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Product Information Management 101

COLLECT, MANAGE, ENRICH

GET TO MARKET FASTER
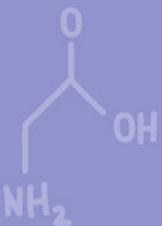
CREATE EMOTION

PRODUCT DATA INTELLIGENCE
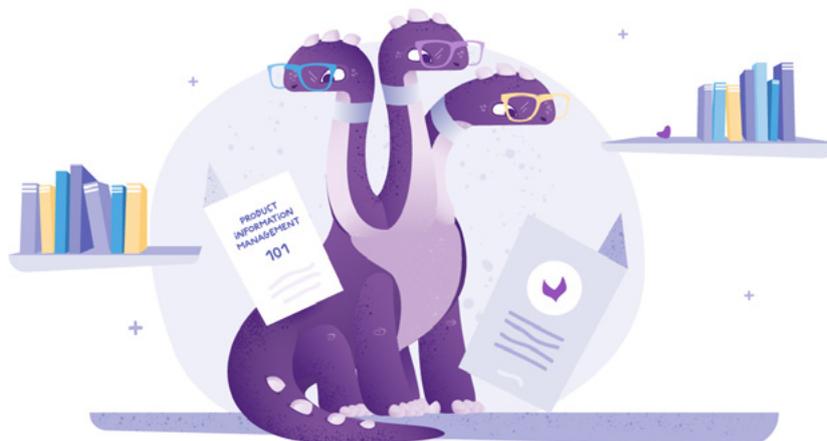
WHAT IS A PIM?

IN CONTEXT ACROSS TOUCHPOINTS

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Executive Summary:
What are PIM and PXM

An introduction to Product Information Management

Product Information Management (PIM) is a set of business practices and a category of business applications focused on managing product information for use across an organization from the supply chain to commerce to customers.

A PIM solution provides a single place to collect, manage, and enrich your product information, create product catalogs, and distribute information to your sales channels. With PIM, marketers can dramatically improve product data quality, accuracy, and completeness while simplifying and accelerating product catalog management. Enterprises that use a PIM solution can more easily and rapidly create and deliver the compelling product experiences needed to drive good customer experiences, reach more markets, improve sales conversion rates, and take advantage of new sales channels.

This graphic is an easy way to visualize how PIM works at a high level:
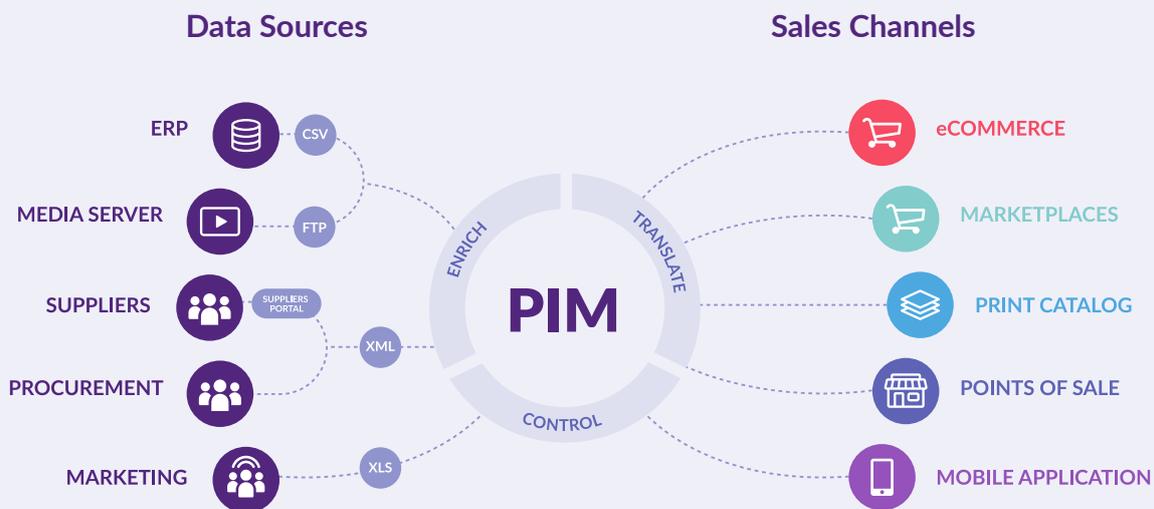

PIM can be used to manage different types of information:

- **Technical information:** product specifications like size, color, weight, material, and ingredients

- **Usage information:** product descriptions with where-used, how-to, and sample usage suggestions

- **Emotional information:** rich product descriptions, stories, and imagery that helps create emotional connections with buyers

The sweet science of PXM

As commerce continues to shift and change, customers are increasingly demanding a compelling and consistent brand experience wherever they shop. Product experience management, or PXM, allows brands and retailers to offer buyers these superior experiences, leading to increased conversions, reduced returns, improved customer satisfaction, and stronger brand loyalty.

So, what is PXM, and how does PIM fit into it?
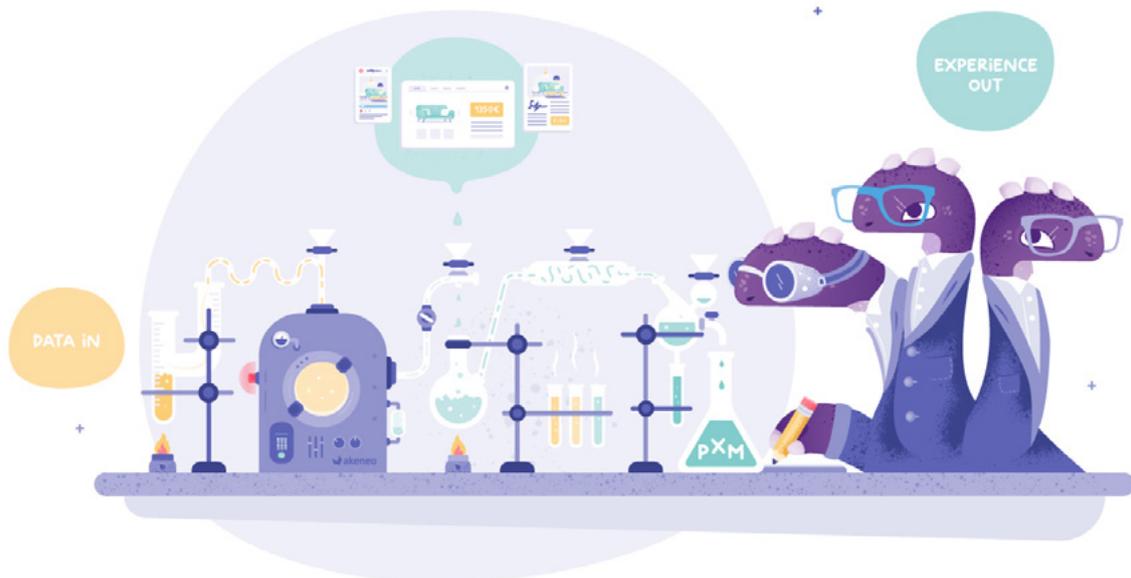
Let's start with PXM. Product Experience Management is a new profession. It's the subtle science of delivering product information in context, adapted and scoped by channel and locale to match the buying experience at every touchpoint. Having the right data and insight into the type of product experience buyers expect is the foundation for any great customer experience.

By using PIM as an engine for PXM, to automate the boring, tedious, repetitive tasks involved in collecting, standardizing, and enriching product content, your marketing and eCommerce teams can turn their attention to contextualizing product information, before distributing it to each channel.

Putting product data in context can mean several things: the right images, the right descriptions, the right attribute sets, and more. Each must be precisely tailored for the locale, cultural norms and standards, the rules and requirements for each sales channel, and the ways your buyer interacts with your brand. With the right tools, you can even leverage product data intelligence to further streamline your PXM practice.

Product experience management is the solution to creating the customized experiences that customers expect. By implementing a PXM solution, brands and retailers can stay competitive in the eCommerce market and increase conversions with relevant and complete product information.

Who needs a PIM?

Now that we know what PIM and PXM are, it's time to talk about which businesses can benefit from implementing these solutions and practices.

So, who needs a PIM? B2B businesses, such as manufacturers, distributors, and wholesalers, can use PIM to centrally manage product information, collaborate with suppliers and business partners, easily control and spread product information to multiple sales channels, and accelerate time-to-market. B2C brands and retailers, meanwhile, need a solution to help them gather product information into a single source of truth, onboard information from suppliers, contextualize and localize information for various channels and locales, and distribute it all to the proper channel.

In short, any business that sells a product can benefit from PIM and PXM, thanks to their ability to grow revenue by increasing conversion rates, expanding markets and product catalogs, and reducing returns.

Let's take a closer look at the major use cases and business benefits of PIM, and what they tell us about who can benefit most from a PIM.

PIM use cases

Expanding catalogs

More products equal more sales. If you're looking to increase the size of your product catalog and add more SKUs to your offering, you'll need the power of a strong PIM solution. That's because a PIM solution offers a pair of key capabilities to help you more easily expand your product catalog: flexibility and speed.

The flexibility of a PIM solution, for example, helps you quickly and easily update product assortments by adding products to your catalog, adding new product attributes, and pushing updates to the relevant sales channels. And, with the increased enrichment speed provided by PIM, you can make these changes more quickly, further increasing revenue.

Expanding markets

Cross-border commerce is a quickly growing area and one that offers merchants plenty of chances to reach new customers and increase revenue. But expanding to new geographic markets successfully requires your team to make sure that your product information is ready for the challenge of cross-border commerce. That includes translating and localizing product information.

A PIM can help ensure that your product experience is ready for new markets by taking the pain out of translation and localization efforts. For example, marketers can perform bulk actions to set US shoe sizes in US channels and European sizes in European locales and channels, or automatically track items and fields that still need to be translated, ensuring no incomplete records are published. They can also take advantage of features that allow them to see translated content side by side and utilize our partnerships with translation services to take their cross-border activities to the next level. That way, they can ensure your products will resonate with an international audience.
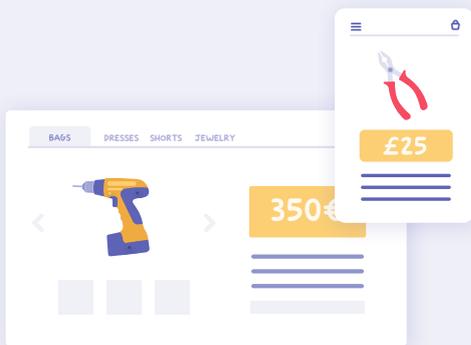
Expanding channels

Your customers are using more channels to evaluate and make purchases than ever before. That means you need to be able to meet your customers wherever they shop. Much like expanding to new markets, adding new channels to your arsenal requires a PIM.

That's because each channel you sell on will have different requirements and advantages, meaning your content must be contextualized to fit the specific needs of each channel — a task that's nearly impossible to effectively and efficiently manage without a strong PIM solution.

How does PIM compare to other data management solutions?

PIM, of course, is far from the only data management solution on the market. The eCommerce world is full of solutions and acronyms, making it more challenging when dealing with adjacent technologies. Here's what you need to know:

PIM vs. MDM

Master data management, or **MDM**, solutions are typically IT-led initiatives that operate as a set of processes and tools used to deliver harmonized data to support smooth business operations across a variety of systems and applications. Most MDM systems today are focused on managing all types of master data domains, such as customers, products, financial information, supplier information, location information, and more, in a single solution. As a result, they may not have the depth of capabilities for managing product data like a PIM does. If you're looking for a business-led solution to enable marketing and merchandising teams to increase sales via omnichannel expansion, create great product experiences, expand your product catalog to carry new products, or manage digital assets, then you want a PIM.

PIM vs. DAM

DAM stands for **Digital Asset Management**. DAM solutions are typically all-encompassing systems designed to manage all an organization's digital media files like images and videos that are used in product pages, digital advertising, your website, and more. These solutions typically include specialized version control tools and advanced search functionality to help organizations maximize the use of existing digital assets. While these solutions can be useful, they may also be overkill both in terms of expense and capabilities, depending on your use case. A strong PIM solution will offer built-in asset management capabilities to address the needs of your product pages and listings. If your organization already has a DAM in place, your PIM should be able to connect to it and leverage its content.

PIM vs. PLM

A **Product Lifecycle Management** system, or **PLM**, is designed to act as a repository for the entire lifecycle of a product, from initial conception, through design, and up to end-of-life support. Generally, PLM supports the upstream product development process rather than the downstream marketing process. In contrast, a PIM solution creates a single system of record for all of your product information, from digital assets to written descriptions, to measurements about the size and shape of a product, even information about the materials or other aspects of the product, allowing you to reduce errors in product information, accelerate enrichment processes, speed up time-to-market, and lower enrichment costs.

PIM vs. ERP

Enterprise Resource Planning, or **ERP**, solutions are used to manage multiple key areas of your business such as order management, inventory, logistics, accounting, HR, and CRM. What they're not built to do, however, is handle finished, enriched product information that conforms to the needs of your customer-facing sales channels. A PIM will consume raw product data from your ERP and offer a purpose-built environment for your business teams to enrich this raw data and turn it into product information, adding product descriptions, images, videos, managing translations, and much more. This will help you accelerate time-to-market, control enrichment expenses, decrease product returns, and increase conversions.

PIM ROI

The leaders that are typically tasked with approving PIM projects always ask the same question — what's the ROI (return on investment) for this project?

Better conversion rates

PIM tools have been credited with helping improve conversion rates through better quality and more complete product information. With better product information, PIM improves search functionality and Google indexing, which helps increase both conversion rate and average order value.

For example, if an eCommerce site with 10 million sessions per year and a 2% conversion rate were to implement PIM, they could see a 3% relative lift in conversion rate, equating to a new conversion rate of 2.06%. In this scenario, with a $100 AOV, this merchant would realize an **additional $600,000 in revenue per year from their PIM**.

Fewer returns

It's not just about convincing customers to buy your products, of course — it's also about making sure they are satisfied with their purchase and won't be returning the product. With an average cost of $25 per return, it's easy to see how much these can cost a merchant. But with better quality data and ensuring product page completeness powered by PIM, return rates can plummet.

If 30% of a merchant's 200,000 transactions result in a return before PIM, that equates to roughly $1.5 million in losses due to returns. But with PIM, those rates would fall by at least 10%, **saving the company roughly $150,000**.

Efficient enrichment

We all know that time is money, but it's particularly true for modern merchants. Every hour their team spends enriching a product is time they aren't using elsewhere, pushing the cost of enrichment ever higher. But with PIM, merchants can cut enrichment times in half, freeing up their team to work on other, more value-added activities.

Let's revisit our merchant example. Without a PIM, our merchant would need to use as many as ten employees and spend roughly $250,000 on enrichment costs. But with PIM, the company could **reduce enrichment costs and time by at least 50%, saving $125,000 in raw cost**.
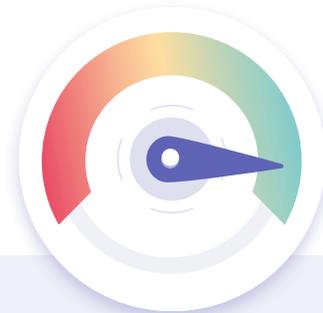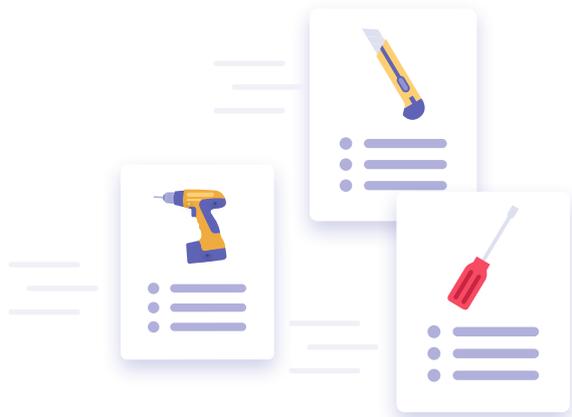
Accelerated time-to-market

Increased enrichment speed can not only help a company save money but increase revenue as well. One big pain point merchants often express is how long it takes for them to get a new SKU merchandised and ready to sell. It is common to hear it takes six weeks or more to collect all the right data, fill in all the attributes, ensure it is correct, and then list it across sales channels.

PIM, however, allows merchants to get new products ready for sale up to 80% more quickly. What does this mean in the real world? In the case of our example merchant, it could mean as much as **$115,068 in extra earnings**.

Catalog expansion

Once you've fixed conversion and return rates and accelerated your enrichment and time-to-market processes, it's time to take your PIM to the next level by using it to expand your product line. No matter how they go about it, more products mean more sales, and it's all possible thanks to PIM.

For example, let's say the merchant in our example recently decided to expand its catalog by roughly 10,000 SKUs, 2,500 in each of the next four quarters. If they do so with help from a strong PIM solution, they could see as much as **$125,000 in new revenue**.
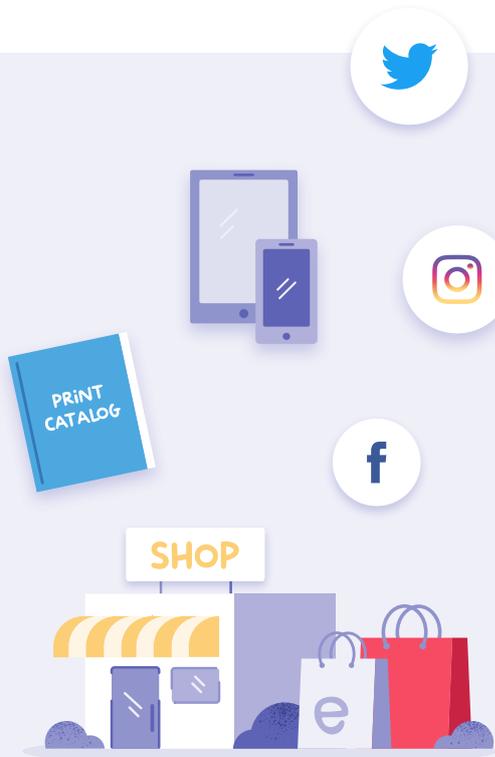
Channel expansion

PIM can help you not only expand the number of products you sell but also increase the number of channels you sell them on. Increasing the number of sales channels your products are available on makes it easier for potential customers to find your products. That means they're more likely to make a purchase.

So how much extra value can new sales channels bring to your business? If, for instance, our example merchant wants to open up three new channels selling an average of 2500 of their products in each of them, a reasonable estimate would expect a new channel to initially add 5% of the value of their existing business or roughly **$150,000 in revenue**.

Total ROI of PIM

So, add it all up, and what could PIM do for your business? In the case of our example merchant, their business has generated nearly **$1 million in new revenue and saved $275,000 in cost from using PIM**.

Choosing the right PIM solution

How should you evaluate what a PIM can really do for your business? What does a good scenario for adopting a PIM look like? And how do you select the best solution for your needs from all the available tools?

The key is to focus on what's most important to your business, its needs, and its goals for the future. Here are nine areas that companies commonly consider:

Architecture

A good PIM candidate will be a cloud-first offering that's built with a modern SaaS architecture. This architecture should be designed to give your team access to the power of PIM and offer a robust, well-documented API. That way, you can focus on running your business while your solution provider takes care of running your PIM instance smoothly and securely on the cloud.

Data collection

Your PIM should make it easier for your team to manage and enrich product information — a process that starts with collecting and centralizing your data in one place. It should also provide a deep roster of capabilities designed to make it easy for you to collect and centralize product information.

Standardization

A top-of-the-line PIM solution will help your team accurately map and consolidate your raw data from different sources. It should also make it much easier to categorize products, including supporting product variants and organize your product data for the requirements for different channels and languages.

Enrichment

Your PIM should shorten your time-to-market and make the enrichment process easier and faster for your employees. Its collaboration tools work to help streamline your team's day-to-day tasks. It should also help you reduce manual enrichment effort and provide a mechanism to measure product data quality to ensure a high-quality product experience.

Localization & Contextualization

A good PIM will help you improve your data quality and product experience by crafting localized and contextualized product descriptions, images, and other data for each channel you sell on and every locale you sell in. It will also measure and improve your data quality by identifying low-quality product information and offering suggestions to enhance it.

Distribution & Syndication

Your preferred PIM should be able to quickly and efficiently deploy your catalog to your owned and unowned sales channels. A good solution will also track when your products are ready to sell, offer export capabilities designed to ensure your team only exports the right data to the right channel, and enable your marketing team to save these profiles for future usage.

Manageability

A strong PIM solution should make it easy to identify errors in product information, fix them, and define a minimum level of quality and completeness required for a product to be published. A good PIM will also help you manage not only your product data but also your team's workload, with tools designed to improve productivity and reduce manual workload.

Maturity

Your PIM should provide information and best practices to help you improve your PXM practice over time. This should include a maturity plan that can help guide you and your team as you work to improve your product information quality and PXM practice, as well as tools to help you measure the quality of your product data and suggest ways to improve.

Ecosystem

A robust PIM solution will offer a range of high-quality partners and vendors. Notably, these partners should be there to support you, work transparently to help you achieve your goals, and offer resources such as thought leadership and best practices, a roadmap to success, and a vision for the future.

Getting your team on board

Getting executives and decision-makers in your organizations to buy-in to the benefits of PIM can be difficult, but it's key to making your PXM strategy a success. That's why you need to address each of the various members of your organization and their specific concerns and priorities when making a case for PIM.

Ensuring executive buy-in

CMOs and Heads of eCommerce

Marketing and eCommerce executives are typically asked to push their teams forward to new channels and locales in search of new customers. So, ensure they understand PIM's power and potential to create a compelling product experience and explain that your company will be able to enhance its brand identity and growth objectives with an exceptional product experience.

Information Technology (IT)

IT managers are interested in getting the right tools to help marketers do their jobs the right way and ensuring those tools work well in their existing technology infrastructure. So, explain that PIM is designed to help control who can access your product information and sync with other enterprise applications while also offering flexible SaaS deployment options and a wealth of partners to help implement and support the solution.

Product markers and catalog managers

Speed and accuracy are the two biggest priorities for product marketing and catalog managers. That's why it's important to help them understand how a strong PIM solution will simplify the lives of product marketers and catalog managers by eliminating manual tasks, which helps cut enrichment time, accelerates time-to-market, and reduces errors in your product information.

C-level decision-makers

When it comes to the C-suite, it's all about the bottom line. Model the potential ROI to show your C-suite team that PIM is truly a bottom-line-benefit that helps you grow revenue by making it easier to expand to new channels and new markets while cutting enrichment costs by accelerating time-to-market and reducing your team's workload.

Take the next step: Additional resources and further learning

Ready to take your PIM and PXM education to the next level? Check out some of these resources from Akeneo to learn more about product information management and the sweet science of PXM!

Product Information Management Implementation Best Practices

Want to make sure your PIM project gets off on the right foot? These top 10 tips, tricks, and best practices will make sure your team is able to implement Akeneo PIM easily and efficiently and help you get the most out of your new PIM.

PXM for Dummies

Time to master product experience. PXM for Dummies decrypts how changing commerce trends impact customer behavior and explains why providing a top-notch customer experience requires crafting compelling product experiences — consistent product information delivered in context wherever, and whomever, your buyers are.

Global Multilingual Commerce

The world is shrinking, and cross-border commerce is growing. Consumers and companies alike spend more than $800 billion in international cross-border transactions annually. So how can you secure your slice of that growing pie? It all comes down to your product information and product experience — and Akeneo and Translations.com are here to help with this new eBook.

Unlocking Rapid Omnichannel Growth

Connecting with customers in an omnichannel world is easier said than done. It requires that companies craft compelling customer experiences. Learn to create these top-notch customer experiences by building near-perfect product experiences using consistent product information delivered in context for every sales touchpoint, wherever, and whomever, your buyers are with this eBook!

About Akeneo

Akeneo is a global leader in Product Experience Management helping businesses with products to sell to unlock growth opportunities by delivering a consistent and compelling product experience across all channels, including eCommerce, mobile, print, points of sale and beyond. With its open platform, leading PIM, add-ons, connectors and marketplace, Akeneo PXM Studio dramatically improves product data quality and accuracy, simplifies catalog management, and accelerates the sharing of product information across channels and locales.

Leading global brands, manufacturers, distributors and retailers, including Staples Canada, Fossil, Air Liquide and Myer trust Akeneo to scale and customize their omnichannel commerce initiatives. Using Akeneo, brands and retailers can improve customer experience, increase sales, reduce time to market, go global, and boost team productivity.

Contact us

Want to find more information on Akeneo PIM, see our product live in action with a live demo, or get answers to your most pressing PIM questions? Just get in touch with our all-star team of PIM and PXM experts!

Request a demo