

JEGI CLARITY Insights: Content + Commerce = A Perfect Storm

March 2021

JEGI
CLARITY



» **Content and Commerce. A Perfect Storm.**

27%

2020 Global e-commerce Growth

The growth and shift to e-commerce has been accelerated by COVID and will continue to fuel the importance of product content

\$35B

total invested in 2020

A record \$35b has been invested in e-commerce companies in 2020, up from \$15b in 2019

\$16B

market size

The global Product Information Management (PIM) market will be \$16B in 2025, growing at a CAGR of 12.2%

80%

of purchasers have abandoned transactions due to poor product content

58%

of shoppers place the blame on not having enough information

Fragmentation increasing with new brands, suppliers, retailers and channels requires focus on the most optimized content assets

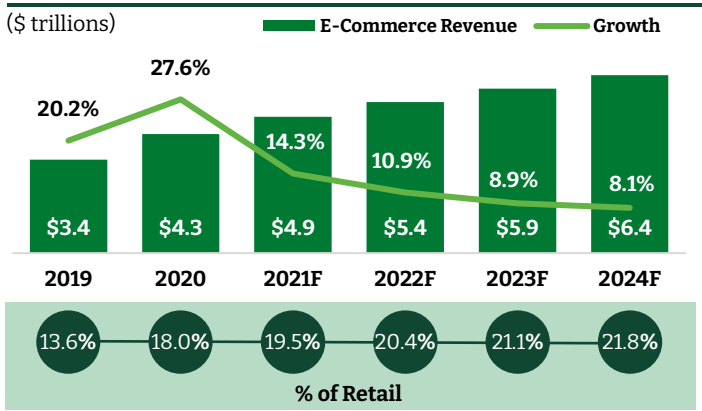
Private Equity is investing in new technology providers to help brands overcome shortcomings from using legacy solutions

12% - 36%

Increase in shopper conversions with rich product detail pages than those without

Powerful E-commerce Tailwinds Driving Significant Increase In Content And The Need For Fully Integrated Solutions

Global E-commerce Revenue



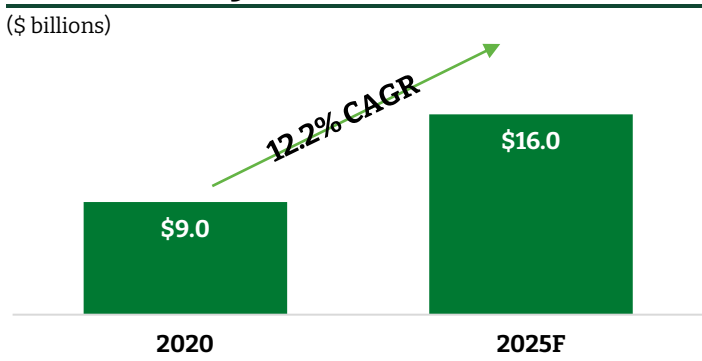
Demand For Quality Product Content



Observations And Drivers

- Explosive growth in product content, data and marketing assets (images, video, reviews, etc.)
- Fragmentation increasing with new brands (DTC), suppliers, retailers and channels requires focus on the most current and optimized assets
- Massive brand spend shifting to e-commerce execution
- New technology providers replacing legacy solutions
- Global footprint required to service global brands with high volume and velocity of content
- Time to market, agility and accuracy critical for low cost, high quality content

Global Product Information Management (PIM) Revenue



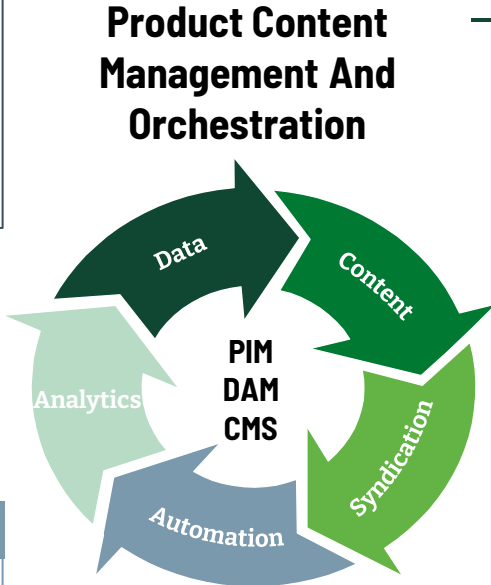
Business Leaders Seek Tools To Manage Product Content



» Proliferation Of Product Content Leading To Expanding Budgets And New Applications



Product Content	
▪ Specs	▪ Web Pages
▪ Images, Video	▪ Feeds
▪ Catalogs	▪ Reviews
▪ Labels	▪ Recommendations

Content Applications	
▪ Merchandising	▪ Partner Integrations
▪ SEO / SEM	▪ Retail Execution
▪ Planogram	▪ Digital Marketing
▪ Shopper Marketing	▪ Personalization





Benefits To Brands, Manufacturers, Retailers And Channel Partners

Brands

-  **Process Efficiency:** Solutions help companies scale with required content creation and asset management, enabling accuracy and centralized reuse
-  **Omnichannel Distribution:** Supports development of standardized “retail ready” content for streamlined product launches, automation and omnichannel delivery

Retailers and VARs

-  **Enhanced Conversion:** Product detail pages with rich content drive 12%-36% more shopper conversions than those without
-  **Enhanced Customer Experience:** 80% of people are unlikely to buy products from a brand after an experience with inaccurate content data or low quality rich content

The Largest Retailers And Online Marketplaces Require Up To Date And Accurate Product Info And Rich Content For Real-Time Execution, Shifting The Cost Burden To Brands And Requiring Significant Upfront Investment To Succeed Online

» An Active Market With Significant Investment And Consolidation

Select Financial Investor Activity

 Battery	 SUMMIT PARTNERS	 INSIGHT PARTNERS	 WARBURG PINCUS
 ESW CAPITAL	 VISTA EQUITY PARTNERS	 MARLIN EQUITY PARTNERS	 ABS CAPITAL PARTNERS
 MARLIN EQUITY PARTNERS	 WCAS	 Riverside	 OPENGATE CAPITAL
 SUMMIT PARTNERS	 IEQT	 INSIGHT PARTNERS + GTCR	 Crestline

“Content is King”... Especially In E-commerce

- The growth and shift to e-commerce has been accelerated by COVID and will continue to fuel the proliferation and importance of content that serves the ecosystem.
- Content is key to customer discovery, research, conversion and retention - so accurate, immediate and fulsome assets are critical.
- Management and syndication of all types of content including rich media, labeling, reviews, specs and other assets is increasingly difficult and complex to coordinate.
- Software and tech enabled solutions are undergoing an overdue and fundamental upgrade from legacy products or services. Next gen technologies will need to meet the demands of a highly fragmented but interdependent landscape.
- Significant funding and consolidation are underway in the industry and will continue with this large and fast growing market.

JEGI CLARITY Sector Expertise

RED VENTURES
HAS SOLD

Content Solutions

▼ TO ▼

A PORTFOLIO COMPANY OF

Battery

CreativeDrive
A PORTFOLIO COMPANY OF

BERTRAM CAPITAL

▼ HAS BEEN SOLD TO ▼

Accenture Interactive

WEBCOLLAGE
A SUBSIDIARY OF

Answers

▼ HAS BEEN SOLD TO ▼

Cladson
A PORTFOLIO COMPANY OF

WICKS

Flixmedia

▼ HAS BEEN SOLD TO ▼

ADVANTAGE SOLUTIONS

» Case Study: Strengthening E-commerce Content Creation And Syndication Capabilities Across New Categories

Transaction Background

- Leading Content-as-a-Service provider for product information, rich content, tools, services, and analytics to power global e-commerce sites
- CCS is the content syndication authority in the consumer electronics category, connecting product manufacturers with a global network of leading retailers such as Amazon, Best Buy, Walmart, Staples and others
- Complex process began before Red Ventures closed on the broader CNET Media Group acquisition from ViacomCBS; i.e. carve-out of a carve-out



JEGI CLARITY'S Role

- Conducted an accelerated broad auction process, reaching out to 50+ buyers, both strategic and PE, including ~15 fireside chats
- Moved swiftly to draft marketing materials and prepare key diligence items for sharing in the data room to meet aggressive timeline
- Moved most interested parties up in value to very robust multiples and granted exclusivity for just seven days
- Signed EL to close in 3 months

"We really appreciated JEGI CLARITY's total commitment and sage advice throughout this process. It was a whirlwind timeline, and the JEGI CLARITY team delivered at every step of the process ... We trusted JEGI CLARITY with the largest divestiture in the history of Red Ventures and the outcome could not have been better."

**Murphy Clark, EVP, Corporate Strategy and M&A,
Red Ventures**

About JEGI CLARITY



» JEGI CLARITY Are Recognized Experts In The Sectors We Serve

For over 30 years we've excelled at advising clients on M&A and financing transactions in the Media, Marketing, Information and Technology fields.

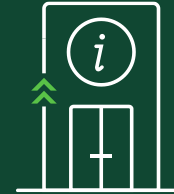
Our Markets are broad, dynamic and converging. They are data-driven. Defined by talent as well as increasingly focused on digital products and digital experience.

Our Clients operate across a diverse array of business and delivery models, including creative and consulting services, live events, information and data solutions, tech-enabled services, programmatic media and SaaS/Vertical software.

Our Sector Depth drives value for clients through intelligence. Market intelligence. Competitive intelligence. And buyer intelligence. We have unparalleled access to sector investors and direct insight into their investment and M&A priorities.



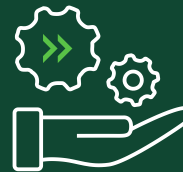
Digital Media & Content



B2B Information & Events



Marketing Services & Technology



Technology and Consulting Services



Insights, Data & Analytics



Software

» Recent Transactions

Esports & Gaming

Digital Transformation

Executive Network Platform

Performance Marketing

Virtual Event Marketing Platform

Connected Fitness

Digital B2C Content

Content & Commerce

Digital Agency

B2B Content Syndication

B2B Media

B2B Events

Digital Content

Content Production

Content Monetization

CX Software

Alternative Legal Service Provider

CX Research

Digital Agency

Executive Network Platform

Sales Consulting