

# PIM Value Creation for Retailers

## Introduction

Retailers today are competing on Digital time and space. The digital transformation of retailing affects the consumer’s path to purchase from point of research to point of purchase. Online presence is now a necessity for every retail category or size of business. To compete effectively, companies have to forge strategies to provide seamless customer experience. Achieving Customer Experience excellence means orchestrating the content value chain from supplier to store to achieve Product Content excellence. Managing content Quality, adding attributes for comparison shopping and similar products of interest in a customer’s context is essential for offer personalization and requires mastering the Product Content at every stage and channel.

## PIM’s relevance in Retail Customer Experience

Providing superior customer experience involves several digital strategies. Product Information Management is central to any Retailer who is in the business of selling multi-brand products. Before one achieves mastery of on-line presence and Omni Channel, one has to master the Product Content. Every Product has to have clean data with proper attributes, categorized for sales enablement (up sell, cross sell), and linked with similar or products of interest. Customers should be able to search easily which means taxonomies should be defined to create context and marketing strategies should link to consumer preferences (e.g., “Boost or Bury” the order that products are listed on a site) for the appropriate channels to achieve seamless customer experience. One of the major challenges for the Retailer is to provide the ability to compare various products from different brands. To achieve this goal, Retailers must insist on quality data, enrich product attributes and content, and provide compelling images aligned to channels and device.



## Value Creation

Retailers create customer experiences which span brands and product categories. Creating a seamless customer experience through online and in-store or other channels is important. Accepting product information from multiple suppliers, brands, and partners is an important step in the long process of enrichment, categorization, contextualization before the customer can experience personalized experience. In the case of Retailers, for the value creation weights associated with categorization, Channel Consistency becomes much higher compared to Brand or Supplier.



7% of customers say they used their mobile device to conduct online research while in-store. Of those, 15% said they decided to visit another retailer based on information they saw on their mobile device while shopping in-store.

*“A consistent consumer experience across all multichannel retailer touch points is critical for retail success.”*

*- Forrester*



### Single View of Content

Converge product data to dynamically link supply & demand chains.



### Differentiated Experiences

Enrich product content to enable user & touchpoint personalization.



### Complexity Mastered

Tailor content specific to channels, segments and devices - embrace complexity!

## PIM Value Creation for Retail

The following charts illustrate how much of a bottom line impact quality of Product Content can have for a mid-size company dealing with over 10,000 products with variations.

### Estimated Impact

| Impact Category                     | Size           | Error Magnification without PIM | Error Magnification with PIM |
|-------------------------------------|----------------|---------------------------------|------------------------------|
| No. Changes per Year+ Event changes | 1,152,000      | 11,520                          | 8,640                        |
| Product Impact * No. Channels       | 9,216,000      | 92,160                          | 69,120                       |
| Channel Impact * No. Markets        | 368,640,000    | 372,326,400                     | 279,244,800                  |
| Global Impact * Dealers             | 18,432,000,000 | 184,320,000                     | 138,240,000                  |

### Input Values

| Impact Factors                             | Size   |
|--|--------|
| No. Product Variants (SKUs)                | 80,000 |
| No. of Product Changes / updates per month | 20%    |
| Promotions / Sales events                  | 8      |
| Promotions Sales Minor                     | 52     |
| Total number events                        | 60     |
| No. of Channels                            | 8      |
| No. of Markets                             | 40     |
| No. of Dealers/ Distributors               | 50     |
| Errors                                     | 1%     |
| Average Product Price                      | \$60   |

### Estimates With and Without PIM

| Value Creation                          | Without PIM | With PIM | Improvement |
|---|-------------|----------|-------------|
| Up Sell / Cross Sell                    | 60%         | 95%      | 35%         |
| Syndication (Time to Market)            | 65%         | 95%      | 30%         |
| Complexity (Multiple Languages/Markets) | 75%         | 90%      | 15%         |
| Market Segmentation                     | 70%         | 85%      | 15%         |
| Product Categorization                  | 65%         | 95%      | 30%         |
| Compliance                              | 80%         | 95%      | 15%         |
| Channel Consistency/ Omni Channel       | 65%         | 95%      | 30%         |
| Contextualization                       | 65%         | 95%      | 30%         |
| Average                                 |             |          | <b>25%</b>  |