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Why PIM is key to your ecommerce success

Learn how PIM can help grow and optimize your ecommerce – including key considerations for choosing the right PIM solution to support your business.

Content

1. Why is PIM important?

"For decades, product data has been the lifeblood of many large enterprises. Now, in the age of the customer, eBusiness leaders and marketers are critically reliant not only on their product data, but on curated product content to provide differentiated digital experiences."

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Customer expectations

Customer expectations are evolving as consumers spend more time researching product purchases online. As a result, the importance of high quality product content becomes paramount for retailers, manufacturers and distributors alike.

In fact, retailers are prioritizing the enhancement of online product content above other merchandising initiatives like product recommendations, segmentation, personalization and A/B testing.

Why? Because detailed product content is a valuable differentiator when it comes to customer experience and loyalty.

Customer loyalty in particular has proven its bottom line worth, and has become invaluable in a world where competitors are merely a click away, forcing companies to quickly gain the trust of their customers. If the product data is inaccurate or inconsistent across different sales channels, customers are put off, and sales are lost.

PIM plays a major part in avoiding such situations, as it provides a simple way to collaborate and manage rich product data across multiple channels, including ecommerce, print, social media and traditional brick-and-mortar stores.

The power of PIM

Product information management is a common thread running through marketing, sales and commerce as well as the supply and service chain. It serves to incorporate and administer the bulk of decentralized product information that is scattered in between various manufacturers, suppliers and departments to establish a single holistic product data ecosystem.

It should be a top priority for any company, not only because of customer expectations, but also because it can reduce the time and cost of generating, storing, managing and publishing information.

Conventional tools, like Excel, ERP or a bare ecommerce platform are no longer geared for handling extensive product data (see ROI example on the next page).

Instead, a robust PIM system is the engine that powers successful Omni-channel commerce, optimal time-to-find, and an enhanced customer experience.

It enable companies – both B2B and B2C to nurture all the stakeholders including customers and prospects as well as suppliers and producers across different markets and channels by publishing the right information > to the right receiver > in the right channel > at the right time.

PIM ROI example #1	Manual work	Work with PIM
Number of SKUs	10,000	10,000
Attributes per SKU	70	70
Number of field values to handle	700,000	700,000
Number of languages that influence on updates		
Individual attributes on language (per SKU)	70	30
Number of additional languages	3	3
Additional number of fields to handle	1,400,000	600,000
Total number of fields to handle	2,100,000	1,300,000
SKU maintenance		
SKU update / change per year (%)	33%	33%
Number of values to update	693,000	429,000
Product update cost		
Cost of editors to enrich products (per hour)	€ 50	€ 50
Number of updated attribute-values per minutes	12	24
Required time to update values (hour)	963	298
Total cost of update	€ 48,125	€ 14,896
Self-service portal "Digital warehouse" saves		
Number of hours spent per day, serve materials to partners	0,5	
Additional costs for handling digital materials (within 220 workdays)	€ 5,500	€ 0
Total cost	€ 53,625	€ 14,896
ROI PIM per year	€ 38,729	

ROI example

The example shows resources spent on Product Information Management - with and without a PIM system based on the following setup:

- Company with 10,000 SKUs

- Fields to maintain manually with 3 x languages equals 210

- Fields to maintain, using PIM inheritance mechanism with 3 x languages equals 130

- Product change per year 33%

- Total savings in ROI example, is more than € 38,000 per year

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Omni-channel publication

Product information can include various types of data like item number, reference, catalog and SKU data, descriptive content, documents and texts, translations and other localizations, images and videos.

However, each channel needs its own unique set of data. Datasheets, for example, often need completely different information compared to the products being sold online or published in print catalogs.

This is where PIM comes in handy, as it provides standard product information for universal use, by everyone from internal business operations through customers.

It provides a centralized platform where all product attributes and details are stored so they are accessible as needed, including by publishing to systems that are used to support interactions with customers and distributors, the operations of the supply chain and the manufacturing of the products and services the information describes.

PIM not only define products consistently, but also enables the association of related information assets and manages the use of all product information, including providing tools to track their use and audit changes.

Product data pipeline

PIM

Enrich • Control • Validate

ERP

Pictures

Video

Product Data

Ecommerce

Mobile

Print

Point of sale

2. Who needs a PIM system?

All companies should base their decision on key considerations as outlined in the next section.

However, there is an easier and quicker way to determine whether PIM could add value to a company.

Try answering 8 simple questions.

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Take the test!

If you can answer 'yes' to any of the following 8 questions, then it's a sign your business could use a PIM system and you should keep on reading this white paper.

	Yes	No
1. Do you spend a lot of time handling a large number of products?	☐	☐
2. Does your product catalog include individual product variants?	☐	☐
3. Do you handle many languages and translations manually?	☐	☐
4. Is your product information scattered throughout the organization?	☐	☐
5. Do colleagues spend a lot of time looking for product information?	☐	☐
6. Is there conflicting product information, and is it hard to tell which information is right?	☐	☐
7. Is your information stored in inconsistent formats?	☐	☐
8. Do customers occasionally receive inaccurate product information or orders?	☐	☐

3. Key project considerations

Before embarking on a complex and costly PIM project, companies should start by considering their business needs, technical requirements and resources – both financial and workforce wise.

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Investment

Know the real costs! Too many companies start out without a realistic plan or budget and end up with unforeseen investments that should have been included in the initial planning.

Licenses

To get started, companies need to invest in an actual PIM platform including the required consultancy hours needed to support the implementation. A PIM project with one of the established systems can easily start at € 30-50,000 and upwards.

Time invested

There is a huge workload waiting when investing in a PIM project. Workshops, implementation and, not least, data enrichment that requires internal time and resources. This expense is very hard to calculate in advance, but is often underestimated. In fact, it is often the biggest expense in PIM projects.

Cost of postponing digital strategy

When a company decides on a digital strategy that requires certain data quality (e.g. for ecommerce), it may be costly to wait for months for the PIM project to be fully implemented. It is hard to calculate this expense, but postponing a digital strategy ranging from 6 to 36 months can be expensive in lost revenue.

Business requirements

Many companies turn exclusively to technical requirements when choosing a PIM system.

However, choosing a PIM system that is not designed to work with existing business processes is a mistake. Instead, companies should look for PIM systems designed to promote efficiency and ease of use by business professionals operating across the front office functions of marketing, sales, commerce, customer service and operations areas including manufacturing, distribution, retail and the supply or service chain.

Assessing current product information management activities can help determine where improvements are needed as well as the needs of those in roles responsible for products, including marketing, customer service, manufacturing, distribution and commerce.

The goal is to identify instances where PIM can support and improve both current and future business processes, and to create business cases based on those instances, showing how PIM can optimize the management and governance of the processes and information.

For example, how it can support product managers when updating product images or marketing professionals when posting videos showing customers how a product is used.

Technical requirements

Keeping an eye on business is paramount, but there are also technical requirements to be taken into considerations. To get a head start, companies should make sure that PIM being evaluated can work with related IT systems and applications and that it will not compromise the security of those systems. Data input received from ERP systems, suppliers or other external databases is crucial for supporting the enrichment process and data quality. When processed in the PIM, the solution should integrate to used channels and preferred market places, like Google Shopping, Amazon etc. This is why standard integration is a key factor in any PIM solution.

Finally, usability of any PIM solution being considered is essential and should be a top priority for companies, as should the user experience and support for all the customers, partners, suppliers and employees who interact with the PIM solution (see illustration).
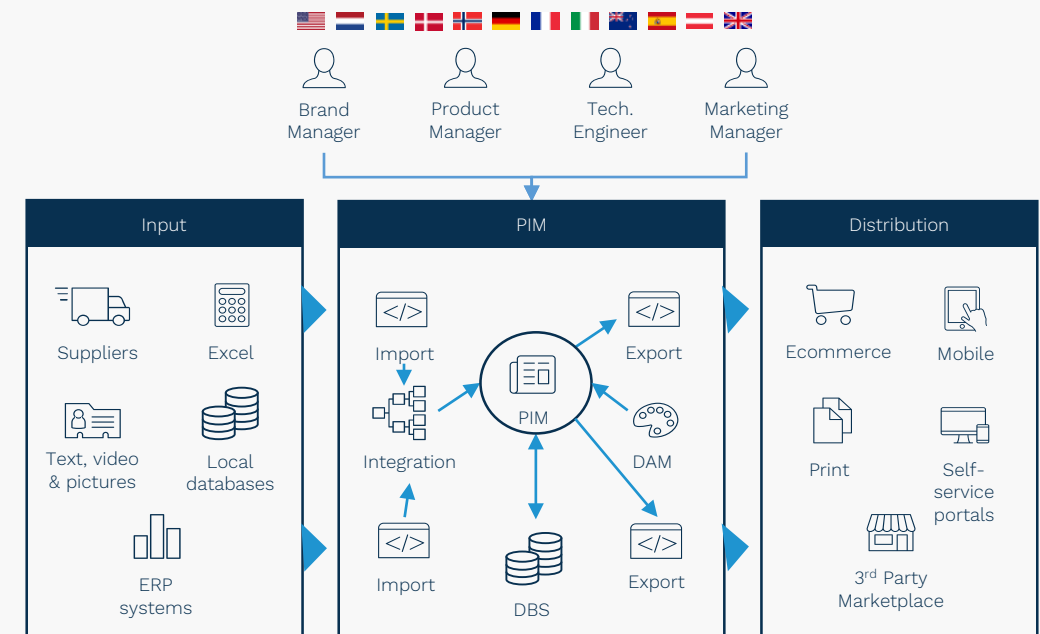
4. Comparing PIM solutions

In one way or another, every PIM system is different, and it can be difficult for any company to choose the best suited solution according.

To get started, we recommend considering the following 4 essential determents dividing the PIM landscape:

- Stand alone or platform?

- Digital channel or print?

- Client based or web based?

- Complex or basic products?

① Stand-alone or Platform solution?

Most stand-alone PIM solutions are capable of integrating to existing ecommerce and ERP systems to avoid re-structuring current implementations or having to replace software vendors.

The stand-alone often comes with an extensive selection of features and tools for supporting and managing vast amount of detailed product information across different languages, channels and markets – both online and offline.

However, a stand-alone implementation will also introduce a new interface, new workflows and new integrations – all of which require additional resources and new skillsets.

The digital platform solution typically combines PIM and Ecommerce – some even include CMS and Marketing in the same platform and interface, which means less complexity and fewer integrations.

It enables companies to work with all their digital products, shops and channels from the same place, and to extend product relations and improve data quality by including relevant content and assets from CMS and Marketing (blogs, white papers, cases etc.).

Compared to the stand-alone, the platform solution may not provide the same extensive selection of PIM tools and features. So companies should carefully consider their current and future needs for complexity.

2 Digital channel or print channel?

In general, some PIM solutions offer specific tools for digital channels, whereas others focus on print.

The "digital" PIM solution provide valuable tools for distributing product information beyond ecommerce to include new digital channels and platforms such as self-service portals, industry databases, apps and 3rd party marketplaces.

In addition to distribution, the digital solution can also help support new relations between product data and other digital content. This is especially useful for companies with a multichannel approach for creating consistent and versatile content and campaigns.

The "print" PIM solution typically provides standard integration to external applications such as Adobe InDesign, Adobe Creative Suite etc., making the production of printed material much easier by ensuring up-to-date and correct product information in any print production.

This is especially useful for designing extensive product catalogs, where every page has an individual design touch and has to fit an exact number of pages. In some cases, the PIM 'print' solution can automate the pagination process in the design application to automatically update all selected data across several pages.

③ Client-based or Web-based?

Most client-based PIM solutions can be customized and tailored to support internal work processes, which is especially useful to companies handling all sales and marketing activities in-house from the same venue.

Compared to web-based PIM, the client-based solution can be easier to adjust and implement according to existing IT safety and legal requirements, such as the 2018 GDPR regulative, since all data is kept 'on premise' with restricted access.

However, having all data on premise will also require certain safety standards for safeguarding data – especially if processing personal data.

The web-based PIM solution requires little implementation and configuration time, and works independently of software platforms, browsers and with unlimited access points. This is especially useful to companies working across different languages, countries and markets or with external agencies – without compromising control, as some PIM solutions enable you to tailor the user rights and interface according to specific user roles.

The web-based solution can raise concerns among companies operating with strict IT-safety standards, but can be avoided by choosing a PIM solution hosted in secure cloud applications like Microsoft Azure etc.

(4) Complex or basic products?

The level of product information complexity varies among companies, and it is important to find a PIM solution matching that level, but without introducing unnecessary complexity.

For instance, companies selling simple products with few variants and working with a limited number of input / output channels will probably gain more value from choosing a PIM solution covering all the basic enrichment tools and features, with a clean and user friendly interface and short implementation time.

However, companies selling complex products with many variants and product relations will need a more complex solution with tools specifically designed for handling detailed and industry specific information combined with multiple integrations for external databases and channels.

Whether choosing one or the other, it is important to remember that the current level of product complexity may increase over time. So companies should choose a solution capable of scaling alongside their businesses to avoid wasting the initial investment.

Finally, remember the workforce! Some companies handle complex products applicable to a full-blown PIM system, but may not have the necessary team standing by – ready to invest time and resources in new software.

5. A smarter approach

In this final section, we will introduce an alternative and smarter PIM approach. It is an inexpensive and user-friendly platform solution that reduces complexity and the number of integrations. We call it the Dynamicweb All-in-One Platform.

The inexpensive solution

In the past, many business needed to invest in a dedicated PIM-system to handle information like product data, text, attributes, images, PDF's and other product related information. The setup required 3 applications and 3 integration points making it quite expensive and complex.
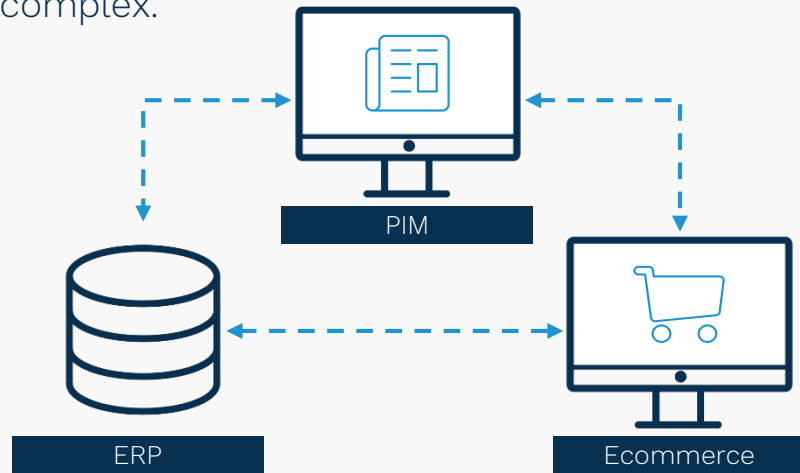
With Dynamicweb, the PIM-system is included in the platform alongside CMS, Ecommerce and Marketing - making it faster to implement and provide a more simple and less expensive IT-landscape.

PIM

ERP

Ecommerce

ERP
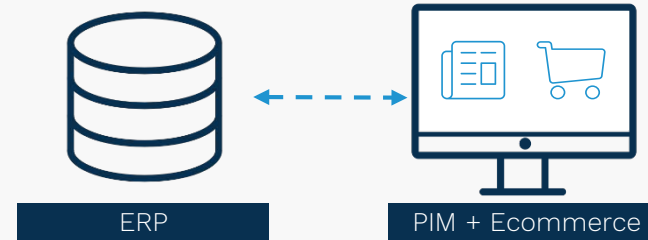
PIM + Ecommerce

Dynamicweb PIM

All-in-One platform fully equipped with CMS, Ecommerce, PIM, Marketing and with standard integrations to back office systems.

Built for supporting your digital business with powerful tools and features for multichannel publishing and distribution.

Web based application fully accessible anytime and anywhere – work across offices, external agencies and databases.

Flexible and capable of scaling! Start out small and simple - start utilizing the full toolbox as product complexity increases.

Fore more information – please visit:

www.dynamicweb.com/products/pim

About Dynamicweb

Dynamicweb is a leading software company developing products that help you grow and optimize your online business. Our All-in-One Platform combines Content Management, Ecommerce, PIM and Marketing Capabilities to create powerful customer experiences across all channels, which increases conversions and optimizes customer lifetime value.

Today, thousands of businesses run more than 12,000+ websites with Dynamicweb. We are expanding our services internationally in close corporation with 200 certified partners in 13 countries.

www.dynamicweb.com