Modern product information management (PIM) software makes product catalog information portable and easy to syndicate across channels, reduces superfluous labor costs, expedites time to market, and enhances the overall customer experience (CX).

Product Experience Strategy Is the Essential First Step to Omni-Channel CX and Digital Commerce Domination

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PIM Can Radically Simplify Omni-Channel Digital Commerce (If You Know How to Harness It)

It may be common knowledge that customers prefer frictionless digital commerce experiences and businesses typically desire streamlined processes that minimize the need for skilled labor. However, knowing how to find the right solution to enable these outcomes can be an arduous journey for enterprise software buyers.

Modern enterprises must often make challenging purchase decisions among a wide array of digital solutions to merchandize products, produce a branded customer experience (CX), and maintain a single source of product truth that can propagate their catalogs across an increasingly complex array of digital channels. Achieving excellent results at scale is difficult but can be impossible without the right commerce enablement tools.

Product information management (PIM) is a software solution that provides a single application to collect, manage, and enrich product data so entire catalogs can be maintained and distributed across sales, marketing, and ecommerce channels. PIM is an enterprise software integration that 25.6% of businesses in IDC's 2022 *SaaSPath Survey* indicated is critical for successful digital commerce processes.

AT A GLANCE

KEY STATS

» 49% of organizations are focused on future proofing their business, and 41% are trying to close their digital technology gaps by investing in new systems.

» 41.4% of organizations spend 50% or more of their annual transformation budgets on customer experience (CX) software.

» 25% of businesses reported that the proliferation of available tools is a challenge to finding viable solutions for CX problems.

» 25.6% of businesses stated that PIM is an enterprise software integration that is critical to their digital commerce processes.

KEY TAKEAWAYS

Many digital commerce brands struggle to deliver on their CX goals because most internal metrics focus on how well teams react to customer friction points rather than on proactively preventing friction from the start. The ideal approach to CX incorporates proactive strategic use of digital solutions to set the stage for brand engagements. Enterprises can reduce the workloads of customer service and marketing teams via the consistent delivery of accurate product and brand information across all relevant digital channels and customer touch points.

Most PIM systems perform three core functions: data collection, data enrichment, and data publishing. Knowing this basic information only scratches the surface of what PIM can do. The full capabilities of PIM may be best explained by the following quick overview of what PIM is relative to other similar types of software:

» **PIM versus DAM.** PIM is similar to data asset management (DAM) software in functionality, but there is a distinction in scope, utility, and objectives. DAM is a related technology and sometimes considered a subset of PIM. PIM and DAM both help in eliminating data silos and function as consolidated databases for digital assets. However, PIM focuses specifically on product information and the way it is utilized by digital merchandizers (as well as sales and marketing teams and retail channel partners) to ensure the highest level of accuracy and consistency of information is always delivered to customers, regardless of where the customer is engaging with the products in the catalog. DAM emphasizes the organization and indexing of digital media assets but does not go the extra step of optimizing and syndicating those assets across digital commerce channels. This may indicate that a synergistic solution (i.e., a PIM system with a DAM system inside it) could be an excellent way to minimize software spend, accelerate time to market, and simplify the learning curve for product and marketing teams.

» **PIM versus MDM.** Master data management (MDM) is another type of technology that is similar to PIM. Just as DAM is considered a subset of PIM, PIM is often thought of as a subset of MDM. In lieu of a technical explanation of the distinctions between the two, it may be easier to understand the differences when one considers that PIM stands out as a business-led solution for centralizing product data for merchandizing and marketing purposes. Conversely, MDM is IT focused and supports all back-end processes (e.g., financial, supply chain, logistics) as well as those covered by PIM) across a much broader enterprisewide deployment, such as data conformance, redundancy, archiving, and retrieval. While this may make MDM seem like a better all-in-one option, it is important to realize up front that MDM takes much more time and specialized labor to implement because it has a broader scope than a specific department or type of user. A more specialized application (PIM) may be a better fit for enterprise software buyers who do not need a complete internal digital asset management overhaul that may have a three- to five-year time to value but are instead looking for a quick win with long-term benefits.

» **What PIM can do.** A PIM system is a dedicated business-centric marketing and omni-channel enablement product experience solution with robust connectivity to ecommerce, marketplaces, social media, and any other location where customers shop for that product or service, including print catalogs, in-store experiences, and customer call centers. PIM can be leveraged as a streamlined way to enrich product data and descriptions, often displacing the need for tedious and repetitive catalog management tasks performed via spreadsheets or homemade processes that may severely limit scalability and catalog portability, ultimately hindering product discoverability and sales. Processes that could be frictionless, streamlined, and automated need to be performed and managed manually when bound to a spreadsheet. For instance, a spreadsheet will not resize images, change content metadata, or give marketing teams the ability to push out translations of product text based on a user's geographic location. A modern PIM system should be able to do all of this and more. PIM eases hurdles to digital experimentation and helps enterprises refine go-to-market speed and ensure their product stories are highlighted in the best light possible across any marketing or sales channel. PIM can also enhance customer experience strategies by standardizing the brand presence of product information and catalogs, thus reducing customer frustration and confusion by minimizing the potential for mistakes when ordering. This same reasoning may also lead one to conclude that a properly implemented PIM can also reduce superfluous product returns and exchanges.

PIM Is a First Step Toward a Consistent, Coherent Omni-Channel Commerce Strategy

Simply put, PIM is a foundation that the rest of your merchandizing and product marketing efforts can be built upon, whether you're in one channel or all of them. This technology empowers enterprises to truly own the product presentation on direct-to-consumer (DTC) websites, social commerce platforms and social media, mobile shopping applications, first- or third-party marketplaces, newsletter blasts, SMS alerts, and even print catalogs.

PIM can be an omni-channel digital commerce enablement rock star. However, to extract the maximum meaningful value from a PIM system, companies must view it as keystone software that should be brought into the strategy as the foundational piece in an omni-channel or a multichannel environment, communicating the core of the product to end buyers anywhere they encounter it. The heart of customer experience design is the creation of a through line, a continuity tying the customer to products and brands via unique experiences. Product information must be consistent across every step of the customer journey to build the trust that serves as the glue of that relationship.

The problem solved by a PIM system is relatively straightforward. Many companies with low or intermediate levels of digital maturity need help getting and staying on top of the developments within the strange new online world that has resulted from the aftermath of the global COVID-19 pandemic.

What may have been initially manageable via tried-and-true "duct taped" combinations of spreadsheets, syndication tools, ecommerce sites, and other software solutions has resulted over time in a common problem: No central product catalog exists. Product data may be incorrect, incomplete, or outdated, or it may require new translations. Information cannot be easily pushed out across conflicting channels, requiring an immense amount of manual work resizing photos and editing captions as well as other activities that modify the product information in ways that are specifically very different for each potential channel's requirements. Inconsistencies compound in this model and are reinforced throughout workflows until eventually devolving into competing versions of product "truth" that then need to be reconciled — just another extraneous step in the process.

PIM can reduce time to market by eliminating significant portions of the manual workload that often block the opening of new channels of commerce. The core part of the PIM value proposition is that information about the product being sold will remain consistent across channels to eliminate experiences that frustrate teams as well as the stakeholders and customers they serve.

Benefits

The COVID-19 pandemic forced organizations to focus on digital transformation (DX) with an eye on the future. Forty-nine percent of organizations are focused on future proofing their business, and 41% are trying to close their digital technology gaps by investing in new systems. This may be only the beginning of their DX odyssey.

As Table 1 illustrates, most businesses engaged in digital commerce are incorporating B2C sales into their digital strategies, either as B2B2C (45.6%) or as strictly B2C (40.8%). Enterprises may encounter myriad unforeseen friction points bringing their products into marketplaces and other DTC channels, leading to project costs that can quickly mushroom out of control.

TABLE 1: *Top Business Models for Digital Commerce Software*

  Q *Which of the following business models do you use your digital commerce software for?*

	% of Respondents
Business to consumer (B2C)	40.8
Business to business (B2B)	13.6
Both B2B and B2C	45.6

n = 125

Base = respondents who selected digital commerce as their most familiar SaaS application

Note: Data is managed by IDC's Quantitative Research Group.

Source: IDC's SaaSPath Survey, March 2022

The temptation to leap into purchasing specialized customer experience software may present itself as a result, under the assumption that customer problems should be handled post-transaction as the strict provenance of customer service teams. For example, 41.4% of organizations spend 50% or more of their annual transformation budgets on CX software according to data from IDC's 2021 *Future of Customer and Consumer Survey*. Furthermore, in the same survey, 25% of businesses reported that the proliferation of available tools is a challenge to finding viable solutions for CX problems.

This IDC survey data essentially begs the question: What do the businesses polled consider to be 'customer experience' software? Many different software vendors are currently eager to throw their hats into the category in the hope that they can ride the wave of momentum behind CX initiatives in technology.

It would be a cynical mistake to assume that CX is simply a customer service rebrand or an attempt to turn marketers into customer service representatives. Purchasing customer service or marketing software to solve for an absent or inadequate CX strategy is akin to putting the proverbial cart before the horse. This is potentially an antiquated and expensive way to address the problem when more proactive steps to harness the big picture of the customer journey in a holistic manner may be more cost effective with more durable long-term impact. Rather than putting out hundreds of small fires a day, companies should focus more on preventing those fires from ever starting in the first place. Ideally, savvy businesses engaged with digital commerce will be prepared to do all the above.

A sophisticated PIM system provides a stable foundation for more proactive (as opposed to reactive) CX process design. PIM can also enable digital business agility, but it needs to be prioritized efficiently for maximum leverage.

Learning what PIM is and how to strategize its use can empower enterprises as well as individual marketing and product teams to do the following:

» Move away from multiple sources of product truth and spread across a system of digital ecosystems

» Create a single, self-maintained source of truth that can be published to all other channels

» Use built-in connections to the ecosystem partners of the PIM system to make this as close to plug and play as possible

» Take control of product catalogs in a channel-agnostic manner

» Optimize product data prior to syndication to ensure that it matches the demands of the destination platform

» Control catalog changes in one location

Changes to the parent (PIM) automatically propagate to the children (channels), meaning enterprises need to maintain product catalogs only in a single place. Enterprises are free to change course with minimal risk in the event a platform or marketplace no longer suits business or brand needs. PIM makes it easier to move to another platform or marketplace that will fit better or complement the existing strategy.

Another area for business leaders eager to reduce overhead costs is the following:

» Labor costs

■ PIM is a competitive advantage and a lifeline that can prevent hours of tedious manual labor and potential error in places that will be visible to potential customers.

■ Without PIM, all catalog management tasks need to be performed and managed manually. This slows time to market considerably and, over time, can also be significantly more expensive in terms of TCO.

■ Manual processes are notoriously less reliable than automated processes. Manual processes leave more room for error and inconsistency. They require much more managerial oversight, which can have a compounding knock-on effect where chances of success are greatly impeded by the need to triage people and process problems that could be eliminated with the right software system.

Key Trends

Significant market developments impacting the digital commerce applications market are as follows:

» **Brick-and-mortar stores are open again, but post-COVID digital commerce expansion will continue.** The digital DTC renaissance brought on by the COVID-19 pandemic produced dramatic growth for companies focused on empowering B2C SMBs. The customers of B2C brands continue to shop online in record numbers, even though a sizable proportion of customers are returning to in-person sales experiences.

» **Velocity of connectedness changed because of the global pandemic.** The COVID-19 pandemic forced vendors to focus on how people and businesses think about connectivity, both virtually and in the physical world. The rapid ongoing shift toward digital commerce requires the elimination of friction as well as tight data management to shorten time to value. Data proliferation has been leveraged to change how people socialize, shop, learn, work, and collaborate. Savvy vendors in digital commerce can harness this momentum for strategic growth by creating a rich, seamless, immediate, and interoperable experience, regardless of the location of people and data.

» **PIM gets a facelift.** The race to own the customer continues. Some of the biggest gains this year have been in the world of product management software (PIM). Many modern PIM providers are adopting a model of unified commerce (also called product experience management [PXM]) that takes on some aspects of content

management, customer relationship management (CRM), digital asset management (DAM), ecommerce, and other types of cloud-based software that were traditionally siloed to create an expansive, centrally controlled omni-channel digital commerce experience solution. Expect a continued expansion — and blurring of lines — between product management design, digital shelf optimization, and product content syndication in ecommerce and social channels in the future. The most forward-thinking PIM providers will invest in comprehensive solutions for product experience management that go beyond traditional "cold" data stored in a PIM system. PIM systems of the future will combine cold data (i.e., relatively static data that is rarely accessed) with warm/hot data sources (i.e., business-critical data that needs to be accessed frequently). In the context of PIM, hot/warm data types include dynamic product pricing, merchandizing, and maybe even order management to serve product availability requirements across channels, tying together the complete 360-degree view of the product to the customer cloud.

Considering Akeneo

Akeneo is a global leader in product experience management and product activation, helping any business with a product to sell unlock growth opportunities by activating a consistent and compelling product experience across all channels, including ecommerce, marketplaces, marketing channels, mobile, print, points of sale, and beyond.

With its open platform, leading PIM, supplier portal, digital catalog, connectors, and App Store, Akeneo Product Cloud drives dramatic revenue gains through improved customer experiences. How? Akeneo delivers on providing the golden product record upon which all product engagement and activation happens. Akeneo improves product data quality and accuracy, simplifies catalog management, and accelerates the sharing of product information across channels, markets, and stakeholders.

Leading global brands, manufacturers, distributors, and retailers, including Sephora, Staples Canada, Thrasio, Fossil, boohoo.com, Socomore, Franklin Electric, JPW Industries, and Air Liquide, trust Akeneo to scale and customize their omni-channel commerce and overall customer experience initiatives.

Brands and retailers of any size or complexity consider Akeneo when they identify a need to activate product experiences in any marketing or sales channel, to drive improved customer experiences, increased sales, reduced time to market, reduced product returns, accelerated global expansion, and increased team productivity.

Challenges

The digital world is rapidly becoming a very crowded space. Work has evolved for many people into an entirely digital activity. Children and college students attend virtual classes from anywhere they can connect online. Digital shopping experiences continue to explode, and new commerce channels continue to emerge in new and novel digital spaces throughout edge encounters all over the web. With all this activity occurring via a screen, the competition for online audience share and customer attention has never been greater and is expected to continue to accelerate over time.

This leads to two major challenges for omni-channel commerce success:

» How to create positive customer experiences that persistently influence beyond individual encounters in various disparate channels

» How to maximize results and reduce expenses when achieving a consistently presented and optimized product catalog across all channels

Commerce is in many ways the science of understanding customers and giving them the services and experiences that meet their needs. The same could also be said of enterprise software buyers: They crave high-powered solutions that are easy to implement and use, integrate with critical digital commerce processes (see Table 2), provide rapid time to value, and have a relatively low total cost of ownership. In any case, enterprises want vendors to be partners that understand the risks of their situation and can help them get to the heart of what they desire.

TABLE 2: *Top Software Integrations for Digital Commerce Processes*

Q *What enterprise software integrations do you have that are the most critical for your digital commerce processes?*

	% of Respondents
Marketing software (e.g., Adobe, Salesforce marketing cloud, Marketo, Mailchimp)	36.0
Sales automation software/customer relationship management (CRM)	29.6
Payment processors	28.0
Product information management (PIM)	25.6
Customer service	24.0
Order management	21.6
Financial/enterprise resource planning (ERP)	20.8
Personalization/merchandizing	20.0
Inventory management	17.6
Web content management (WCM)	16.8
Subscription management (e.g., Zuora, Recurly, Aria)	16.8
Configure price quote (CPQ)	15.2

n = 125

Base = respondents who selected digital commerce as their most familiar SaaS application

Notes:

Data is managed by IDC's Quantitative Research Group.

Multiple responses were allowed.

Source: IDC's SaaSPath Survey, March 2022

Venturing into new, unfamiliar channels of commerce can be a potentially high-risk, expensive, and time-consuming endeavor if not well controlled. This is true whether the channel is a physical store, marketplace, social media platform with native cart, standalone ecommerce, or new geographical territory. Many software solutions exist in the digital commerce software market, each promising to tackle the complexities of omni-channel better than the next. This can lead to executive decision fatigue from "tyranny of choice," where most potential solutions promise the same benefits

but have gaps in process coverage or other potential unforeseen drawbacks that are not discoverable until contracts are signed and onboarding has begun. This situation makes selection of individual software solutions (e.g., OMS, PIM, CRM) a complicated exercise that can be magnified to nearly impossible heights of complexity at the enterprise level. Solutions that offer the most potential agility for rapid future pivots and experimentation will provide the most utility, particularly when visible to consumers.

PIM can simplify all aspects of product catalog management, creation, and syndication. The value comes from an obvious reduction in user friction points. If the PIM system in question has an excellent, human-centered user experience (UX) design, the amplification of team productivity will be noticeable immediately. Teams can spend less time on "busywork," like manually resizing images per the specifications of various social media platforms, and spend more time strategizing their creative assets to engage in the customer experience and enhancement of customer's journey with the brand.

Conclusion

While it is true that "all commerce will become digital commerce," the sale may not always happen online. The future of commerce is customer journey based and channel agnostic. Omni-channel adaptations popularized by the COVID-19 pandemic — such as buy online, pick up in store (BOPIS) — have remained popular through 2022, indicating that the advantages of this strategy will likely persist. Moving more activities online means that school, streaming, work, socializing, shopping, and so forth are all competing for the same users.

> The future of commerce is customer journey based and channel agnostic.

Regardless of B2B or B2C, or some combination thereof, all digital commerce technology buyers need to proactively differentiate their companies from other online activities competing for customer attention. Omni-channel commerce experiences that flow seamlessly between both the physical world and the digital world can provide customers with a valuable escape from their increasingly digitized everyday lives and give them some control over where they choose to engage with those experiences.

IDC recommends that businesses select omni-channel and multichannel commerce enablement software that can face the challenges of competition in distributed, complex, and fast-paced CX-centered environments head-on. A sophisticated PIM system, such as the one offered by Akeneo, can provide teams with the agility they need to experiment and continually refine the customer journey at scale.

About the Analyst

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Heather Hershey is Research Director for IDC Worldwide Digital Commerce practice. Ms. Hershey's core research coverage includes digital commerce applications targeting businesses of all sizes and industries (B2C, B2B, B2B2C); product information management (PIM) and syndication applications; commerce personalization, search, and merchandizing applications; and CPQ and order management applications.

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