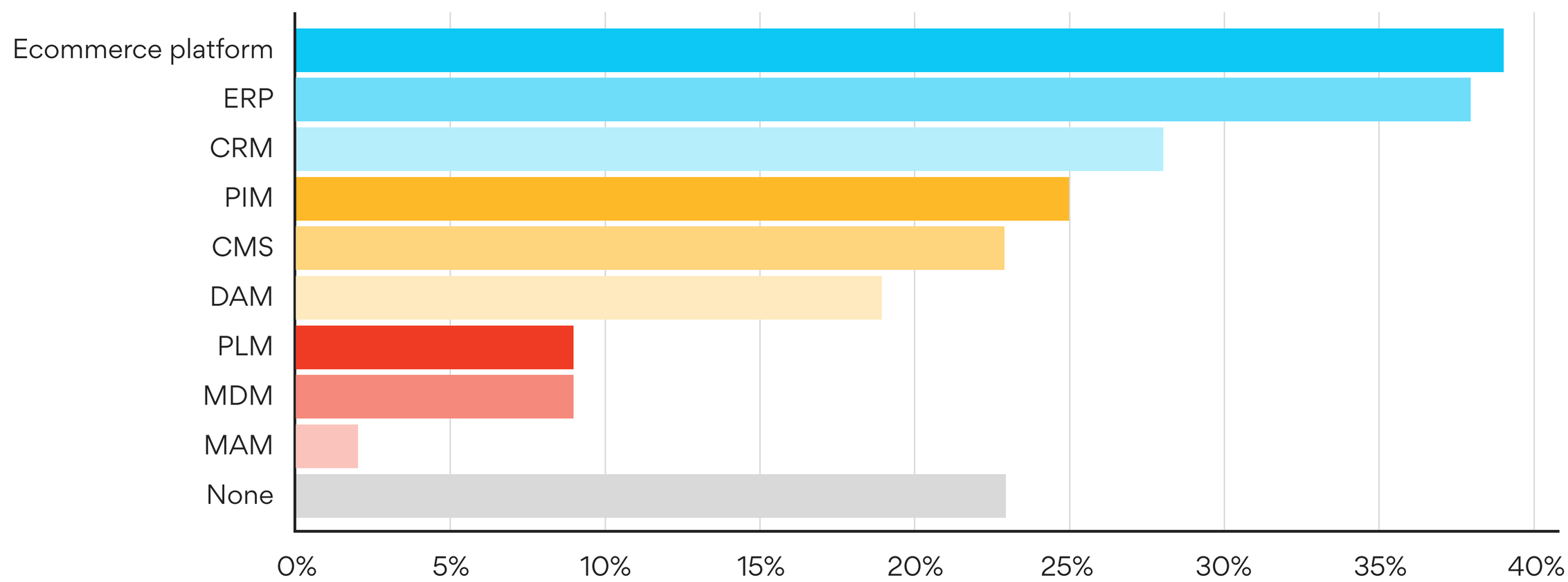
Q1 2024 has been tough for US industries. Yet, only 4% expect a decline in performance this year, while 56% expect growth and 40% expect steady performance year-over-year.

In terms of budget, 19% of respondents are working with less funding this year, 35% saw no change, and 46% of budgets increased.

Upgrades and replacements for software supporting the product experience

Planned upgrades or replacements

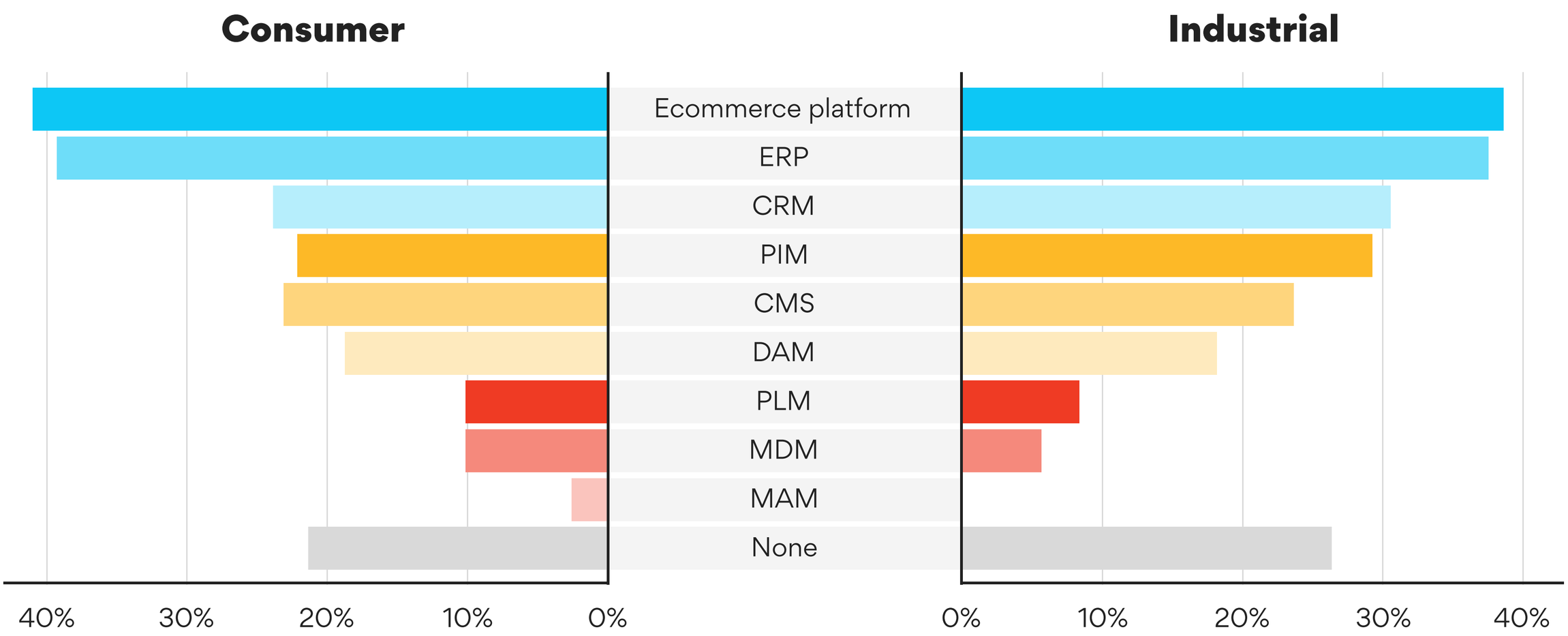
Base: 195



Most companies plan to add, upgrade, or replace product-related software in the next 1-5 years.

PXM projects planned

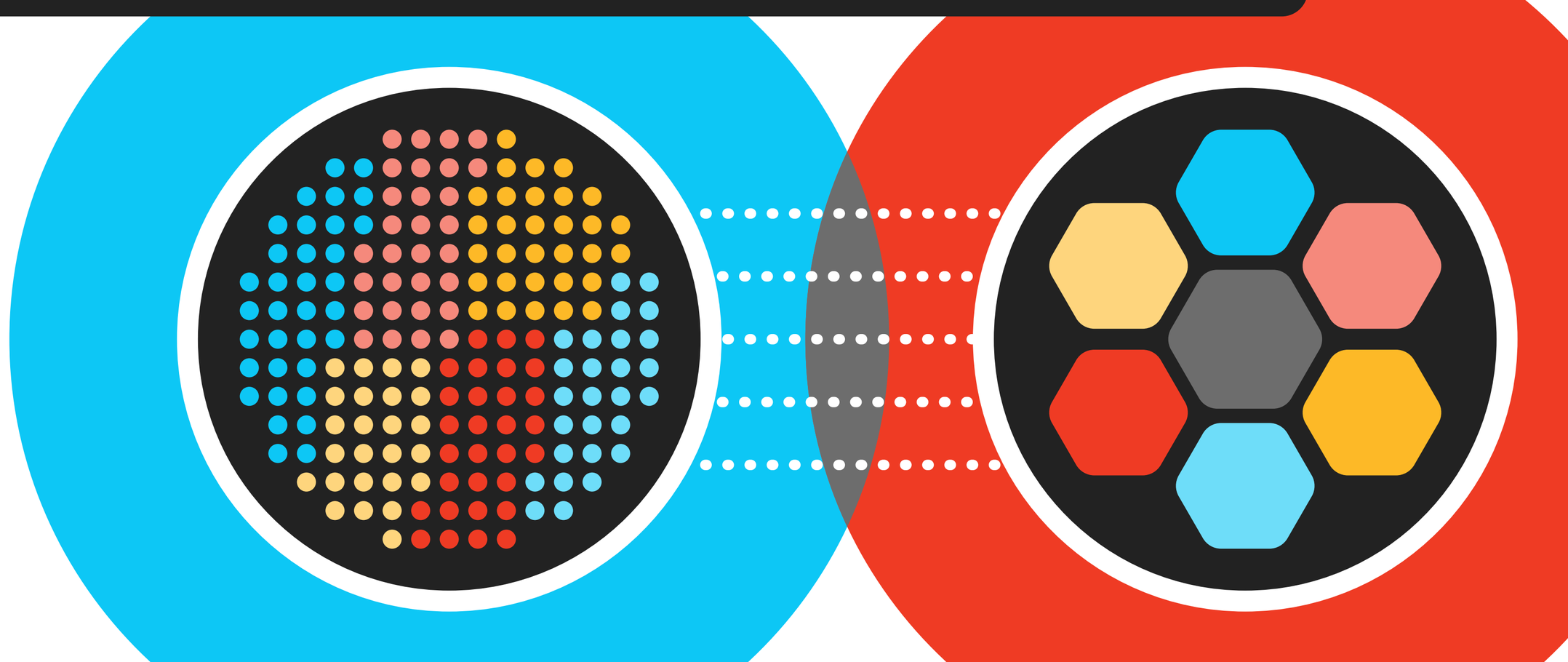
Base: 189



41% of consumer brands are conducting or planning to conduct ecommerce projects, 39% are doing ERP projects, and 24% are doing CRM projects. Additional planned investments for brands also include CMS (23%), PIM (22%), and DAM (19%).

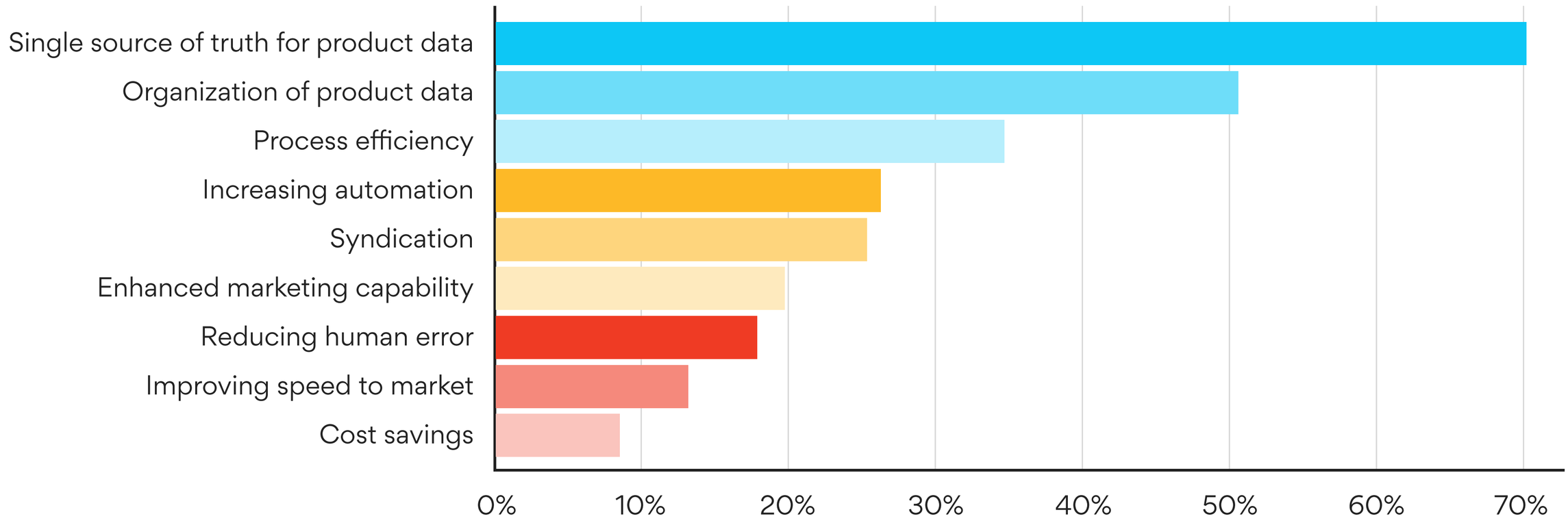
Industrial manufacturers have a similar focus, with almost 39% doing ecommerce projects, 38% working on their ERP, and 31% planning for CRM projects. Some industrial manufacturers are also planning PIM projects (29%), CMS (24%), and DAM (18%). The large number of planned upgrades to these key systems is a strong indicator of the importance companies place on the future of multichannel commerce.

Notably, the drivers for updating or adopting PIM and DAM are typically focused on bottom-line savings rather than top-line growth.



While the investment in multichannel software is significant, a notable pattern emerged around two of the most critical platforms: PIM and DAM.

What were the primary drivers of selecting or upgrading your PIM? Base: 106

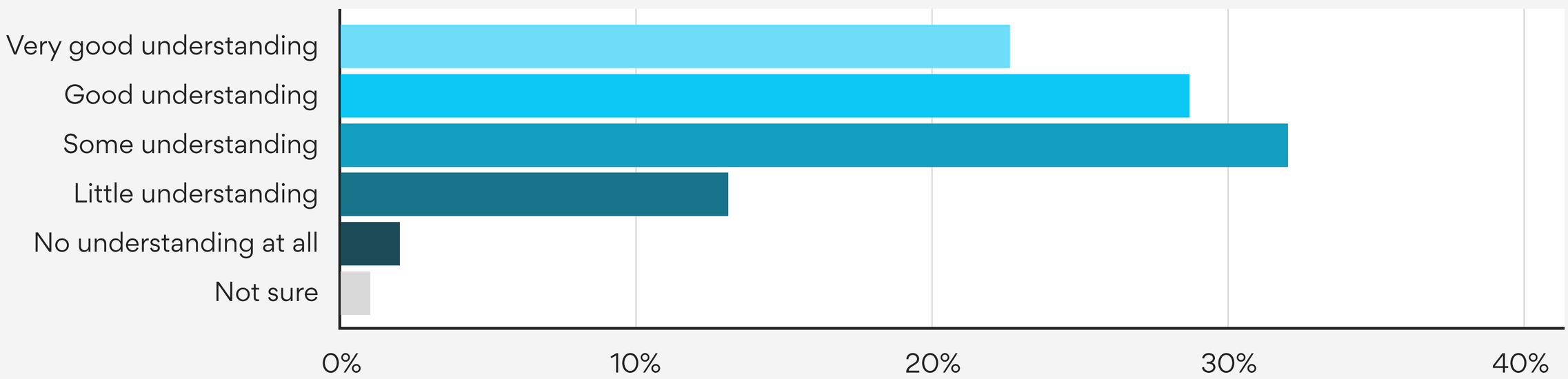


Despite significant advances in the PXM functionality offered by both, most respondents cited the primary drivers for implementation as somewhat foundational. They invest in PIM and DAM for their efficiency-related functionality rather than the long-term value or customer-focused innovations these platforms can provide.

Most organizations understand that PIM and DAM are important to omnichannel success and digital maturity.

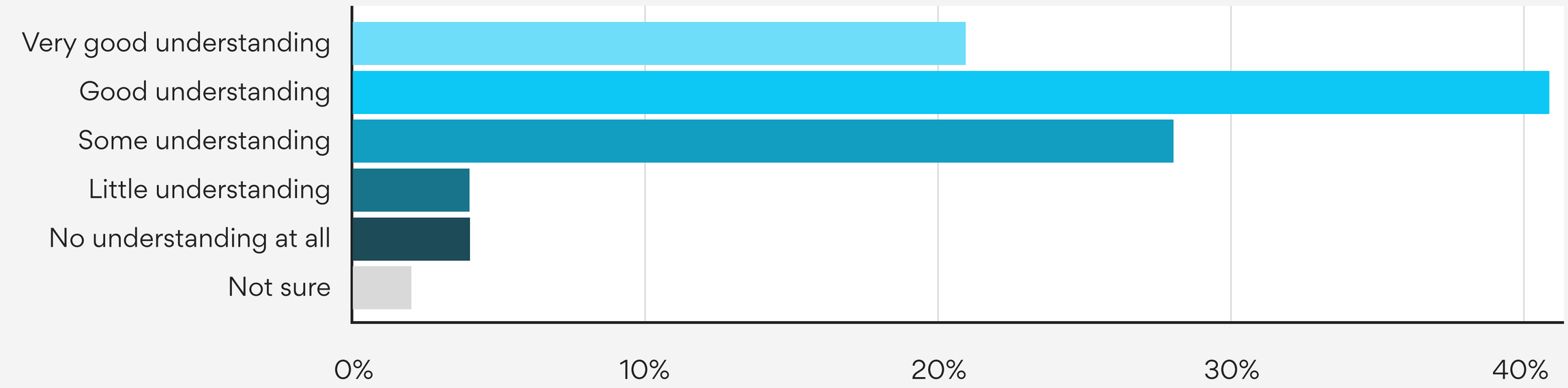
Regarding how well their companies understood PIM, around 50% of respondents using PIM software felt their organizations had a “good” or “very good” understanding, while 15% had little to no understanding.

From your perspective, does your organization understand the value of having a PIM? Base: 106



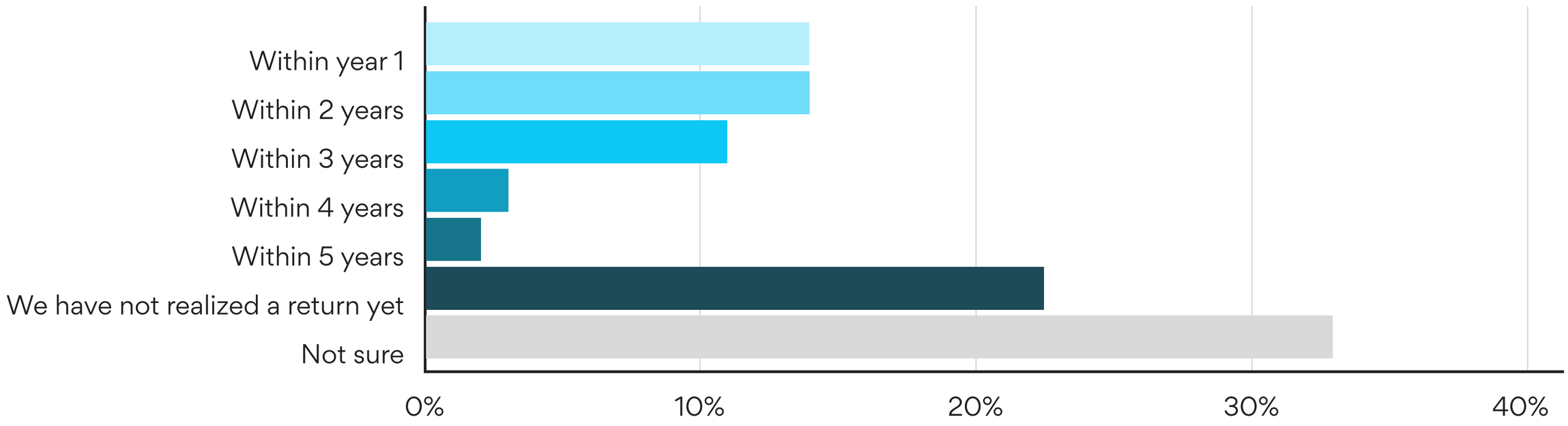
As for DAM, 62% of respondents using the software felt their businesses had a “good” or “very good” understanding, while only 7% had little to no understanding.

From your perspective, does your organization understand the value of having a DAM? Base: 82

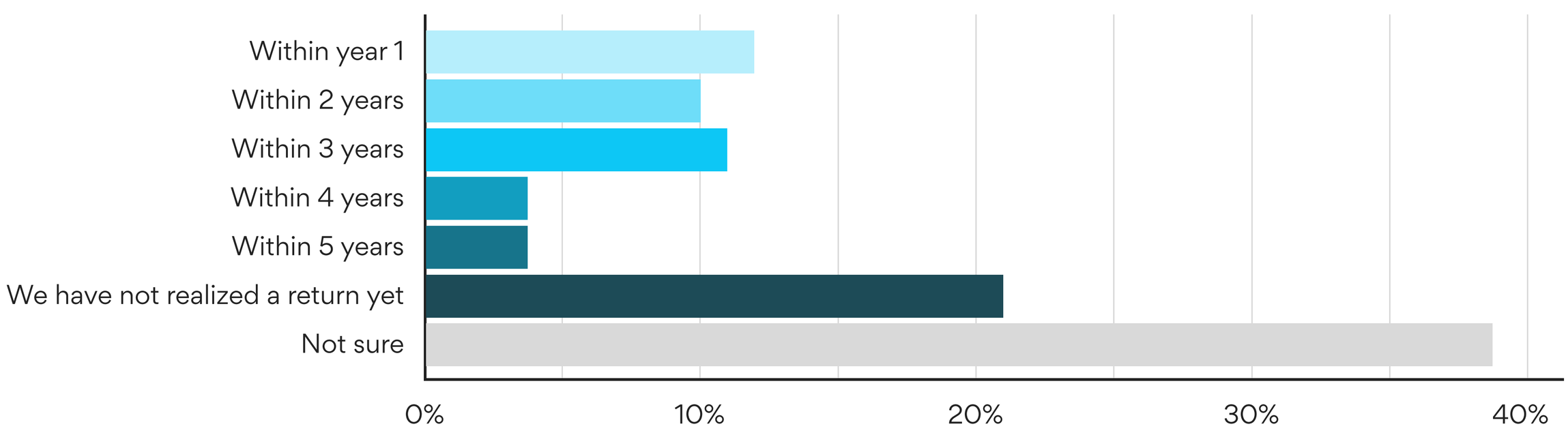


Despite these self-reported levels of understanding, the data reveals that only 28% of the PIM users and 22% of the DAM users realized a measurable ROI within the first two years of implementation.

How quickly has your organization realized a return on investment for your current PIM? Base: 106

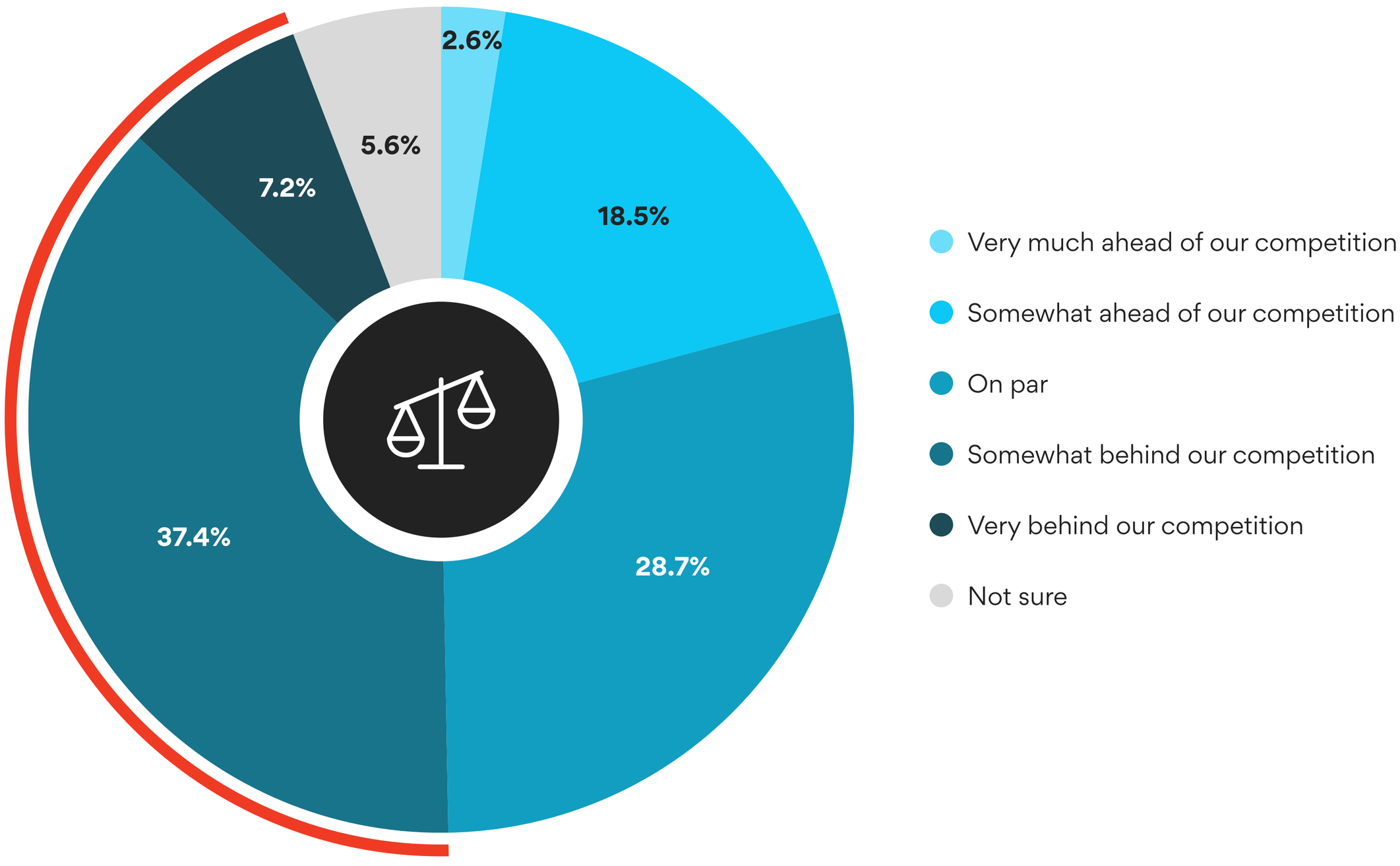


How quickly has your organization realized a return on investment for your current DAM? Base: 82



These data points are brought into better context when examining factors outside of PIM and DAM within the multichannel ecosystem. When asked to compare their own digital maturity to competitors, very few respondents defined themselves as leaders. In fact, nearly half feel behind and less than 30% feel on par with competitors. This data exposes a core issue.

Do you believe your current digital maturity is on par with your competition? Base: 195



Digital commerce leaders use PIM and DAM as growth tools

Businesses that want to become digital commerce leaders must view the implementation of PIM and DAM software as critical to a greater product experience management (PXM) strategy. Continuous analysis, feature iteration, and change management are required to develop and maintain successful digital commerce.

This insight underscores another similarity between the two respondent groups. Both consumer brands and industrial manufacturers are missing the incredible omnichannel opportunity offered by PIM and DAM, especially when used in tandem.

Key takeaways

Two distinct users of PIM and DAM emerge

Our findings indicate a clear divide between PIM and DAM implementation drivers, with users falling into two groups: Advanced Users and Foundational Users. Furthermore, when overlaid with publicly available financial data, the data from this study indicates that companies that use PIM for strategic growth see increased revenue YoY. (A similar analysis for DAM was inconclusive due to the smaller number of publicly traded companies responding.)

Advanced PIM Users

- Enhanced marketing capacity
- Syndication

Advanced DAM Users

- Enhanced marketing capacity
- Syndication
- Rights & licensing management

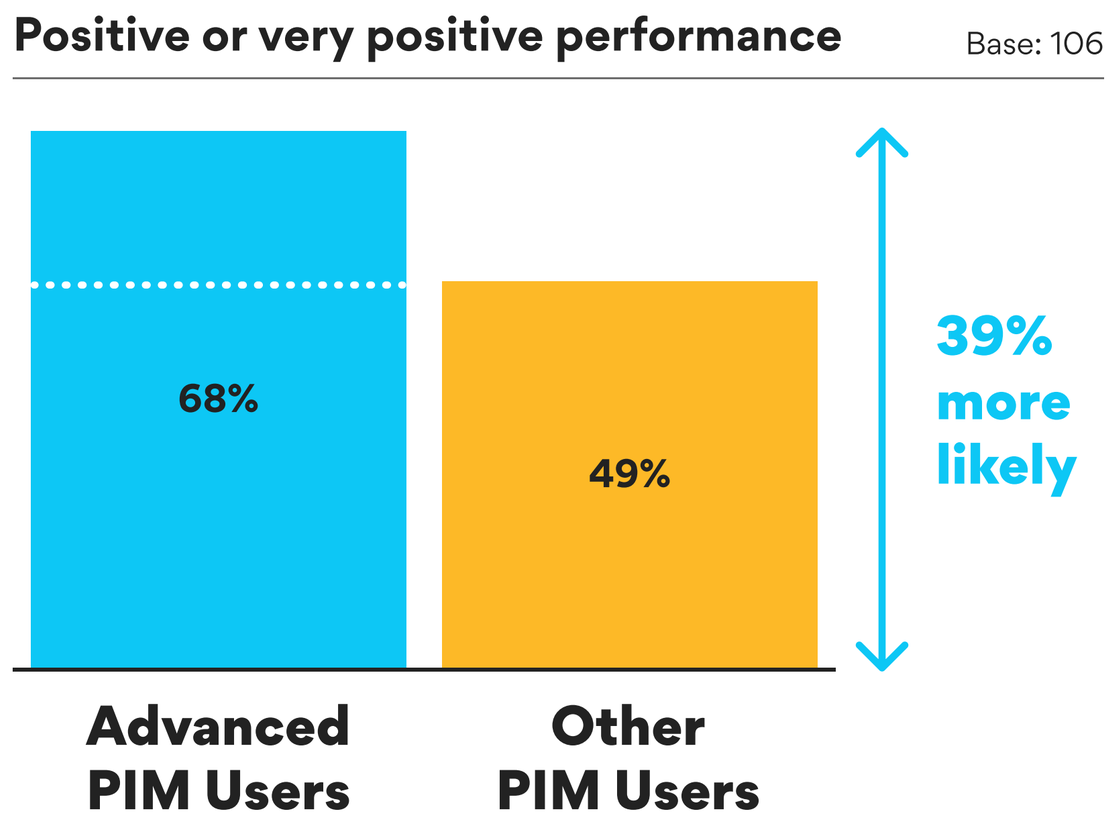
Foundational PIM Users

- Increasing automation
- Improving speed to market
- Cost savings
- Organization of product data
- Process efficiency
- Reducing human error
- Single source of truth

Foundational DAM Users

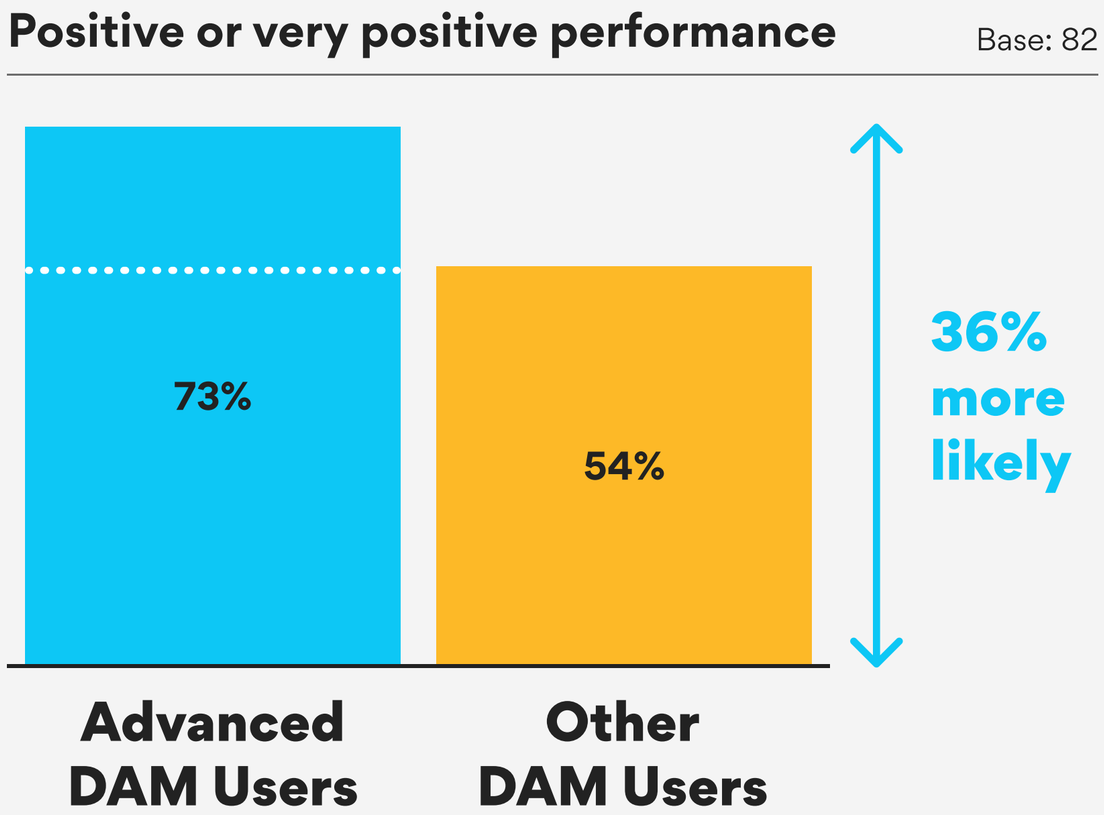
- Increasing automation
- Cost savings
- Organization of media
- Process efficiency
- Reducing human error
- Centralized assets
- Tracking analytics of assets

Users who fall into the Advanced PIM Users group picked syndication and/or enhanced marketing capability as drivers for implementing PIM. These drivers indicate the company's focus on bringing more products to market, rather than simply a "single source of truth" for product data. These same users are tied to higher levels of company performance, compared to other PIM users or those without PIM.



"[Companies that invest in PIM] think that having a powerful PIM is the solution and it will work automatically. They're not seeing a massive increase in revenue until they invest in making the experience better."

- Stephen Peckous, Hyster-Yale Group

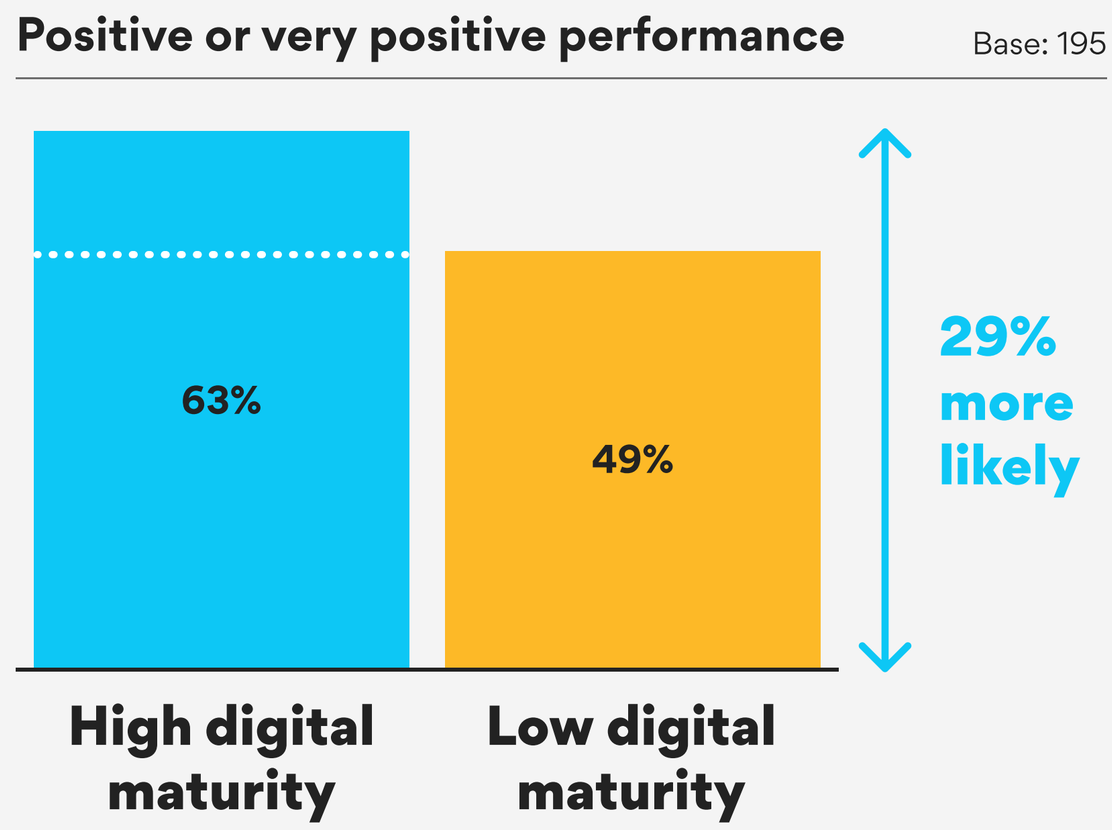


Advanced DAM Users included syndication, enhanced marketing capability, and/or rights and licensing management as drivers for DAM. These drivers are also associated with increased revenue and risk reduction, rather than simply wanting a central place for media assets. These same users are tied to higher levels of company performance compared to Foundational DAM Users or those without DAM.

In addition to the company performance data provided within the data set of this study, we also examined financial statements from the publicly traded companies that included respondents to the survey.

Although the sample size was small, the data suggests a trend of both a higher YOY growth rate of revenues and a lower SG&A growth rate. This was over one-, three-, and five-year periods for companies that responded with the Advanced PIM and Advanced DAM user characteristics. Further study is planned to validate.

Additionally we also investigated the relationship between company performance and digital maturity. We observed that companies who reported higher levels of digital maturity also reported more positive company performance. Since we also know that Advanced PIM and DAM users are typically more digitally mature, we can infer that advanced usage of these platforms may contribute to more positive company performance.

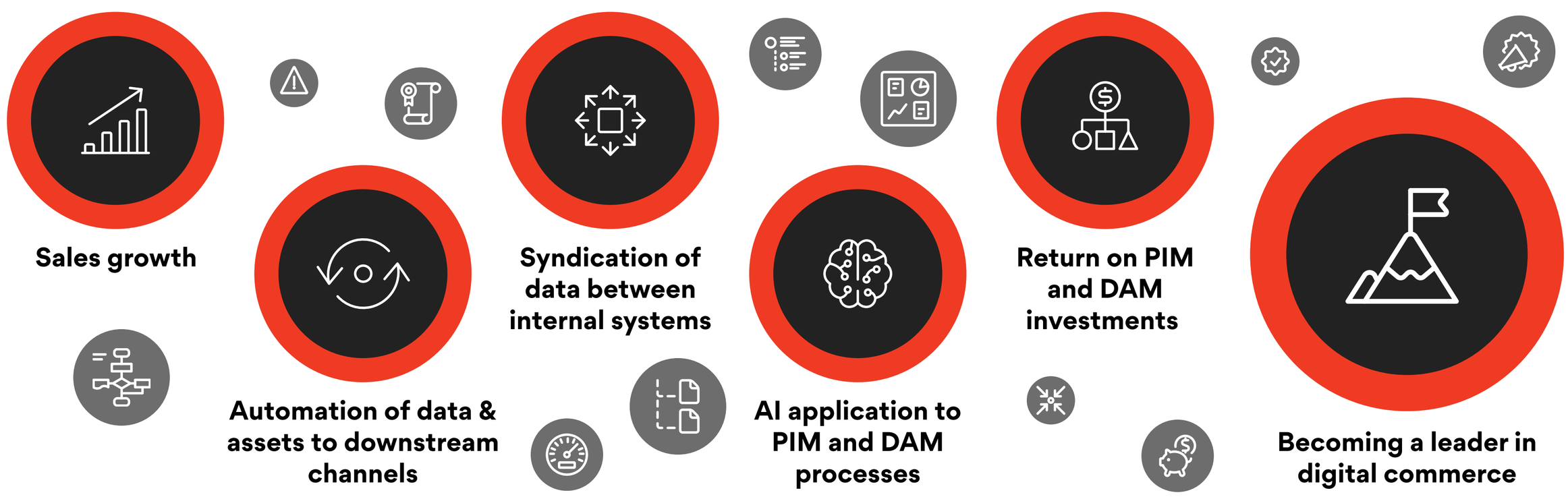


To achieve top-line growth with PIM and DAM, companies need consistent top-down support, including executive sponsors and PXM evangelists. Entire companies must shift to prioritize optimal product processes, automation of product information, and syndication to downstream channels.

Implications of PIM and DAM based on bottom-line savings

Many companies purchase PIM to become their single source of truth for product data—a wise investment, but the strategic vision for supporting their full PXM strategy ends there. These same companies see DAM as a mere marketing tool, often operated in a siloed approach.

These companies do not consider software investments relevant to long-term growth. Rather, they consider PIM and DAM in terms of their most foundational functionality. Through that lens, these systems will never live up to the potential of the technology or the desires of today's buyers.



Advantages of a top-line growth approach to PIM and DAM

Across the board, Advanced PIM companies also see PIM as the central source of truth for product data. However, they approach decision-making through the bigger picture. They see how PIM can help scale their business into more channels faster, providing richer experiences for buyers.

Advanced PIM businesses establish long-term plans for PIM, using product data governance and digital shelf analytics to ensure data accuracy internally and externally.

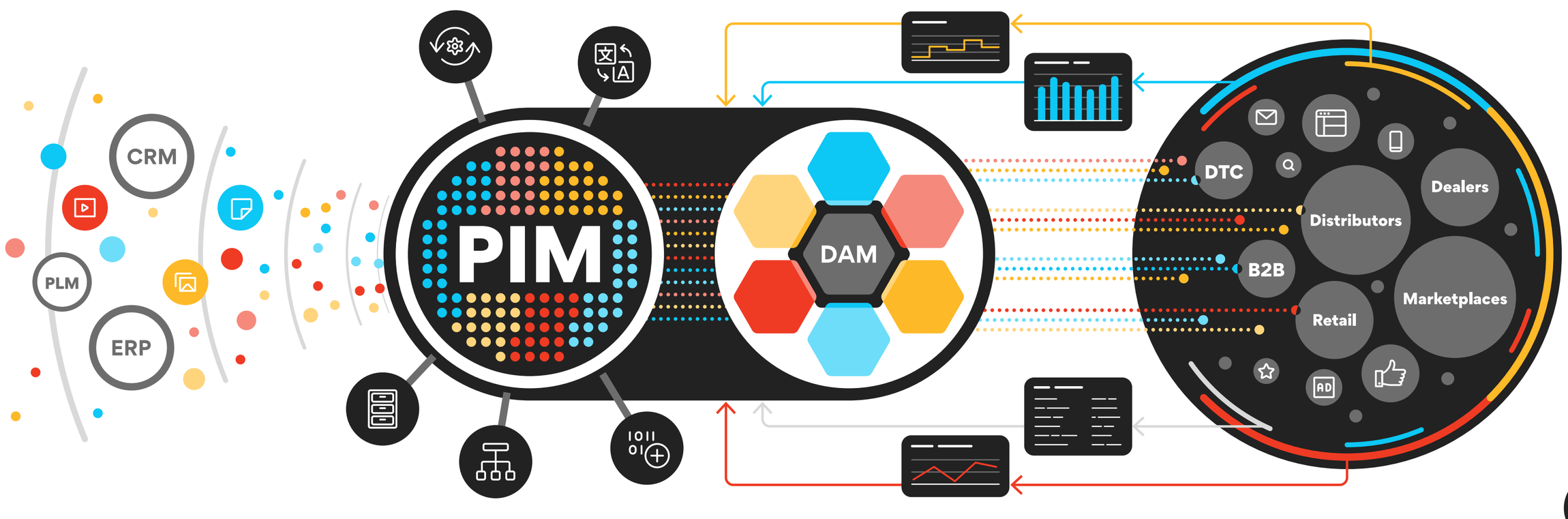
They train their product, ecommerce, marketing, and IT teams to work cross-functionally to enrich and maintain product data. They break down departmental silos in pursuit of growth and innovation.

> ***"As an IT leader, I try to identify the champion who will use the PIM or DAM and manage it long-term. As you layer in these new platforms, you have to know if there is someone in place to take over and own it. It helps with adoption and long-term success."***
>
> **- Jeff Beyer, CTO of SATCO/NUVO**

Advanced DAM companies have a strong yet balanced focus on operational efficiency and customer experience, driven from the top. They want to remove hurdles for marketing teams so they can focus on campaigns that sell. They want to reduce the number of IT requests coming through and empower team members across all departments.

Advanced PIM and DAM companies are digitally mature. They understand how and where their customers shop and create consistent product experiences at every touchpoint. They build agile infrastructure that can adapt to new challenges and regulations as they arise. That way, they can market and sell products across more channels, faster than ever.

The data in this study clearly indicate that digital commerce leaders invest in PIM and DAM systems to improve and advance their product ecosystems. This is a crucial consideration for companies reassessing their product technology stacks in the months and years ahead.



Becoming a digital commerce leader

Digital commerce leaders are customer-focused and product-led. They create optimal product experiences for every person who interacts with their products—internal or external, across all channels.

Customer product experience

B2B and B2C customers expect seamless shopping experiences. In fact, 73% of customers will leverage multiple channels during their purchase journey, and the more channels leveraged, the more that customer spends on average.

For example, furniture customers often scroll through three or four retail sites, browse Amazon and Wayfair, and try products in store. They read online reviews and consult friends and family before ultimately purchasing on the brand's ecommerce site.

Similarly, a B2B buyer considering a piece of heavy equipment may research or select aftermarket parts on their dealer website, their distributor's online catalog, or go straight to the manufacturer's B2B ecommerce portal.

Digital commerce leaders syndicate product data and digital assets to ensure optimal product experiences across all channels.

Internal user product experience

Three in five software buyers regret their purchase within the first 1.5 years. One big driver of this is that companies can lack proper staffing, onboarding, and training.

IT projects, including critical ones like ecommerce, PIM, and DAM, are transformative and not merely technological upgrades. Companies often underestimate the resources required to upgrade PIM or DAM, resulting in projects with unanticipated delays and poor adoption.

Digital commerce leaders staff PIM and DAM initiatives to ensure they add value in the short- and long-term.

Retailer/marketplace product experience

Consumer product brands must consider not only their customer preferences, but those of each retailer and marketplace. Their requirements for data and assets continuously evolve. If sent in the wrong format, it is often rejected, leading to gaps in data and images on product detail pages—and ultimately, lost sales or dissatisfied customers.

Digital commerce leaders plan for changing requirements and manage them with syndication.

Dealer/distributor product experience

Industrial product manufacturers must consider how their dealers and distributors sell products to end users. PIM and DAM must automate data and assets to distributor portals and product catalogs alike.

Digital commerce leaders ensure that accurate product data and assets are available to downstream partners in real-time.

Ecommerce product experience

Customer expectations are highest on a company's own ecommerce site. Companies that anticipate and answer the needs of customers here will secure sales and foster loyalty.

Digital commerce leaders use PIM and DAM to power their ecommerce sites.

Digital shelf analytics

Across all channels, each product page must be complete and accurate. To achieve this, they need regular monitoring using digital shelf analytics—and all errors must be addressed in a timely manner using PIM and DAM.

Digital commerce leaders track and ensure accuracy across all channels for the end user and product experience.

Conclusion

Businesses that make and sell products must master digital commerce to keep up with a rapidly evolving industry. The findings in this study illuminate what we see in the market each day: Those that focus on PXM strategies for top-line growth will thrive and become leaders in their respective industries.

Digital commerce leaders use PIM and DAM to grow their business.

Faster product launches

Faster retailer/ marketplace launches

Faster dealer/ distributor launches

Real-time data across all channels

Extended life and lifetime value of a customer

Improved marketing campaign performance

Rich product experiences across all touchpoints

Measurable ROI on PIM and DAM investments

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