PIM: the Answer to Better Branding

Index

It's not surprising that modern companies aiming to compete in increasingly complex and competitive environments are looking to their marketers to drive the business forward.

In both traditional and online sales environments, customer experience has become the watchword on everyone's lips. And when it comes to online sales, where human interaction is rare, product experience becomes synonymous with customer experience.

It's why Product Information Management (PIM) solutions – once seen just as a productivity tool – have become a must-have for marketers aiming to grow online sales.

In this report, we'll examine the challenges facing businesses in 2020, look at PIMs and who is using them, why they are game-changers for ecommerce marketers, and the next big trends that are likely to influence online sales and marketing.

01

Ecommerce in 2020: Booming, but more competitive than ever

The global ecommerce market is set to reach a staggering $4tn in 2020, rising to almost £5tn in 2021.[i] Almost 15 percent of global retail sales are now made online.[ii]

Savvy, digital consumers are looking for an ever-greater range of products and to shop whenever and wherever they want, driving a seemingly relentless rise in the industry.

The growth of non-traditional retail markets in Asia Pacific and China is also fuelling progress. In fact, a combination of rapid urbanization, technological advances and a growing middle-class mean that within the next few years, retail ecommerce sales in Asia Pacific will outstrip the rest of the world combined.[iii]

However you look at it, internet sales are booming, and there's no sign of them slowing down anytime soon.

That doesn't mean ecommerce is easy money; far from it. Despite its inexorable growth, it's arguably a harder – and certainly more complex – market to operate in than it was just a few years ago.

Customer Experience is Everything

Consumer expectations are higher than ever. Both offline and on, marketers know that one of the most effective ways to cut through increasingly competitive marketplaces is to offer a great customer experience.

When it comes to selling online, having web presence simply isn't enough these days. Consumers expect consistent brand stories. They want a personalized shopping experience. They expect every step from product search through to delivery to be seamless.

Customer experience in the ecommerce space has become such big business that it's even spawned its own new discipline: product experience management. It means delivering insight-driven content in the right places to build brand awareness and loyalty. And, of course, drive sales.

While product experience management might be the domain of the big brands for now, customer experience applies across the spectrum. In competitive markets, online sellers who don't meet consumer expectations don't survive.

You Need to be Everywhere

Whether it's browsing mobile apps, searching on desktop, looking at social media or checking online marketplaces, if customers are there, they expect you to be there too.

Three-quarters of consumers use more than one online shopping channel. Customers spend more with brands who feature on many channels. And they're more likely to stay loyal to those brands.[iv] Online sellers who want to thrive have to extend their presence – and the opportunity for consumers to buy – beyond their own website.

But in the world of customer experience, consistency is also king. So while you need to appear everywhere to drive up sales, what you say must be the same, all the time, everywhere. That's a huge burden for the average small and medium-sized operator.

The Big Players Hold Almost All the Cards

Around 80 percent of the growth of all online sales in the last year was driven by Amazon. More than a third of US consumers receive one or two packages from Amazon every single week.[v]

Meanwhile, in the huge and growing Chinese market, AliExpress accounts for almost 60 percent of online retail sales. [1] Although not a big player in the US or UK markets yet, the firm already has more than eight percent of the global market share and big ambitions to tap into new markets. [2]

These giants, along with a handful of others – eBay, Shopify, Google Shopping – really do hold the golden ticket to successful online selling. They are the preferred choice for the majority of consumers and certainly, most people start their online searches on one of these big platforms.

For small and medium-sized businesses operating either wholly or partially in the online sphere, the task ahead is clear: you've got to be in it to win it.

But getting a foothold into those big platforms is easier said than done and there are reports of some putting increasingly stringent requirements onto retailers.

The Competition Grows Daily

With an estimated 24 million ecommerce sites, it's impossible to really pin down how much competition is out there. In reality, only a fraction of those sites will turnover even $1,000 a year.[vi]

But the ease and relatively limited outlay involved in moving into online sales make it an attractive and obvious option for both new and existing businesses. Although a top listing on Amazon is out of reach to most small traders, there are plenty of marketplaces to choose from. Add in the growth of off-the-shelf webshops and dropshipping, and it's not surprising it's a competitive marketplace.

Trading Across Borders is Complicated and Getting Harder

Trading internationally is part and parcel of selling online.

A few short years ago, it was reasonable to assume that borders would continue to matter less and less. But it seems that dream is, for the time being at least, on hold.

A change of approach in the US and heated talk of trade wars with China are changing the landscape and the rhetoric. The impact of the UK's Brexit vote and its consequences for the UK, the remainder of the European Union and trading partners all over the world are still playing out.

It would be premature to say this is more than a blip in the landscape of globalization, but as the Harvard Business Review has put it: "the traditional pillars of open markets are wobbling."[vii]

If your bread and butter is trading across borders, anything which it makes it more complicated or costly is going to affect your business..

¹ https://techjury.net/stats-about/aliexpress-market-share/#gref

² https://www.forbes.com/sites/oliversmith/2018/06/22/just-what-is-alibaba-up-to-in-europe/#6d95534f396d

Rising to the Challenge

In such challenging times, it's perhaps not surprising that half of new businesses won't survive five years.[3] And the failure rate for those operating in the world of ecommerce is even higher, at around 80%.[viii]

In a volatile and competitive market, how do companies survive? What's the differentiator that gives one business the edge over another?

The answer lies in an increasingly diverse range of sales channels. And for many, making that happen means embracing everything that technology has to offer. Anything that can reduce costs with productivity or efficiency gains, or can increase sales, necessarily attracts attention.

Product Information Management, or PIM solutions have been sparking a lot of interest because they can do both – increase productivity and drive up sales. But it's the opportunity they offer to improve the customer experience that has really caught the attention of marketers.

[3] https://www.investopedia.com/financial-edge/1010/top-6-reasons-new-businesses-fail.aspx
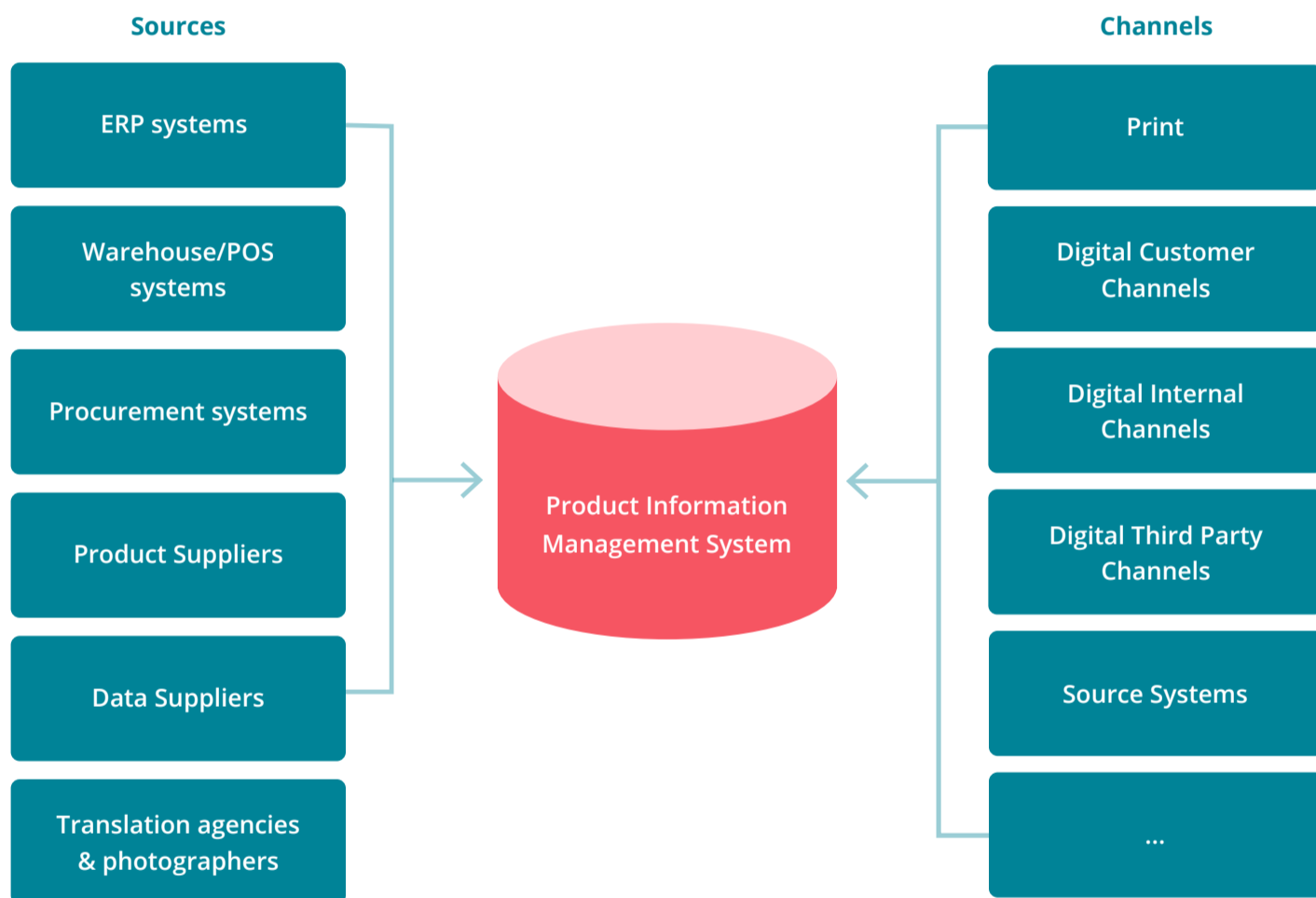
02

PIM: A Beginner's Guide

What is PIM?

Product Information Management, or PIM, simply means managing the information about all the products a company has in its catalog. That might include product descriptions, images, pricing, SKU codes and more.

At its most basic, PIM solutions take pure and cold data to efficiently create and distribute product catalogs to different sales channels. Instead of producing the same information repeatedly for each catalog, a PIM lets you manage product information once, in one place.

Sources

ERP systems	
Warehouse/POS systems	
Procurement systems	
Product Suppliers	Product Information Management System
Data Suppliers	
Translation agencies & photographers	

Channels

Print
Digital Customer Channels
Digital Internal Channels
Digital Third Party Channels
Source Systems
...

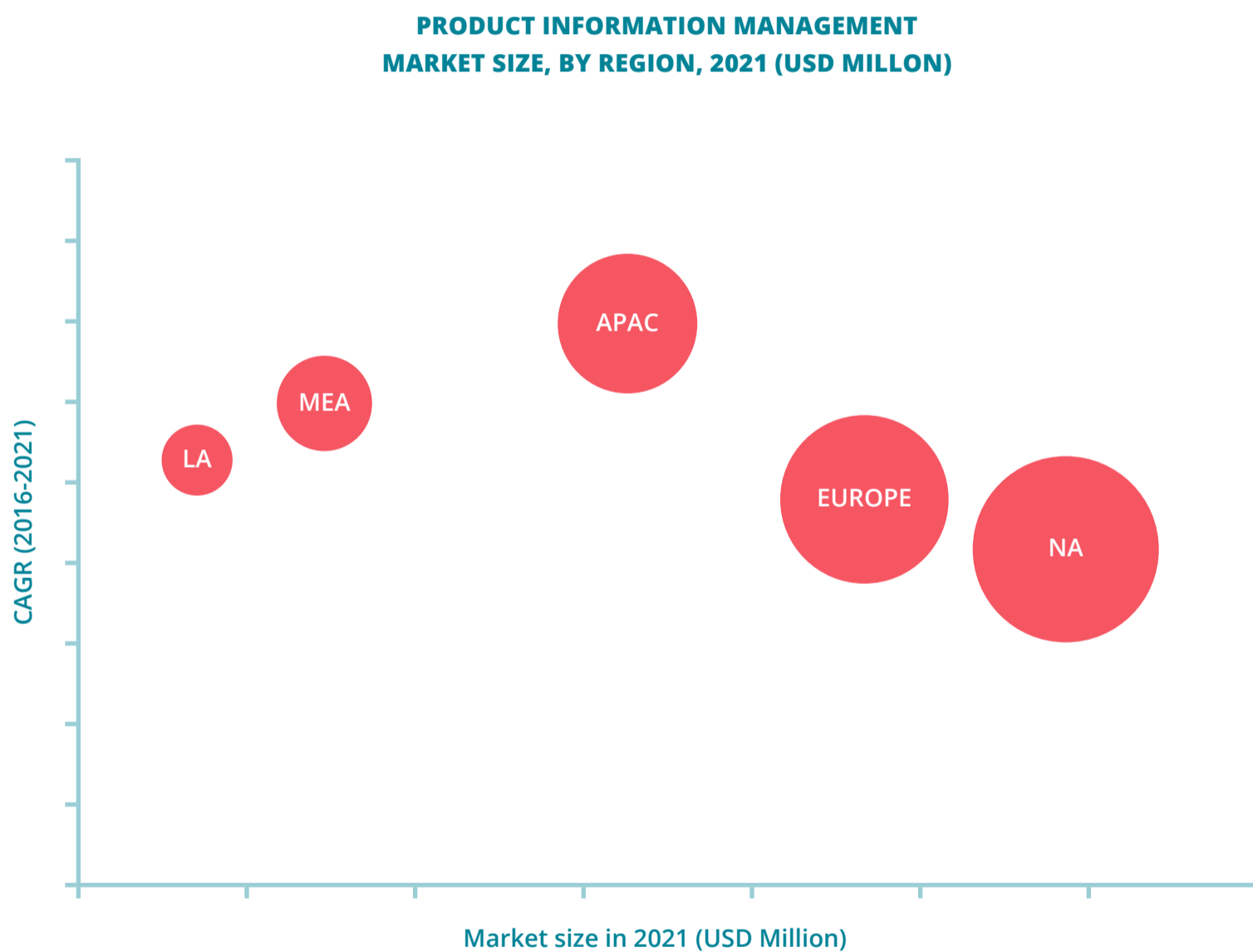Source: https://www.shopify.com/enterprise/pim-ecommerce

Automating the management of product information makes the whole process vastly more efficient. A single version of the truth which feeds all catalogs and sales platforms also means fewer mistakes.

But PIM has much more to offer than that. For the marketer, its real value lies in its ability to dramatically improve the all-important customer experience. Product information is organized, up-to-date, complete, and consistent across platforms.

That means a better product experience, better conversion rates, fewer returns, potential to take more products to more markets, and a faster time to market.

PIM in the SME Market

Where once PIM was the domain of very large businesses, it has exploded onto the SME market in recent years. Investments in PIM are expected to reach $16bn by 2021, a trebling in just three years, driven in part by increasing SME appetite for the technology.

**PRODUCT INFORMATION MANAGEMENT
MARKET SIZE, BY REGION, 2021 (USD MILLON)**

Source: https://www.marketsandmarkets.com/Market-Reports/product-information-management-market-661489.html

Enabled by the huge advances that have made technology in all its forms more accessible, it's not surprising that more organizations want to make the traditionally resource-intensive task of information management easier and cheaper. And now that any manufacturer or even distributor has their own retail platform (Magento, Shopify), the power is in their hands to create truly great online experiences and sell directly to the end client.

The financial outlay in deploying a PIM is modest and business benefits are easy to quantify. Even employed at its most basic level, the efficiency savings that come from inputting product information just once rather than repeatedly across multiple platforms mean the return on investment is fast.

The latest PIM solutions don't require lots of IT expertise to deploy. At their simplest, you can connect to an excel spreadsheet and get started.

An increasing number of PIMs are now cloud-based, adding to the attraction. The associated ease of deployment, cost efficiency and ability to grow with the business have all helped them become a mainstream option for SMEs.

TOP BENEFITS OF DEDICATED PIM
COMPANIES REPORT VALUE IS MULTIFACETED

Eliminate errors and mistakes	47%
Improve cross-selland up-sell potential	44%
Improve customer experience	41%
Make information more available and consistent	39%
Gain competitive advantaje	36%

Source: https://marksmith.ventanaresearch.com/marksmith-blog/2012/12/04/product-information-management-is-for-business

03

PIM Means Better Marketing and More Conversions

Customer Experience

Customer experience is everything.

In a highly competitive, crowded marketplace, it is often the only differentiator between one company and many others. The impression you give a prospect has a direct impact on whether they'll buy, how much they'll spend and whether they'll come back.

A slip-up in the experience can be the difference between a sale or a dropped basket. In fact, one study suggests that 86 percent of people would pay more for a better customer experience and nearly 90 percent would move to a competitor after a poor one.[ix]

So what exactly is customer experience? Experts define it as the quality of interaction between a company and its customers. It's made up of every touchpoint the customer has with you – from the

advert that caused them to stumble on you in the first place right through to the package that arrives on the doorstep.

In the world of online selling, where so much happens remotely and without human interaction, a great customer experience can simply mean a great product experience, which fundamentally means, branding.

Not being able to find the right information about a product, inconsistent or inaccurate information, ordering a product that's out-of-stock, or even just basic errors all make for negative customer experiences. And all are easily prevented with a PIM.

The impact of good product information management on customer experience can't be underestimated; the top two reasons companies give for using a PIM is improving customer satisfaction and improving customer service.[x]

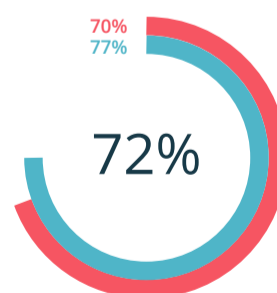## EXPERIENCE IMPACTS THE BOTTOM LINE, FOR BETTER OR WORSE
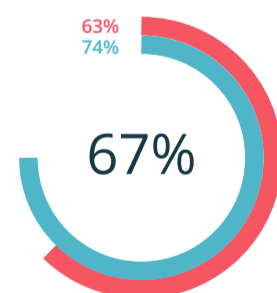
■ Consumers　　■ Business Buyers

61%
63%

62%
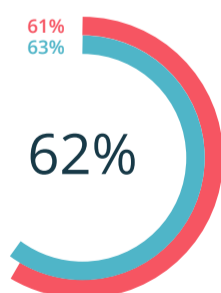
of customers say they share bad experiences with others

61%
50%

57%
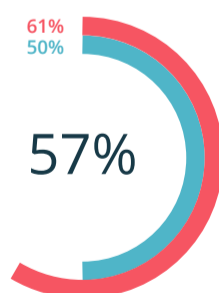
of customers have stopped buying from a company because a competitor provided a better experience

70%
77%

72%

of customers say they share good experiences with others

63%
74%

67%

of customers say they'll pay more for a great experience

Omnichannel Marketing

Omnichannel sales and marketing have become must-dos for online sellers because today's demanding consumers expect you to be wherever they are. What's more, the experience for customers needs to be seamless across platforms, whether they're viewing on a desktop or mobile device.

Companies who offer an omnichannel experience certainly see the impact on their bottom line: an average 13 percent higher spend and an impressive 90 percent customer retention rate.[xi] According to Google, about 85 percent of shoppers start a purchase on one device and finish it on another.

The reality is that if you want to succeed in a crowded marketplace, it isn't enough to just have a webshop. It's not even enough to have a presence on multiple platforms.

A true omnichannel approach means being fully integrated across every platform: consistent branding, design, tone, messaging, imagery, and pricing.[xii] That's not to say you don't tailor according to the platform, but it must feel like a seamless transition for the customer.

With the case for omnichannel sales and marketing so clear cut, what's holding companies back? Most marketers says it's because they lack the technology to do it properly.[xiii] Because there's no doubt about it – creating a great omnichannel experience manually is next to impossible.

If you've got more than a handful of products in your catalog, there's no doubt that a PIM is by far the most efficient and cost-effective – and possibly the only way – of achieving omnichannel sales and marketing.

More Conversions and Fewer Returns

A PIM means your product data is higher quality and more accurate. It even makes sure your data is more complete, thanks to bulk updating of fields coupled with flags to highlight where you need to manually provide more information.

All of which equates to more sales and fewer items returned.

Incomplete catalog data is a major factor in lost sales. In fact, a staggering 98 percent of consumers say they've been dissuaded from completing a sale because of incomplete or inaccurate content.[xiv] Other calculations suggest that a single misspelling in a product description can halve sales of that product.[xv] Conversely, detailed product information and high-quality images and videos not only help consumers find your products, they also inspire their confidence to go ahead and complete the sale.

Return rates are also a headache for online businesses. More than a quarter of online retail purchases are sent back, three times that of returns in bricks-and-mortar stores.[xvi] While returns will always come with the territory for the ecommerce industry, a catalog description which accurately reflects what's on offer and manages expectations will dramatically reduce returns.

Faster Time to Market

Selling online is fast-paced. Organisations that want to succeed need to be agile. If your sales rely on regularly changing or seasonal products, or you simply need to be one step ahead of trends, then you need to get your products to market quickly.

The efficiency of using a PIM to manage your catalog creation and distribution processes means you can get your products for sale across platforms in the fastest time possible. And more importantly, the 'once and done' PIM method of catalog management means that mistakes are less likely to occur as you rush to get your products onto every platform.[4]

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[4] https://blog.saleslayer.com/optimize-your-time-to-market-with-a-pim-software

Customer Insight

Companies going through transformation and bringing ecommerce platforms and tools such as ERP and PIM into their ecosystem gain a further advantage by having ready access to data – big data. It is an effective way to draw insights on consumer behavior and ultimately, to generate more effective sales and marketing campaigns. In fact, the more a company uses big data, the more likely they are to achieve or exceed their goals.[xvii]

An organization using CRM, ERP and PIM has a ready source of customer data and analytics. That gives insight into opportunities to bring new products into the market, and trends which you can harness to increase sales of products you've already got on the market. It allows you to watch the performance of your products in real-time, and see which platforms and strategies are delivering for you.

When you couple this rich, real-time insight with the ability of your PIM to quickly and easily tweak product data, you'll have a powerful tool for continually improving your sales and marketing tactics.

Personalization

A personalized experience is perhaps the ultimate in customer experience – a marketing or product experience that is crafted entirely around the individual. And more than 95 percent of marketers believe it advances customer relationships. [5]

But despite overwhelming evidence that personalization leads to a demonstrable uplift in results, well over half of marketers say they don't have the data or insight to do it effectively.[xviii]

In simple terms, personalization is simply about providing brand or product information in the right context according to the channel or what you know about a particular customer.

Modern PIMs are flexible enough to allow you to you to customize and localize the customer experience. Which channel or device are they using? Where are they and what language are they using? What is their IP address? A PIM allows you to segment digital catalogs to reflect all of this, enabling marketers to deliver the right product information to the right person at the right time.

A PIM will also let you manage your catalog in multiple languages. You can get down to the details of different measurements, standards, and even the choice of image that's appropriate to each location. All of which means a more personalized product experience - and ultimately more sales.

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[5] https://www.quicksprout.com/how-to-increase-sales-by-personalizing-the-customer-experience/

Search Engine Optimization

Search engine optimization has become the cornerstone of successful online marketing. With almost 40 percent of global ecommerce traffic starting with a search, companies that want to succeed need to rank highly.

What's more, traffic from searches can result to 10 times more conversions than social media. [xix] But achieving high rankings takes time, persistence and consistency – Google alone uses 200 different factors to rank content.[xx]

To be in with a chance of those all-important top spots, you need accurate and organized product data, valuable digital assets, quality content, tagging keywords and the right meta descriptions and titles. With a PIM, you'll have a central repository of all of this information already.

The consistency a PIM gives your brand and products also offers your SEO a boost. Using enriched data across platforms means customers come to recognize you and your products – and brand awareness is the first step towards sales.

04

Choosing a PIM – the 8 Questions to Ask

Where is it Hosted?

The issue of where technology solutions are hosted goes way beyond just PIM – although it's certainly relevant to your PIM choice.
Any modern PIM solution should be cloud-hosted, and any solution you're considering should have this as a minimum to give you better flexibility, scale capacity, and above all, connectivity. Ease of installation, virtually limitless storage, lower start-up cost and ongoing overheads will likely point towards a cloud-hosted solution for most SMEs.

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Does it Need Technical Know-How?

Like the matter of hosting, it's an important consideration for any solution you're buying. If, like many businesses, you don't have dedicated technical expertise, then you need a PIM solution that is both easy to set-up and install, and provides easy-to-follow guides for implementation on all channels. The good news is that PIM solutions are increasingly designed for ease of set-up and some of the best options for the SME market have pre-set 'plug-and-play' connectors.

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Is it Easy to Use?

To get the very best return on investment from your PIM, you need the whole team using it confidently and consistently. A solution that is intuitive and has an easy interface is a must. Make sure you have a demo of any solution and try it for yourself. It's always best to use your own product catalog in the trial phase so your team gets a feel for which solution best suits your business.

Can it Grow With the Company?

When it comes to any tech investment, the right solution is one that meets your needs now but has the capacity to grow with your company. Scalability is an important consideration when considering a PIM which should eventually be handling your entire product catalog, perhaps across numerous brands. Cloud-hosting typically offers greater capacity for future scalability, but do check the limitations of the actual solution you're buying.

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What Support Comes With it?

Even the simplest solution can catch you out and once you've invested in a PIM, you'll want it to start delivering for you as quickly as possible. It's worth checking what support the solutions you're considering come with. If there's no helpdesk or support team available to you, be absolutely sure that you have a team that will be able to handle the installation phase. You could face huge costs if a tech consultancy team is required to install and maintain your software.

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Is it Customizable?

Every business is unique and getting the best from your PIM means making sure it is properly tailored for your organization.
An out-the-box solution is likely to meet the needs of the majority of SMEs, but you may still want to add some customization, so check what's possible. Even if you don't think it's necessary, bear in mind that the best businesses continue to evolve and your needs might change.

What Data Does it Provide?

Providing excellent product information isn't a 'once-and-done' job – it's an ongoing process made vastly easier by a PIM. To deliver the best experience for your customers, you'll need data from your PIM about usage, results, gaps and so on to inform continuous improvement. The best PIM solutions should offer you a range of data and analytics – check what's available with any options you're considering.

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How Much is it?

Cada negocio persigue un objetivo distinto con Every business will have different goals for their PIM solution, and the price should be tailored according to what you need from it. After all, who wants to pay for something they might not use?

Be sure to check what ongoing costs might be involved, as well as any extra costs – for example, will you have to pay for storage or cloud fees?

05

5 Online Selling Trends to Watch Out for in 2020

Product Experience Management gets bigger

In a crowded marketplace, companies who can differentiate themselves are the ones that will prosper.

Customer experience is that differentiator. In fact, customer experience has been rated as the biggest opportunity for companies in 2020.[xxi]

The big online sales platforms have recognized this, with both Magento and Shopify offering an increasing range of tools that allow companies to create genuinely personalized storefronts. It means that the kind of customized experiences that have so far only been offered by the big brands will start to be available to SMEs.

There's growing recognition that a great customer experience rests on a great product experience, especially when it comes to online sales. Enter product experience management, or PXM, an emerging discipline focussed on creating brilliant product experiences.

Consistent product information and content delivered to customers in a way that's relevant to them is essential for a positive product experience. Messaging must be based on deep insight into buyers' wants and expectations and adapted accordingly.

PIM solutions are undoubtedly the cornerstone of PXM strategy. For businesses to achieve brilliant product experience, they need the have to have the capability to manage all of their product information effectively.

Personalization through Artificial Intelligence and Predictive Analytics

Artificial intelligence already handles a significant proportion of customer questions, but we can expect to see greater use of both AI and predictive analytics to deliver increasingly personalized experiences. AI can help automate more product content, but it is its ability to contextualize information that makes for personalized experiences. That might, for example, see tailored shopping recommendations based on what the machine has learned about an individual's preferences, coupled with product information or reviews.

Likewise, machine learning and predictive analytics can be used to deliver communications more precisely. The data stored across a business, from the CRM to the Customer Support apps, offers a wealth of insight into customers. It makes it easier for brands to respond and communicate in a deeply personalized way, and customers have the benefit of saving time without the need to repeatedly input the same information. [xxii]

Big Platforms Increase Demands on Sellers

The big platforms like Amazon and AliExpress already have some of the strictest product information requirements. Their reputations are built on consumer trust and positive customer experiences, so it's not surprising that the standards they set for companies using their marketplace are high.

It's not unusual for retailers using the big platforms to have their listings refused or removed if they're not complete and accurate, or don't adhere to the ground rules.

As the competition continues to grow and the market leaders strive to keep ahead of the game, expect to see them becoming even more stringent about product information and listings.

But it works both ways. Online marketplaces also want sellers to have a positive experience, so the onus is also on them to improve their own data and service offering. Ultimately it's about giving end users the fastest searches and the quickest way to find what they're looking for - and both sellers and marketplaces have got a responsibility to make it happen.

Website Product Pages Overtake Homepages

Prospective customers are increasingly entering websites for the first time via product pages rather than homepages, and it's a trend that's likely to keep growing.

Visitors entering sites through the homepage are typically return visitors who either type the web address in or search for the brand. But those who've searched for a product are more likely to be taken to product or blog pages. They are more likely to be first time visitors and this may be their first interaction with your brand.

It means ecommerce site owners need to give more attention to product pages and make sure they're up to scratch. Is the logo and other branding present? Are images and other digital assets good enough? Is the product information complete and compelling?

Above all, are individual product pages strong enough to keep prospective customers on the site? [6]

Voice Searching

While voice recognition has become increasingly accurate and mainstream, it's only just starting to make waves in the world of online retail. That looks set to change.

Thanks to Alexa, Google Assistant and Siri, people are increasingly using voice to search. In fact, according to industry insiders up to half of all searches could be voice searches by the end of 2020.

The win for ecommerce businesses is that consumers typically give away more information when they carry out a voice search compared to a traditional keyed-in search. They'll also often frame their search as a question, again giving away more information about their intentions.

It means a great deal more data and insights for the marketer to work with. The flipside is that, for the time being at least, websites and product content need to be optimized for both traditional and voice searches.[7]

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[6] https://blog.linnworks.com/why-your-ecommerce-product-pages-are-more-important-than-your-homepage

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