

# Retailers & Distributors: how data collaboration accelerates your omnichannel success



#### INTRODUCTION

Managing product data can be challenging for both retailers or distributors, and suppliers. Retailers need to ensure that the data they collect is consistent, accurate, and up-to-date. They also need to ensure that the data is presented in a way that is easy for consumers to understand and navigate.

Suppliers, on the other hand, need to deal with different requirements and provide their product data in the right format. This can be time-consuming and costly, especially for small suppliers who may not have the resources to invest in data management systems.

In a fiercely competitive operating environment, retailers & distributors face the challenge of building the best possible product experiences for their customers to achieve omnichannel success.

This ebook is for retailers & distributors who want to improve data collaboration with their suppliers, to build better product experiences for their customers.

#### IN THIS EBOOK YOU WILL LEARN

Why good quality data is foundational when building great product experiences for your customers

How product data collaboration with your suppliers is a critical factor to ensure you are onboarding high quality product data

The best platforms and services you should invest in to enable improved data collaboration

#### **SECTION 1**

Product
experiences are
the foundation
of omnichannel
success for
retailers &
distributors



In 2023, digital commerce is more important than ever. Customers are demanding an ever increasing breadth of product information from retailers and distributors, to support their purchasing journeys. Customer experiences, across both b2b and b2c. should be enriched and served with high quality product information. Regulatory, compliance and sustainability needs are driving greater emphasis on data transparency across the supply chain.

A retailer or distributor product experience refers to any touchpoint across a b2c or b2b buying journey: research, discovery, purchase or aftersales - which requires product data to make it successful.

Product experience touches every aspect of a retailer operation to enable a seamless omnichannel service to customers:

E-commerce: eCommerce platforms and experiences require more than just basic product information found in traditional stores or warehouses - such as composition, allergy, nutritional, material or provenance information. Engaging content like product tutorials, specification sheets, images or rich media are also now essential.

**Stores**: data about exact dimensions, down to the millimetre, as well as high-quality visuals are required to create planograms using automated tools.

	Touchpoints	Personas
Product Discovery	Store visit, Search, Industry Blogs, Social Media, Product catalog/brochure	Product Designer, Maintenance Engineer, Category Manager
Product Purchase	Retail store, Online Store, Marketplace (e.g. Amazon Business), Email, EDI, Telephone	Corporate Buyer, Retail store manager
Aftersales	Customer care (telephone), Email, Buyer portal	Buyer, Logistics Manager, Finance Manager

Logistics: Logistics requirements have evolved in recent times. Before pallet and dimension information were necessary to ensure products were delivered to warehouses. However today a diverse range of information is required, including product weights for self checkouts, product dimensions for efficient online order preparations, orginasation of transform between suppliers & warehouses, and parcel integrity specifications to facilitate robotic warehouse handling.

Quality and CSR: have become strategic focuses of retailers and distributors, as the standards are getting more stringent across all verticals. It is imperative for businesses to acquire compliance information, product charters, data on materials, packaging recyclability and regulatory information.

New tools, processes & cultures are required to manage these large volumes of product data in a consistent, accurate and up-to-date way.



## Case Study: Builders Merchant

One of the UK's largest distributors of construction and home improvement products, with over 600 branches and a vast range of more than 250,000 products.

#### **CHALLENGE**



The business was facing significant challenges with onboarding poor quality supplier data, including a lack of validation on key product attributes, multiple versions of the same data value due to user spelling errors, and multiple versions of the same data value entered in different Unit of Measures (UoM).

#### **SOLUTION**



Implemented a solution that replaced free text data attributes with standard List of Values (LOV) and enforced standard UoM on numerical data attributes to ensure all values were entered in a standard format.

#### **BENEFIT**



This solution not only enhanced the accuracy of the data but also improved customer experience online by making it easier for them to search and filter for products. The implementation of data validation rules also helped the business to identify and correct poor data quality at the time of onboarding, saving them time and resources that would have been spent later in the process.



Among the results of this increasing reliance on high-quality product information is the role retailers or distributors now play a as a collector of product data. This emphasises the need for greater collaboration between supplier and retailer, or supplier and distributor. Largely through minimising friction in the processes, as well as implementing greater automation in the data collection & onboarding processes.

As they take on the role of collector of product data, retailers or distributors typically collect a range of information about products, including product descriptions, pricing, images, specifications, dimensions, weights, and availability. They may also collect data on product reviews, ratings, and customer feedback.

However, dealing with this burgeoning volume of data can present several challenges for retailers and distributors.

One common challenge is the need for greater coordination between different teams involved in the data collection process. This can include teams responsible for data entry, data management, and data analysis, among others.

Another challenge is ensuring that data is consistent across different channels, such as online marketplaces, social media platforms, and physical stores. This can require significant effort and resources to ensure that product information is accurate and up-to-date across all channels.

Data needs can overlap between different teams, which can lead to duplicated demands on suppliers. For example, one team may need product images for an online marketplace, while another team may require the same images for a print catalog.

Overall, retailers and distributors face significant challenges in dealing with the growing volume of product data. By implementing greater automation and collaboration between suppliers and retailers, these challenges can be overcome, leading to more efficient and effective data collection and management.

A complete product page allows for a 24% increase in sales

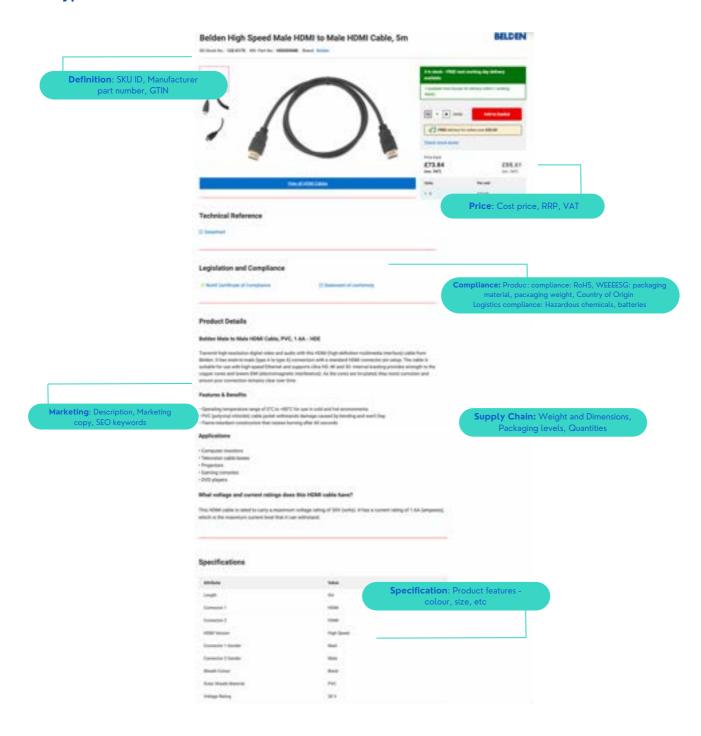
24%

What are the challenges for a retailer or distributor when dealing with an increasing volume of data?

- The number of interactions required between manufacturers and retailers or distributors is growing fast and needs greater coordination
- Keeping data consistent across channels is becoming increasingly harder
- Data needs can overlap between teams, meaning there are duplicated demands made on suppliers

- Many different teams need to be involved in this data collection process
- Most data used on product pages is not collected during the listing process
- Larger volumes of product data are collected after products are listed
- A continuous process of correcting data also takes place after listing

#### What types of data are collected?



#### **SECTION 3**

# How to reduce friction and collaborate through organisational change & new technology

#### 1. **Processes**: From linear to parallel processes

Because more and more data is being requested and shared between supplier and retailer or distributor, listing a product has become an increasingly complex and time consuming process. In the past these processes ran in a linear fashion - that is, they happened sequentially and affected each business team:

- Supply teams need additional data to optimise their warehouse operations
- Category managers have to adapt to an increasing number of detailed requirement, requiring new data to be exchanged, all inside a growing regulatory context
- Ecommerce teams are meeting the need for new elements like visuals, descriptions, spec sheets, 3D models, keywords, synonyms.
- CSR and quality teams require data to address consumer & customer expectations

To facilitate the collection of greater volumes of data covering diverse needs, businesses need to consider processes as running in parallel, rather than sequentially.

Retailers need to find a way to adapt the data collection process to both overcome this challenge and maintain a continuous dialogue on data throughout their entire relationship with suppliers.

The nature of the evolving omnichannel retailer-supplier relationship demands that data collection occurs continuously.

Why? Because these relationships are ongoing, and extend well beyond the product listing process. Data is the fuel that powers these connections. The triumph of a product in the market hinges on this data, which highlights the critical importance of maintaining a continuous flow of data throughout the entire duration of the supplier-retailer relationship.



#### The role of the supplier data onboarding team

Data Onboarding Suppliers **Data Consumers** Team Sourcing Data Marketing **RANGING** Team **DATA** Listing Data Category **Quality Data Teams BUYING** Regulatory Data **DATA Supply Chain** Team Logistical Data **CSR Team** Social Responsibility **SELLING** Data DATA **eCommerce** Merchandising Data Team

#### 2. **People**: A collaborative culture between suppliers & retailers/distributors

Product data management is a complex process that involves different teams on both the retailer or distributor and supplier side. One of the main challenges of product data management is controlling the quality of the data, which involves a large part of the teams responsible for collecting it.

However, these siloed organizations often lead to fragmented exchanges between retailers and suppliers, or within the different retailer teams. These exchanges are often manual, time-consuming and error-prone, and the use of a multitude of tools duplicates effort and makes control processes inefficient.

For example, there may be different control and verification tools in place, with controls performed in different places at different times. This can include PIM, emails, Excel files, own systems, dedicated media tools, etc.

The use of such archaic tools requires regular updates to support the increasing data volume and sometimes maintenance operations. These factors have a significant negative impact on team productivity, and can even affect team motivation.

According to report by Salsify and Accenture, there is a 56% annual increase in the volume of data produced. This means that every two years, the volume of data doubles. This constant growth in the data volume means that more time and control tasks are needed, which can be an additional burden for the teams.

Retailers and distributors need to adapt their product listing teams and roles to accommodate all these data collection requirements. They can then act as a single point of contact for suppliers, moving towards a service hub model rather than operating in silos (as many do at present). Additionally, the organisation needs to be educated on the value of operating collaboratively, to enable speed and efficiency in the product listing and maintenance process.

70% of retailers and 58% of suppliers report that responsiveness to consumer and market trends is the key criteria for successful collaboration.

Challenges in collaboration between retailers and suppliers primarily arise due to poor communication and mistrust. A recent survey saw 63% of all retailers and 52% of suppliers cite lack of trust and communication as "challenging" or "very challenging" when collaborating.



## 3. **Technology**: to accelerate data onboarding & collaboration - a new reference architecture for retailers & distributors

Traditional PIM and MDM architecture models fail to address the new norm of high volume data onboarding & parallel processes. Historically legacy PIMs and MDMs deal with data collection through 'vendor portals' which in essence are views into a static data model. The reality is suppliers have varying capabilities to provision, map, transform and normalise data into these models, with retailer & distributor teams, or third parties, often provisioning the necessary resource on the suppliers behalf.

Retailers and distributors should provide the necessary tooling to allow self service, or low cost maintenance of these activities.

We are witnessing a new breed of supplier data onboarding platforms and capabilities that deal with the collection, processing & collaboration around these activities. When retailers & distributors are considering their architecture targets they must include this capability. In addition, when they are talking to PIM & MDM vendors, a vendor portal is no longer enough to service a growth strategy.

#### A new architecture for Product Information Management

### Supplier Onboarding Platforms

#### **Users**

Used by supplier onboarding teams, product listing teams

#### **Functions**

Task automation, data quality reporting, onboarding automation, data normalisation, onboarding portal

#### **Data Model**

Supplier facing

### Product Information Management Platforms (PIM)

#### **Users**

Merchandising, pricing, logistics, business intelligence

#### **Functions**

Mastery, data governance, data modelling, data enrichment, syndication

#### **Data Model**

Internal & customer facing



## Case Study: The Electrocomponents Distributor

The UK's leading provider of industrial and electronic solutions with 2500 partner suppliers, 1.5 million products, sold across 80 countries.

#### **CHALLENGE**



The traditional, PIM Vendor portal failed to address the modern needs of supplier data onboarding.

#### **Data quality**

The data management team had to ask the supplier to resend data when validation failed. Suppliers get frustrated when repeatedly having to send the same data.

#### **Multiple touchpoints**

Suppliers get frustrated due to different teams inside the distributor asking for the same data - e.g. pricing and data management both asking for cost price details. Additionally each team asks them to use a different template.

#### **Supplier Hierarchies**

For large suppliers with multiple sub-divisions / businesses, it was often difficult to determine how to set them up from the supplier hierarchy perspective to ensure duplicate products are not introduced from the same supplier organisation

#### **SOLUTION**



Implemented a supplier data onboarding solution coupled with a modern MDM solution. This solution allows fast onboarding and maintenance of product data and preparation of high quality data to feed the product experience for customers.

#### **BENEFIT**





Reduced the time it took to launch a new product from 155 to 7 days, getting products to market faster across channels.



Monthly product introductions increased from 3500 to 13000, scaling up product catalogs.



Reduce the downstream costs of bad data, increasing the data fill rate across the total product range from 50% to 90%.

# Accelerate your omnichannel success today

Turn your data management challenges into a competitive advantage

Learn more about the services Start with Data provide or get in touch

**Services** 

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