**BRANDS &
MANUFACTURERS**
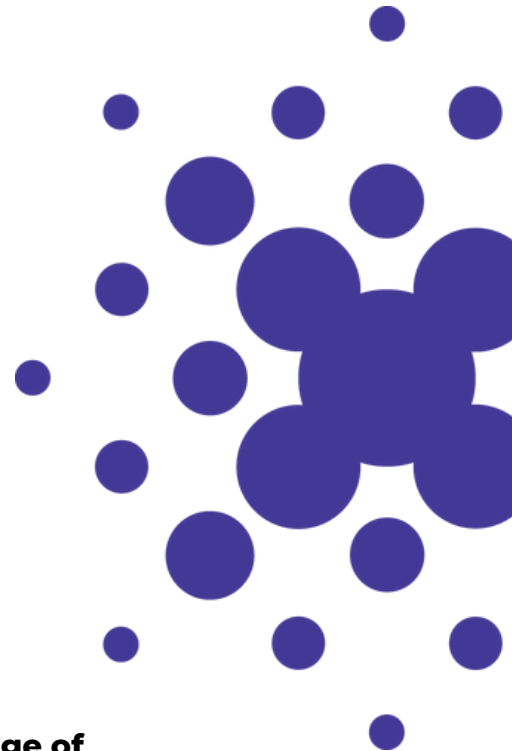
# WHY PIM IS ESSENTIAL FOR BRANDS & MANUFACTURERS

**Start with Data**

2023

**Brands & Manufacturers**
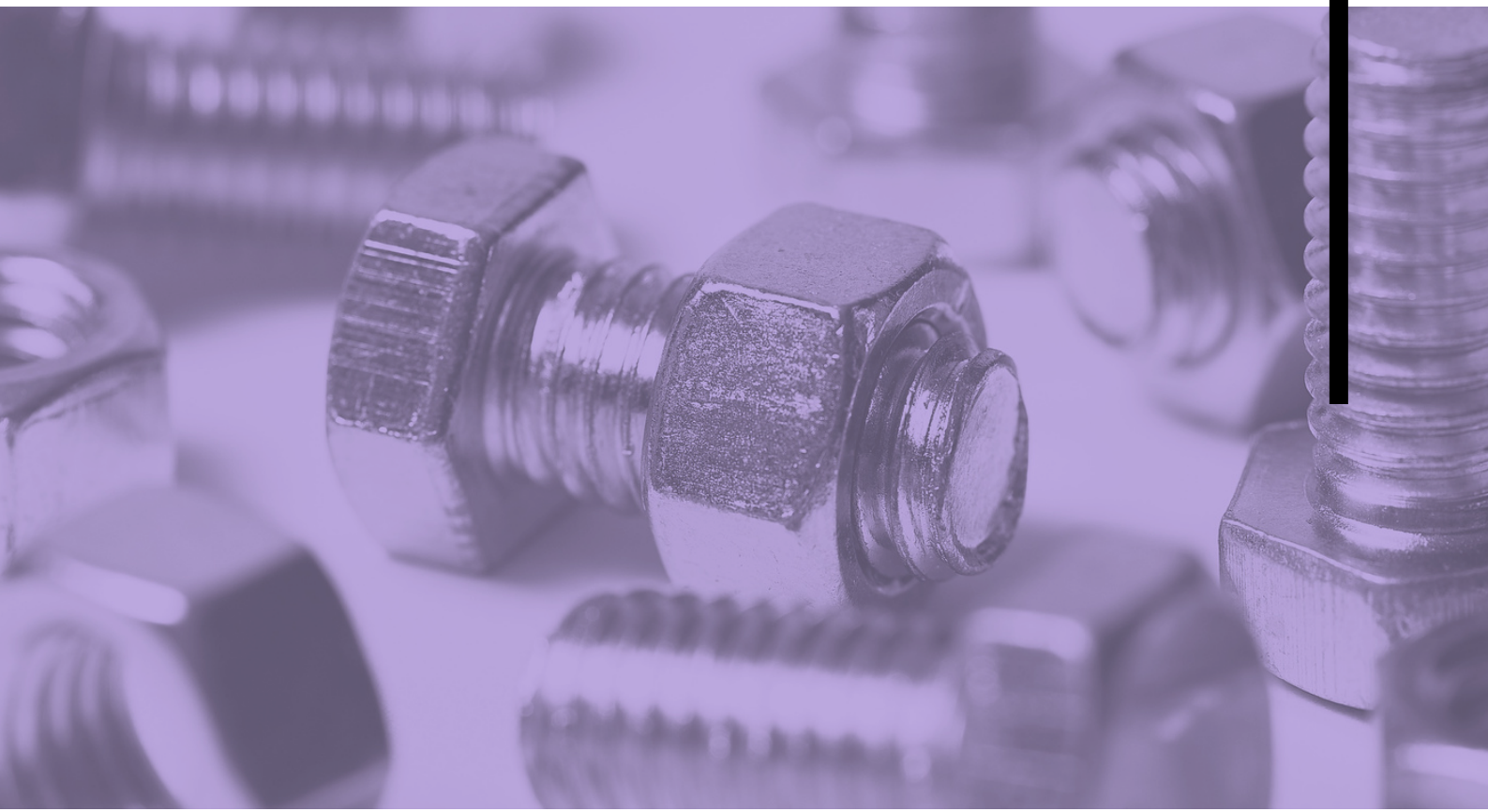
# INTRODUCTION

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## PIM in today's world

**The key trends in manufacturing industries across a range of industry verticals indicate that high quality product data, digitised data management and automation of repeatable processes are key to any manufacturer adapting their strategy to a new reality.**

You've got a product and you want to sell it. Maybe you're selling direct to consumers, on eCommerce sites, and through marketplaces. Or maybe you're selling via retailers and distributors. Whatever your strategy, different sales channels have different requirements. Product Information Management (PIM) helps ensure the right information is presented in the right way in every channel.

How well is your organisation managing the vast amounts of product-related data it ingests, processes, enriches and pushes out to sales channels? Manufacturers deal with high volumes of raw data, which is not useful to the average B2B customer, Therefore, the data needs to undergo various stages of transformation before it is suitable to be an entry in a sales catalog.

As manufacturing becomes more and more digitised, the more data is generated and the more management that data requires. Most manufacturers are addressing that fact in some form or another, but where they frequently fail is in effective Product Information Management (PIM).

We will outline what trends manufacturers are experiencing in relation to product data management, how manufacturers can benefit from investing in PIM and how to get started on your PIM journey.

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# TODAY'S CHALLENGES

**INCONSISTENT DATA ACROSS CHANNELS AND TRADING PARTNERS**

**OPERATIONAL EFFICIENCY**

**MARKET & CHANNEL EXPANSION**

**COMPLIANCE**

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# INCONSISTENT DATA ACROSS CHANNELS AND TRADING PARTNERS

## Bad product data affects a manufacturer's credibility as a seller, especially for a B2B purchaser with highly specific requirements.

Get on google and search for some of your products. How many times can you find them? Check the product information and ask yourself whether these websites are providing all the information you want to give potential customers about your products. Is it presented in the way you want? Just as a rumour bears little relation to the original when passed along the grapevine from person to person, your product information may not make it through intact after being manipulated by various people. In fact, it doesn't take much searching to find that many sites provide minimal product information and hardly any detail.

The essence of your products and your brand are in danger of being lost in transit by this electronic form of 'pass the parcel.'

### Complex Technical Processes

Like a need in a haystack. Manufacturers are developing more and more different products with multiple variations, so from a data management perspective, it is fundamental that product data sheets are accurate and up to date. Wrong measurements, materials specs or information for regulatory conformity may result in serious problems. For example, with precision engineering such as valve production, accuracy is of the essence. Multiple components and configurations must be accounted for, making product management a potentially complex process. When various users update product information manually (laboriously inputting from spreadsheet to spreadsheet), it is not only risky but also highly inefficient: time-consuming, prone to human error and certainly an unnecessary cost source.

Many manufacturers still store product data in user-unfriendly databases with outdated functionalities. Marketing content may be stored in the CMS system, pricing, and more in the ERP. So, despite the availability of technology solutions on the market, manufacturers are still making it difficult for themselves to import. maintain, and syndicate product data. The knock-on effects? Lack of agility, lack of consistency, poor customer service and increased operational costs.

## Complex Products

### Customised Products
Keeping up with the evolving industry standards and the move towards customisation may mean offering more products or product variants. Product data requires absolute accuracy, not only for customer-facing information, but internally, for product designers, production teams and operations. Customised Products for certain channels and markets, present challenges for data governance and enrichment. Having a single source of absolutely correct data makes scaling product ranges and types much easier and ensures

### Components are products too
What makes up a Product? Let's take a PRO Battery Connector and Screw as an example.

- The Core Item's attributes, plus any accessories
- Packaging
- Accompanying documentation. In this case, an RoHS certificate of compliance (from an EU directive), a datasheet with the specifications and a diagram on how to assemble, and a conformity document (in this case, conformity with standards laid out by the Electrostatic Discharge Association)

It is critical that this information is complete, correct, and relevant. Even the smallest of components should be approached in a 'product' frame of mind. Often components aren't managed and enriched as individual products with compatibility with a variety of other products. Failure to do so can cost in terms of health and safety, or suitability and compatibility of the component.

Additionally, bad data certainly affects a manufacturer's credibility as a seller, especially for a B2B purchaser with highly specific requirements.

## Spreadsheets are still used for almost half of processes in the UK.

And on average, pen and paper is still used for more than a third of manufacturing processes.

# 48%

Source: 2022 IT & OT Convergence Research Report, The Manufacturer

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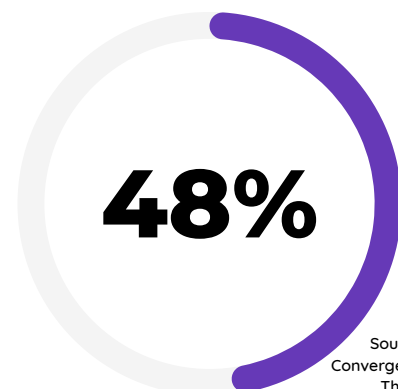
# OPERATIONAL EFFICIENCY

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## Of all the big issues senior managers in UK manufacturing are facing, the biggest is time.

A survey from The Manufacturer in 2020 asked senior management teams what the biggest issues they were facing in UK manufacturing. The biggest by far is time. A lot of very large and sophisticated UK manufacturing organisations run on a very lean basis and so there are huge time constraints.

Historically, product-oriented businesses have stored and managed product data using spreadsheets to extract and enter information piecemeal and manually. This has made it practically impossible for all business user-stakeholders to get access to and manage data efficiently, thus reducing their effectiveness as departmental teams; again, we see the same problems arise regarding competitiveness and credibility for the customer;

- Time to market is not fast enough to beat competitors to the digital shelf. Speed is of the essence nowadays.

- Manual processing - onboarding and normalising product data from suppliers, to enriching those data to become channel-ready product information. For the majority of manufacturers, inaccurate, inconsistent, outdated, or incomplete product data causes the potential customer simply not to trust the brand. A sale lost to that problem can easily mean a customer lost for a lifetime.

There is a generalised trend away from manual processes in product data management, but it is a slow trend. Time and again, we hear and see how legacy technology is an enormous obstacle to progress. Slow progress means looking for the easy, quick wins, but the problem with that is information ends up in a kind of 'silo purgatory,' where businesses are constantly finding it hard to roll out new tech across the wider organisation.

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# MARKET & CHANNEL EXPANSION

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# eCommerce and digitisation have generated all sorts of opportunities for extending market reach and increasing the number of sales channels used.

What are the needs for manufacturers and their product data?

- fast time to market for new products and product updates - these have to be published simultaneously to (potentially unlimited) channels and marketplaces
- bigger product assortments to scale require automation of processes (to optimise time and resource use)
- diverse channel formats and requirements – channels constantly change and adjust their data compliance demands
- capacity to unify diverse the data domains which channels require, such as product listings, prices, and inventory formats

## Business challenges in syndicating product information to channels

The fundamental problem here lies with how product data is managed by the majority of manufacturers. They are still having to work from Excel spreadsheets to manually execute whatever processes are needed to export product catalogs which align with a given channel or marketplace's rules. Individual departments like eCommerce, product or marketing have to use a lot of time preparing, monitoring, and adjusting product catalogs. Apart from the hours involved, it is not efficient use of the employees' time to be tied up as glorified data inputters. Moreover, when so much time is taken up juggling differing priorities for different channels, there is not much time to plan or act on growing or scaling the business.

# B2B channels

One of the greatest value adds in digital commerce is the customer experience. Whether B2B or B2C, the purchaser holds much greater power than previously - they are:

- susceptible to targeted SEO when searching for a product
- capable of comparing offers, prices and information when finding, researching, deciding, and purchasing
- demanding with their assumptions of a seamless purchasing process
- ·demanding rapid fulfilment of orders
- expecting personalised offers, recommendations, product bundling
- adopting an omnichannel and non-linear route to purchase via several channels and touchpoints

This is not new in itself, but while previously, it was applicable to B2C customers in, say, retail, these behaviours and assumptions are transferring to B2B purchasers.

Another information-specific phenomenon is that when customers (re)search for information about a product, they may well visit the manufacturer's site first. Quite rightly, they see it as 'the oracle of the truth' for product data. What manufacturers need is 'deep' customer engagement – this is what makes them return repeatedly, which is why for manufacturers and brands using D2C, serving up a flawless experience like that of a retailer has to be a fundamental strategic aim.

Retail has led the way in omnichannel selling, but manufacturers and distributors are coming round to adopting omnichannel customer experiences. However, 'cross-channel behaviour' is still occurring because of inefficient experiences on buyers' channel of choice. In other words, buyers switch channels, but not because they want to - the friction in their existing buyer journey forces them to. So, traditional B2B 'personal' channels shouldn't be written off just yet.

If you don't control your product data, the danger of providing inconsistent data across sales channels grows. If we look at a B2B customer experience, it is driven not only by eCommerce but very significantly by field sales. These reps in the field need to be able to access timely, correct, and trustworthy product data to close the sale. Based solely on a lack of information available online (largely regarding product information) the large majority of buyers are still needing to source offline help from a sales representative at some point in their purchase journey.

eCommerce and omnichannel are clearly the future, but the continuing reliance on traditional channels by most manufacturers is down to poor product information management.

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# COMPLIANCE

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# A sustainable compliance program enhances a manufacturer's risk profile by adopting effective and efficient compliance functions focusing on minimising risk and eliminating inefficient activities.

## Safety, regulatory & sustainability

Corporate Social Responsibility ties into a business's reporting standards for environmental, social, and governance (ESG) practices. This is a baseline requirement for manufacturers, given not only heightened awareness of suspect business practices in general, but the need to conform with safeguarding information, safety, regulatory compliance, ethical considerations, and comprehensive data management standards (governance).

Whatever a manufacturer sells to whoever will be impacted as companies will increasingly be obliged to set targets for carbon neutrality, use of sustainable materials, ethical supply chain practices.

D2C or B2B, manufacturers and brands need high volumes of information to offset the demands of ESG. That information is available but must be managed so that it covers all necessary bases in the supply chain and is unimpeachably high in quality. Terms like carbon emissions, carbon credits, plastic neutrality, and supply chain traceability are no longer vaguely aspirational – they are increasingly baked into the considerations of purchasers. You need look no further than several instances in the mass media (and not just business news) where failure to conform with accepted standards has had serious consequences for manufacturers' reputations and bottom lines

# eCommerce Laws & Data Regulations

Whether selling locally or across borders, manufacturers face a variety of laws and regulations issued by governments and regulatory authorities. Third-party sales platforms also have their own requirements. This may mean providing sellers with documentation regarding:

- Intellectual property laws (copyrighted content, patents, trademark information
- Other assorted documentation concerned with traceability, sourcing, materials, health and safety, medical allergies, hazard warnings and so on.
- Shipping restrictions
- Payments (PCI-DSS compliance)
- Data privacy

Without adequate product information management, these documents become Incorrect, inconsistent, and incomplete, falling foul of eCommerce-specific regulations such as;
- **EPREL** (products that come with an energy label sold into EU)
- **GDSN** (particularly useful for information about complex products
- **Pi-standard** (similar to GDSN, targeted at all EU manufacturers of electronic home appliances)
- **ETIM** (a standard created for global industrial manufacturing companies to exchange product data effectively with retailers)

## Classification of standards

eCommerce has meant the breaking of barriers to international sourcing and sales, which results in the need for precaution when handling product data across a supply chain with multiple borders. Every minor and major part of a given product must comply with a country's laws and regulatory framework. On the whole, companies which operate internationally (thus sourcing materials and parts from several countries) work under multiple policy frameworks which go down to department level. In such cases, supply chain management has to manage product data in industry formats and standard classifications which are universally recognised.

Even the smallest glitch in these data sets can drastically misalign product data, leading to delays and returns, with the consequent logistics cost. The most common of these internationally recognised formats are; **ETIM**: a supplier-agnostic system for collecting data, **BMEcat** - a standard for electronic data transfer by electronic catalogs, **IceCat** (or Open Icecat) - a global open catalog containing product datasheets, **GS1**: non-profit organisation maintaining worldwide standards for business communication - best-known for the electronically scanned barcode.

**ergonomic solutions**

# CUSTOMER SUCCESS STORY

**How Start with Data helped Ergonomic Solutions reach more channels & customers through PIM**

Start with Data supported Ergonomic Solutions, a manufacturer of technology mounting solutions for retailers. Ergonomic Solutions have a wide product range, including SpacePole and a wide selection of plates for various card readers. They were launching a new website, meaning that they needed to get their products organised into a taxonomy and be clear on what product data will be provided.

## THE CHALLENGE

Ergonomic Solutions were seeking to launch a website to best showcase their range of standard products. The challenge was the requirement to store diverse attributes for compatibility, as well as creating a fit-for-purpose product taxonomy.

## THE SOLUTION

After carrying out a discovery engagement to identify high level processes, architecture and requirements, Ergonomic Solutions selected a PIM solution. They then further engaged Start with Data to:

- design a data model to include both parts and products
- design detailed processes for data enrichment
- design an inheritance model to inherit data from higher level taxonomy groups

## THE RESULTS

- An increase in products available via the website
- A growing digital shelf offering
- A much clearer indication of what products are compatible with third-party products
- Increased visibility for customers to filter options based on compatibility
- The capacity to syndicate data directly to external data pools, rather than through a third party
- Enhanced data quality

Additionally, at an operational level, users now know what they need to enrich and when.

# 4 TIPS FOR MANUFACTURERS TO BENEFIT FROM PIM

## 1

**CREATE A CENTRALISED, HIGH QUALITY HUB FOR PRODUCT INFORMATION**

## 2

**ENSURE CHANNEL READINESS & DATA CONSISTENCY**

## 3

**SIMPLIFY CHANNEL, DISTRIBUTOR & TRADING PARTNER TEMPLATES**

## 4

**AUTOMATE PRODUCT DATA PROCESSES AND LAUNCH NEW PRODUCTS TO MARKET QUICKER**

# 1 CREATE A CENTRALISED, HIGH QUALITY HUB FOR PRODUCT INFORMATION

## Never forget that technology is never the answer in isolation.

In times of uncertainty, consumers cleave to the brands they explicitly trust – those which have credibility and who innovate. The solution which a PIM offers is the "single source of truth" for product data - a trusted source of product information. A PIM solution can ensure you deliver high-quality and seamless product experiences, whose reliability strengthens the long-term customer loyalty that you seek.

The majority of manufacturing brands sell their products through distributors or other reseller channels. These manufacturers are witnessing a growing demand for more extensive and detailed product information. As such, what you require is real-time synchronisation across all the channels you sell on. That is when centralised product information management comes into its own and enables a real competitive advantage.

However, never forget that technology is never the answer by itself. Your workforce have to buy into its use and embrace how technology helps you gain that competitive advantage. In a nutshell, transformation is as much (if not more) about altering people's perceptions as it is about the technological equipment you buy, however many bells and whistles it boasts!

That is where data governance enters. Product data has always been an area of concern for organizations. Multiple management points, multiple tools, and multiple systems have resulted in chaos and inconsistency, which is a recipe for disaster. A comprehensive data governance strategy addresses this challenge head on by creating a dedicated team that takes ownership of the product data lifecycle and provides a single source of truth across the business. It includes a range of processes, rules, and delegation of roles that ensure privacy and compliance in an organisation's enterprise data management.

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## 2 ENSURE CHANNEL READINESS & DATA CONSISTENCY

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# The ultimate aim is to deliver high-quality, enriched data across your sales channels and systems in an organised customer centric manner.

Retailers are asking for more and more product attributes from manufacturers. Many of these attributes are non-standardised, so in order to meet retailer deadlines, manufacturers often send poor-quality and incomplete product data compared to the information they put out on their own digital channel.

Another problematic area is when retailers fail to refresh data, which consequently causes inconsistencies. It has never been more crucial for manufacturers to ensure that they synchronise their product information in real-time across all channels. The best way to make sure this happens is by having clear data ownership and data governance protocols in place.

### Product Data Quality

Assess, clean and normalise bad product data. Data quality is what underpins a robust strategy for launching on the digital shelf. It is critically important that your product data meets the following six dimensions to build customer confidence, improve sales and reduce returns: Completeness, Uniqueness, Timeliness, Validity, Accuracy & Consistency.

### Product Data Taxonomy

Create strong taxonomies that make your search and browse capabilities more customer-centric and improve accuracy and efficiency of your product data model.

Even if you invest in a PIM solution, it is still essential to make sure your product data is organised in a coherent and logical way for the customer. A taxonomy does that by organising product categories into a hierarchy allowing customers to navigate with ease. It also improves efficiency and speed to market, as a taxonomy will allow you to inherit data.

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# 3 SIMPLIFY CHANNEL, DISTRIBUTOR & TRADING PARTNER TEMPLATES

## In the digital age, speed is king.

Incoming data feeds are increasing in volume and variety, so when applying AI and machine learning solutions, verified data lineage is critical, as it provides validation for any usage decisions. Regarding data governance, that transparency is not only for more accurate and actionable outcomes but also to guarantee compliance with the ever-increasing rules and stipulations emerging from Governments, regulators, and major marketplaces.

When individuals across the organisation manage product data in separate sheets, not only is it time-consuming, repeated (wasted) effort and expensive. It also creates a significant communication gap. If data is missing from a given spreadsheet, the result is usually wrong and ambiguous customer-facing information. Modern product information management systems are feature-rich allowing for bulk data uploads. Furthermore, it guarantees accuracy spreadsheets and eases creation of workflows.

Modern PIM solutions incorporate channel readiness scores and export templates, which allow product marketers to quickly tailor content to channel requirements and export in channel format. Additionally, by automating a massive part of the process, brands can publish more products on the online market with confidence that content quality is consistent across the board.

## How does PIM make channel management easier?

### Data Mapping
Mapping data to outbound destination channels by gathering comprehensive relevant information for each one. This gives clear oversight into the data flow throughout the entire journey, from onboarding to export/syndication.

### Export scheduling
This allows users to define and create an export schedule which automatically distributes product content aligned with business needs at a given time.

### Channel Templates
These are customised files which fulfil all requirements for individual channels and – all that is necessary is to complete the necessary information. Many PIMs also include a 'customer-eye' preview of product listings before they go live.

### Standards Exports
This consists of reliable. updated reports giving real-time insight into any variations in quality standards

# 4 AUTOMATE PRODUCT DATA PROCESSES AND LAUNCH NEW PRODUCTS TO MARKET QUICKER

## Your teams need the capacity to act fast and get products to market with minimum delays so that you stay competitive and respond effectively to the ongoing evolution in customer trends and demands.

Manufacturers who are first movers in addressing this problem are implementing more responsive systems for searching, streamlining product workflow, and governing data across the enterprise.

One way to launch new products quicker is to build a taxonomy to categorise your products without duplication. It also allows you to inherit shared data from higher levels of the taxonomy, saving you time and effort in enrichment.

PIM solution features include: task **automation**, which eliminate repetitive, tedious tasks and free your teams for more useful work: **validation** features to ensure that enriched product information is approved and updated promptly: **completeness** features, enabling you to structure team workflows across channels and locales and make team members more productive by focusing on key tasks.

### Manufacturers surveyed said Product information problems cause delays or product withdrawals

Incorrect information can cause delays, customer frustration, and revenue loss down the line.

**63%**
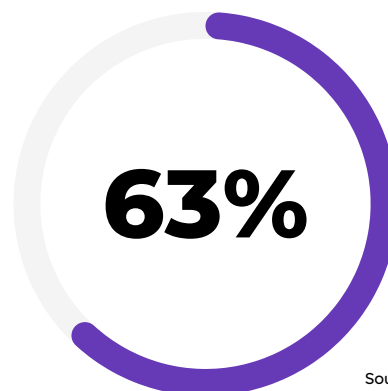
Source: "Driving Digital Commerce in Manufacturing"

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# HOW TO GET STARTED ON YOUR PIM JOURNEY

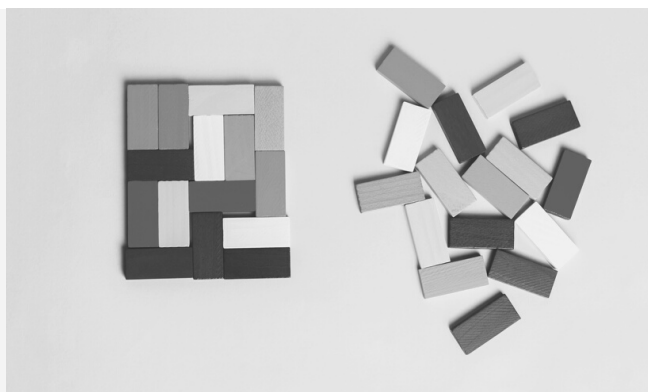**Its time to break up with your spreadsheets.
Your product data deserves better**



### STEP 1:

IDENTIFY IMPROVEMENTS TO YOUR EXISTING PRODUCT DATA MANAGEMENT PROCESSES

### STEP 2:

GET YOUR PRODUCT DATA INTO SHAPE





### STEP 3:

IMPLEMENT A PIM SOLUTION

Start with Data's PIM Consulting services help brands and manufacturers deliver value from investments in product data management - from building and developing strategy to selecting & executing solution implementation, enriching high quality data, and providing a range of post go-live support.

**Start with Data**

# ABOUT US

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Start with Data is a boutique consultancy focused on enabling retailers, manufacturers, and distributors to get their product data and processes into tip-top shape and keep them there—so they can compete and thrive in today's competitive digital economy.

Where are you on your journey to product data greatness? Whether you need help devising a winning strategy, selecting, or implementing the right platforms to meet your business goals, or need help managing your product information and systems on an ongoing basis—we've got you covered.

Explore our comprehensive range of services and discover how we can help you transform your product information challenges into business benefits. So, you can fuel revenue growth, free up your team, and reduce costs and risk.

## Ready to start your journey to product data greatness?

Learn more about the services Start with Data provide at startwithdata.com.au

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