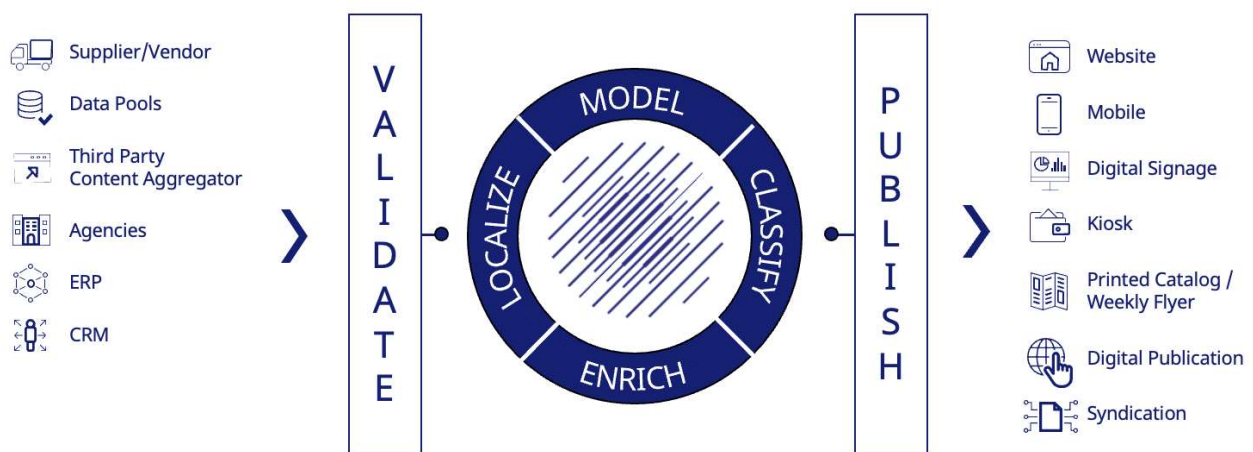


PIM deep dive: What is PIM?

Product information management, as a process, is the overall management and delivery of rich, accurate, complete and relevant product content across multiple distribution channels. At its core is product data created internally or sourced from various resources in varying formats. There is then a considerable possibility for data to be inaccurate, outdated, siloed or duplicated. This is where a Product Information Management solution comes in. A PIM solution acts as a central hub of product data. It simplifies the management and distribution of product data to different sales channels (e-commerce sites, print catalogs), marketplaces (Amazon, Google Shopping, Alibaba or Rakuten) and partner networks.



A PIM solution delivers an array of benefits, including:

- *Optimized internal processes*
- *Faster response to market changes*
- *Stronger partner network relationship*
- *Accelerated time-to-market*
- *Increased traffic to product pages*
- *Enhanced customer experiences*
- *Improved sales while building loyalty*
- *Reducing returns*

These benefits are possible because PIM:

- *Imports, integrates and consolidates product data from multiple sources such as ERP, CRM, Data Pools, DAM supplier and vendor sources and other file systems to a single repository.*
- *Validates and cleans product data to improve quality and completeness.*
- *Establishes all the necessary processes to transform product data into trustworthy product information ready to be shared and accessed across the organization.*

- *Localizes and enriches product content to make sure it will appeal to all customers wherever they are from.*
- *Delivers engaging, up to date and accurate product information across all channels, such as e-commerce sites, digital and printed catalogs, mobile apps, marketplaces and retailers.*

When is PIM not a PIM?

It is easy to confuse existing systems and think of them as a PIM solution. Take note that a PIM is not:

- *An ERP system*

ERP is Enterprise Resource Planning. While it is used to manage day-to-day business activities and is considered, according to Oracle, as the “central system that ties together different processes and enables the flow of data among them,” it is not a PIM.

- *A CRM system*

A CRM (Customer Relationship Manager) system controls customer management which is not a PIM capability. Nevertheless, a PIM system helps companies maximise their customer knowledge to create relevant and timely customer experiences. Customer management is a task that needs its own standalone system. But why?

- *An Inventory Management system*

An Inventory Management system can be one of the many systems that integrate with PIM software. It digitally manages raw materials, components, supplies, finished products, as well as warehousing.

- *A DAM system*

A Digital Asset Management (DAM) system deals with all the digital assets an enterprise owns. It stores, organizes, finds and retrieves digital images, videos and documents. A DAM solution is usually a standalone component that can be integrated with PIM.

- *A Catalog Management system*

A Catalog Management system is different from a PIM as it is limited to data enrichment and publication only (i.e., add/edit product descriptions, attributes, images, etc.). A PIM system extends as far as data onboarding, data quality control, personalization, syndication and publication.

Winning the content race

With many touchpoints and channels at their fingertips, customers can easily search for the right brand that delivers the exact information they want. Product information is only relevant if customers can see the information they need to make buying decisions. And according to Forrester¹, experience, findability and informative are all content-related initiatives that drive consumer purchase behavior. Incomplete, inaccurate, bland, and incredibly lacking content can make customers feel as though they have unrealistic expectations. This is an inadequate representation of a business and a sad impression to present a potential customer.

Objectively, ensuring quality product content is not an easy feat. Sustaining quality product information is a huge undertaking, especially for companies without a PIM solution, for a multitude of reasons such as:

- *Massive amount of product information*
- *Outdated product information*
- *Cluttered product assets*
- *Low data quality and inconsistent data in different channels*
- *Manual processes and obsolete systems*
- *Slow delivery of product content to multiple channels*

Companies shouldn't underestimate the importance of optimized product content as it plays a crucial role in the success of a business. A Forrester² report stated that "PIM is integral to manage product content throughout the customer journey" and bravely predicted that companies that use PIM have the potential to engage more customers, expand their markets and eventually win in the content arms race.

Advocating the age of the customer

Additionally, the ever-increasing customer demand for a more personalized experience is another truth companies face today. With the continuous advancement of new technologies³, customers are empowered to disrupt every company in all industries. They are now more mobile, consume more reviews and buy more online than ever before⁴.

Gone are the days when companies dictate their story – now, customers hold power over the narrative. They expect that, at every touchpoint, companies know them enough to predict what they need. And failure to meet customer expectations could mean a bleak future.

Providing the level of personalization customers demand now essential. However, Gartner boldly predicted that by 2025, 80%5 of marketers who have invested in personalization would abandon their efforts due to lack of ROI, the perils of customer data management or both. Could it be because there's a lack of proper integration with systems that can help simplify product information management and feed personalization requirements? What role will a PIM system play for companies looking to become customer-obsessed?

What makes a great PIM?

Most PIM solutions offer a host of capabilities and features for product information management. But what makes a great PIM? The following are key considerations when looking for a PIM software:

- *Centralized and media-neutral data management*

Good PIM solutions allow for customization of product information with categories and hierarchies to better manage data, all from one platform. On top of being compatible with structured and non-structured content, it must be able to clean and enrich product data before publishing to different channels.

Essential minimum capabilities: Onboarding, hierarchy management, data modelling, inheritance and data transfers, product variants and collections.

- *Quality control*

A PIM solution should be able to improve and automate data quality. Validation rules for attributes and workflows, version control and reports on data quality are some of the safeguards an effective PIM should have. On top of that, role-based access and user-level rights are essential if multiple employees are working in a team.

Sample capabilities: Data governance, data stewardship

- *Localization-ready*

A good PIM solution should have a local management capability that efficiently translates product content for multiple markets and reduce unnecessary repeat translations and associated costs. Localization can be used to expand to the global market and leveraged as an edge over the competition.

- *Workflow and publishing automation*

Managing and publishing thousands of products is overwhelming and time-consuming without automation. A must-have is workflow management. It should let users control the workflow to ensure the quality of data before publishing. Users set the workflows and the system does the hard work.

Sample features: Dashboard, task view, previews, notifications

- *Intuitive and user-friendly interface*

No matter how robust a PIM system is, if it is not easy to use, a user won't take advantage of all its benefits. PIM systems should require little effort to understand and use; its navigation should be intuitive. It should take a small amount of time to learn to eliminate user resistance.

Sample features: Search and find, bulk editing

- *Integration*

A PIM system will not replace all existing systems, so it must be flexible and integrate with any platform. A good PIM should be compatible with different connectors and integrate with most third-party applications such as e-commerce sites (e.g., Shopify) or a supplier's system.

Sample capabilities: Syndication and publication to front- and back-end systems such as ERP, CRM, etc.

- *Modular*

Most PIM software is offered in modules or with functional components. The pricing depends on the modules, capabilities, number of users or connectors a company needs. A solid PIM solution can stand alone, but elements such as a DAM can help augment its overall capability and deliver engaging and rich product content.

Sample modules: DAM, MDM, MXM

Choosing the right PIM

Before looking into a PIM software, companies must first establish if a PIM solution is right for you. Do you:

- *Manage volumes of complex product data*
- *Sell products on multiple channels*
- *Gather data from different suppliers and sources*
- *Use multiple systems and manual processes*
- *Change product offerings several times*

Managing product information will get even more complex as the business grows. With a robust PIM solution in place, companies will have a strong foundation for a future-ready company.

References

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