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Scaling eCommerce

Why PIM is Essential

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By Fred de Gombert

akeneo

TABLE OF CONTENTS

Introduction

Product Information Management (PIM) provides the infrastructure your company needs to cost-effectively expand your products, reach more markets, and take advantage of new sales channels.

PIM is a gateway technology that:

- Increases marketer productivity up to 50%

- Expands to new markets through efficient localization

- Offers omnichannel marketing...without driving your staff crazy

- Increases sales conversion rates (up to 4X)

- Offers faster time-to-market (up to 3X)

- Decreases returns by as much as 40%

- Makes cool new ideas like retail chatbots actually work

PIM itself may not sound sexy, but it's a critical foundation for virtually every strategic initiative in eCommerce and product marketing today.
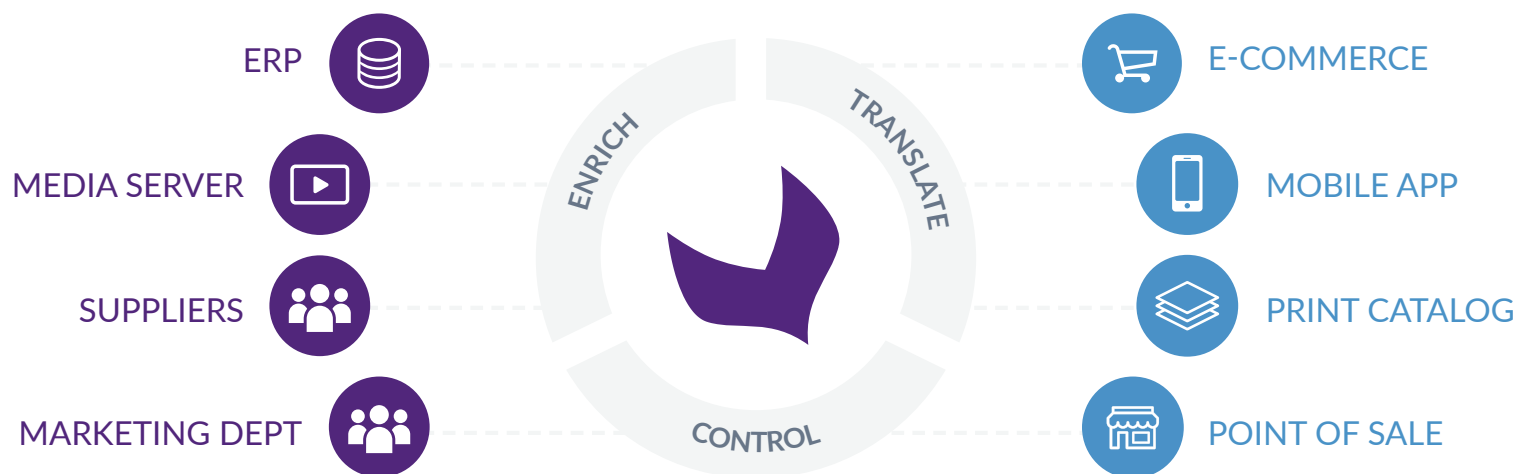
Don't Sweat eCommerce:
PIM's Got You Covered

Akeneo is one of the best PIM solutions on the market, but this eBook is not really about that. This book is about why your executive team should be talking about the strategic role that PIM, as a category, will play in your overall expansion strategy.

What is PIM?

PIM centralizes and harmonizes all the technical, usage, and emotional information for your product listings and catalogs. It improves workflows and scalability, acting as the central product information hub for both brands and retailers.

An Overview of PIM's Workflow:

- Product information automatically flows from a variety of internal and external sources into the PIM.

- That data is then enriched, classified, translated, and localized inside the PIM.

- The enhanced data can be exported in the appropriate format to connected web sites, eCommerce platforms, marketplace listings, print catalogs, points of sale, mobile applications, and more.

ERP

MEDIA SERVER

SUPPLIERS

MARKETING DEPT

ENRICH

TRANSLATE

CONTROL

E-COMMERCE

MOBILE APP

PRINT CATALOG

POINT OF SALE

"PIM is a valuable tool for fast digital transformation!"

Renaud Montin
Chief Marketing and Digital Officer at Eram

Scale Operations

We're not going to waste space talking about *why* you want to expand into new markets and sales channels. PIM is all about *how* you can expand.

PIM can ready your business for the global market by efficiently scaling your operations in an omnichannel world.

Global expansion is a complex undertaking. When scaling your operations globally across multiple channels, the number of complications and potential for mistakes increases exponentially.

With PIM, however, each new localization is merely an additive cost and each new channel is nearly cost-free except for fixed setup costs.

Unless you want to start increasing your marketing operations staff exponentially, you must find a way to increase efficiency. PIM is an instant efficiency booster, using automation, structured data, and highly streamlined workflows.

In other words, PIM needs to be at the heart of your expansion strategy.

We've been hearing this a lot at partner meetups, retailer conferences, from our customers, and even echoing down the hallways of our own offices. Why?

We all watched as CRM went from being a complex tool used by only the largest companies to a democratized technology that powers a million new businesses, small and large. We're now seeing the same expansion with PIM.

- **It's about momentum.** PIM is the hot tool in the eCommerce space. Reports estimate the overall PIM category will grow at compound annual growth rate of 25.3% to an astonishing $15.8 Billion dollars by 2021. Not bad for a product category that barely existed five years ago.

- **It's about transformation.** PIM is growing so energetically because it's the key enabler for a major retail and manufacturing mega–trend: global omni-channel operations that provide highly personalized and local experiences for every customer.

- **It's about robust platforms.** PIM serves a similar kind of foundational function for products as CRMs do for customers. PIM integrates with your ERP, supplier databases, eCommerce, mobile, printed, and point of sale systems.

- **It's about thriving ecosystems.** PIM is taking the same approach as Salesforce by building an **open source PIM ecosystem**. Akeneo PIM and our partners provide business systems support through catalog structure consulting, product enrichment workflow design, and developing the publishing process.

- **It's about ROI.** At the end of the day, both CRM and PIM systems provide incredible return on investment as they enable companies to transcend the limitations of their processes and rapidly scale their businesses.

Read more on why **PIM is the New CRM.**

Increase Productivity

Sure, your team *could* just dump 1,000 new SKUs into your catalog and hope that everything works out, but in the real world it's not that easy. Products need customized descriptions, media files, specifications, and other emotional product information that entice customers to buy.

This data then needs to be translated and localized for each region. In addition, the data needs to be optimized for each distribution outlet, such as your website, multi-vendor marketplaces, print, etc.

The process of product enrichment is manual, time-intensive, detail-oriented, and very, very necessary. PIM is the specialized software that automates as much of this process as possible, while optimizing the remaining manual processes.

PIM also provides all the connective plumbing that you need to automatically collect relevant product data from your internal ERP and products systems (as well as your supplier's data dumps) on one side and spread out correctly formatted product information for each of your distribution channels on the other.

General-purpose tools like spreadsheets and home-grown databases simply can't scale to keep up with global eCommerce demands. If your staff is still relying on these kinds of rudimentary tools to keep track of product information, any expansion is going to quickly run into massive quality and/or staffing problems.

Studies found that 94% of organizations use spreadsheets to support product information, while nearly 91% of companies with more than 11 employees use a CRM.

Simplify Translation and Localization

As you expand into new markets, you need high-quality translation and localization services so that your products feel customized to a specific market. Poorly localized product descriptions and multimedia can result in weak sales and increased returns.

Localization seems straightforward, but as we've all seen, the execution can get messy and complicated.
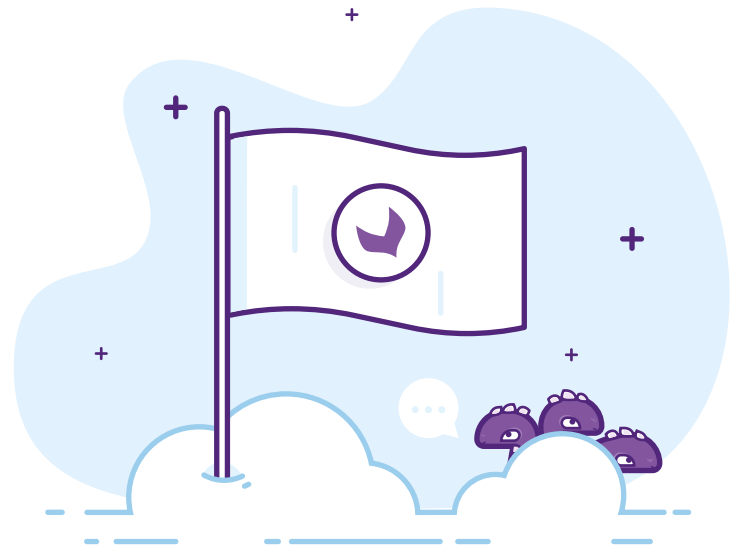
PIM sits at the center of your product catalog and acts as **the single source of truth for all your product information.** This allows product information to be efficiently translated and localized, and then released automatically to each location and platform once it's complete.

PIM enhances translation and localization through:

1. Integration of tools and contributors: New and updated products are automatically uploaded from ERPs and supplier systems and added to the localization queue. Akeneo integrates with popular translation agencies and tools like Translations.com and Textmaster to manage 3rd party translations within Akeneo.

2. Simplification of process: Your localization teams are only shown the specific fields that need to be changed for any given localization. These teams can be inside or outside your organization.

3. Global workflow: Teams can easily work together using workflows customized to each specific product category and region. Every team member can see their next task within the PIM itself—there's no need for additional task management overhead. The PIM also reports on the progress and quality of each task.

4. Automation of export: As soon as localization changes are made and approved, the final localized product information automatically populates the appropriate eCommerce platforms, marketplace listings, print catalogs, and other channels and storefronts.

The results are much faster times-to-market, enhanced quality of product assortments, and significantly less cost.

Take Omnichannel from Buzzword to Reality

One of PIM's best features is that it allows your team to only touch what needs to change between channels. Everything else is automatically carried over to the new channel and ready for export.

With the press of a button, your catalog can be updated for any given channel while ensuring the rest of your information remains the same. Each channel then receives the right information in the format they require.

You can even automatically generate print catalogs directly from the information in your PIM.

As you move quickly between channels, PIM ensures that your enticing product descriptions and carefully compiled product specs stay intact.

Updates for multiple channels can be done in hours instead of days.

Make Print Catalogs Profitable Again

Print is dead. Except that it isn't.
It's just expensive and slow.

In fact, print is still a major driver of both online and offline sales.

While websites excel at focused searches, print catalogs lend themselves to browsing and discovery. Print catalogs continue to be an important element of any omnichannel strategy.

Lands' End presented a pop-up survey to customers placing orders on their website asking if they had first looked at a print catalog and 75% of them said, "Yes"!

Print catalogs are cheaper and faster with PIM. PIM allows for fully or partially automated print catalog creation:

- Print files are automatically updated with the latest product information right before they go to the printers. No more cutting and pasting. No more mistaken prices or specs.

- PIM provides flexible tools that allow for as much (or as little) design customization as needed using standard page layout programs. This makes specialty and seasonal catalogs much faster and cheaper to produce.

- For large brands with hundreds of thousands (or even millions) of SKUs, automation can mean the difference between creating a comprehensive product catalog every year—and not being able to get one to the printers at all before it's hopelessly out of date.

- PIM radically facilitates the creation of speciality catalogs that can greatly increase sales. These smaller, highly curated, catalogs are targeted at particular customer segments or sent at holidays or other times of peak demand.

Increase Sales Conversion Rates

Higher conversions mean more revenue. Our users regularly tell us they see 20-50% more conversions thanks to the more detailed and accurate product information facilitated by Akeneo PIM.

We know that's an extraordinary claim, but it's backed by customer experiences. How does it happen? PIM increases efficiency, and the extra time is re-invested in improving product descriptions.

Better product descriptions and images convert at higher rates than lower quality ones—which, when you think about, is hardly surprising.

The table below illustrates the **potential impact of a 20% conversion rate improvement on eCommerce revenue.**

	No PIM	With PIM	Revenue Gain
Visitors per/year	6,451,613	6,451,613	
Conversion rate	**3.10%**	**3.72%**	
Estimated transactions / year	200,000	240,000	
Average sale	$100	$100	
Total revenue	**$20,000,000**	**$24,000,000**	**$4,000,000**
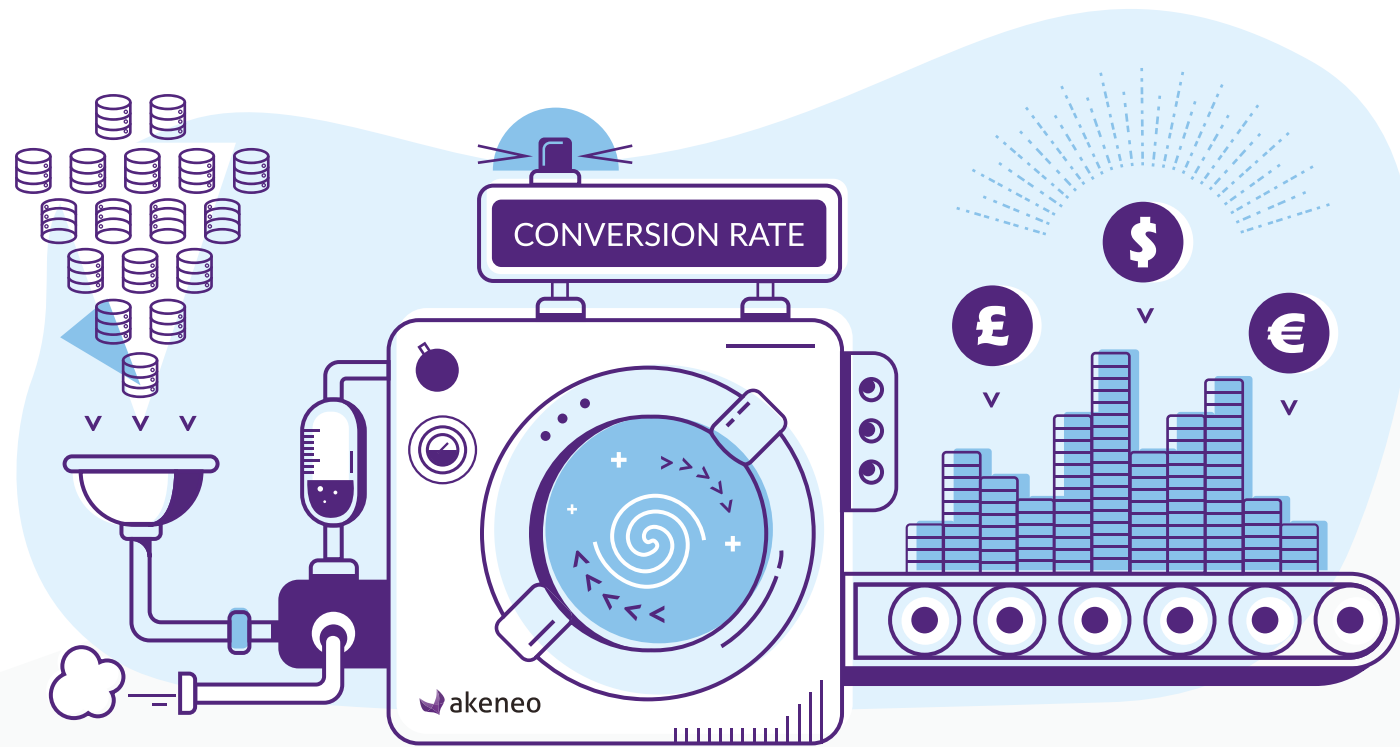
Decrease Returns

Industry research estimates that about **25% of eCommerce sales are returned.** PIM helps reduce returns by giving your customers detailed technical and usage information from the very beginning of the shopping experience. If your customers can get up-to-date, accurate and detailed technical and usage information before they order, they're less likely to order something they don't actually want, and therefore less likely to return it.

Our customers tell us they see varying drops in returns, but complex categories like fashion, apparel, and consumer electronics often **see a drop in return rates of 20% or more after the adoption of PIM.**

For a company with $20 million in revenue from 200,000 transactions per year, a 20% decrease in returns a could mean a net gain of $4,000,000.

Decrease Time-to-Market

PIM's efficiency and workflow gains have a remarkable impact on time-to-market. Our customers tell us that PIM helps them to introduce new products to their home and expansion markets up to twice as fast as before.

Getting to market faster means more time to sell while the product is hot, and more time before competitors have a chance to dominate search results. This, of course, means more revenue.

Power What's Next

As retail technology increases exponentially, it trends toward more automation and more customization. PIM can help your organization keep up, and even get ahead, of these trends.

How? It's the power of centralized and structured data. Just as CRM automates and customizes sales and support processes, PIMs give your organization powerful tools and algorithms to help your customers find exactly what they're looking for, wherever and however they're looking for it.

Think about voice-powered shopping, automated chat-bots, augmented reality or 3D virtual shopping experiences. All are user interfaces that require serious product information plumbing in order to work. PIM provides that plumbing, giving these interfaces an organized, structured path down your product catalog to help your customers find the right product or solution for them.

Read more about **The Critical Infrastructure Needed to Power Retail Chatbots**

Chatbots Example

To see what we mean, think about this example:

Nick, a 36-year old hipster living in Los Angeles, sees a picture of his twin brother wearing an awesome new shirt in his Facebook feed. Nick's brother lives in Paris, and Nick wants to post a photo of himself wearing the same shirt in LA so he can make his mom back in New York laugh at her long-distance twins... So he engages your chatbot via Messenger on his phone to buy a shirt.
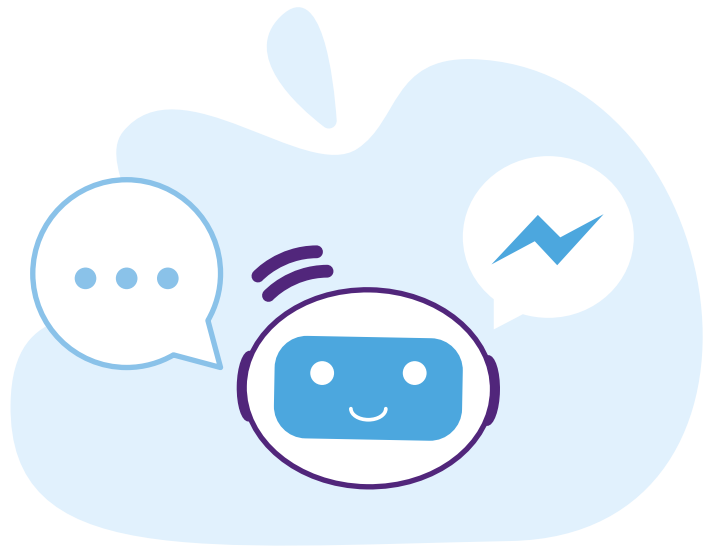
The AI needs to walk Nick through the process of describing the style of the shirt, the color, the size, the price, and the availability from various fulfillment centers. This requires:

- Clear product categorization so that the AI can walk Nick precisely down the path of describing what kind of shirt he is looking for.

- Highly organized product matrices that avoid duplicative product descriptions like "Long-sleeved sailor shirt" and "Long-Sleeve sailor shirt" or "Blue" and "Indigo" that the AI will be unable to realize are actually the same product.

- Accurate and complete localization so that a US Size 10 is recognizable as a EU Size 8... and prices that are given in the right currency.

- Short and conversational descriptions tailored to an AI experience.

- The agility to onboard new products in the AI channel quickly... and scalable mechanisms to keep existing descriptions up to date.

The reality is that with AI, service will no longer be managed by a person, but by a machine. Machines perform best when given highly structured, detailed, and *accurate* data. And *this* is the domain of Product Information Management.

PIM is *the* underlying technology enabling everything that's next in eCommerce.

Take The Next Step

Take a tour of the Akeneo PIM to get a better sense of some of the possibilities of automation for your organization.

Or, better yet, if you're ready to speak to a local PIM integration expert about your specific needs, let's set up a free consultation.
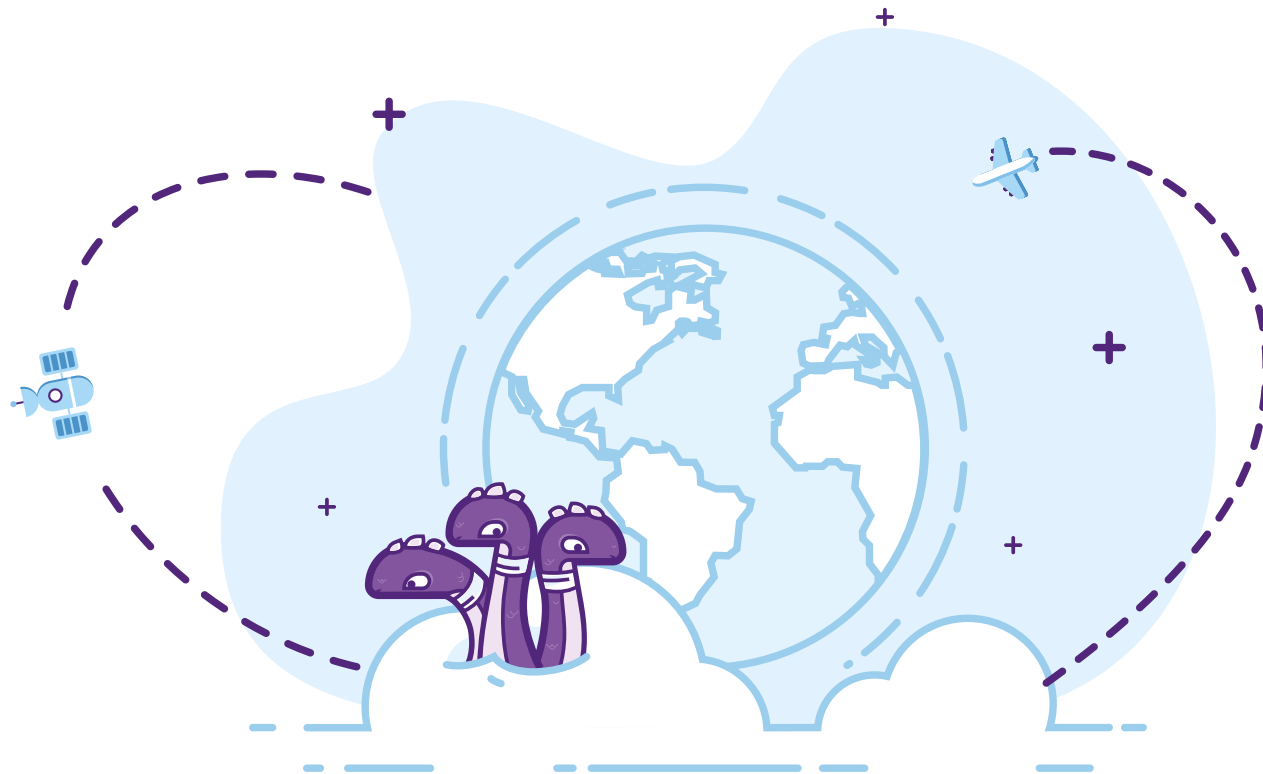
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About Akeneo

Akeneo is a global leader in Product Information Management (PIM) solutions that enable retailers and corporate brands to deliver a consistent and enriched customer experience across all sales channels, including eCommerce, mobile, print, and retail points of sale. Akeneo's open source enterprise PIM dramatically improves product data quality and accuracy while simplifying and accelerating product catalog management.

Leading global brands including Sephora, Shop.com, Auchan, Jabra, Sunbelt Rentals, and Fossil trust Akeneo's solutions to scale and customize their omnichannel initiatives. Using Akeneo, brands and retailers can improve customer experience, increase sales, reduce time to market, and boost marketer productivity. Akeneo is based in the United States, France, Germany, United Kingdom, Spain, and Israel. For more information, please visit https://www.akeneo.com or contact hello@akeneo.com

About Fred de Gombert

Fred is the CEO and co-founder of Akeneo.

He is a proven expert in eBusiness and open source having helped some of the largest retailers in the world including The North Face, Nestlé, Decathlon, and Chantelle, build their eCommerce strategy. Prior to founding Akeneo, Fred was the eCommerce director at Smile, the largest open source system integrator in Europe.

When not leading the world's most open and generally awesome PIM, Fred can be found exercising his passion for improv theater. And he loves David Bowie. Don't say anything bad about David.