

Product experience management is pivotal when integrating new business models and go-to-market strategies. Navigate the complexities of digital commerce using intelligent, data-driven product strategies to foster sustainable, growth-oriented businesses built to thrive in a rapidly evolving global market.

From Complexity to Clarity: The Rise of Omni-Channel Commerce and PXM for B2B and B2C Enterprises

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The Rise of Omni-Channel Commerce and PXM

Future-proof businesses can pivot across models, markets, locations, and mediums, crafting fluid commerce experiences that transcend traditional channels and cater to the evolving customer journeys that amalgamate touch points for engagement in both the physical world and any number of digital universes. B2B and manufacturing are not immune from the pressure to experiment with new business models and approaches to customer acquisition, as not doing so may leave them in the cold when sophisticated digital natives encroach on their market share. The B2B sector is undergoing a significant transformation, spurred by the evolving expectations of digital-savvy customers. These customers, who are accustomed to the sophistication of B2C ecommerce platforms, now demand similar experiences in their professional procurement processes.

The need for a single, powerful center of commerce operations to monitor the health, performance, and operations of B2B, B2C, physical retail, marketplaces, social commerce, and traditional ecommerce is rapidly becoming essential for streamlined and scalable digital commerce.

According to IDC's 2023 *SaaSPath Survey*, only 16.8% of all respondents sold exclusively as a B2B operation, and 52.8% stated that they were both B2B and B2C (see Figure 1). With potentially 74.4% of an organization's total sales occurring through digital commerce applications, B2B needs a strategic recalibration focusing on user-friendly interfaces, personalized content, and streamlined transaction processes. Creating ecommerce experiences in B2B is no longer a luxury but a necessity for businesses aiming to stay competitive and relevant in the digital age. But why stop there? Once an organization completes a digital transformation, it is ready to try anything.

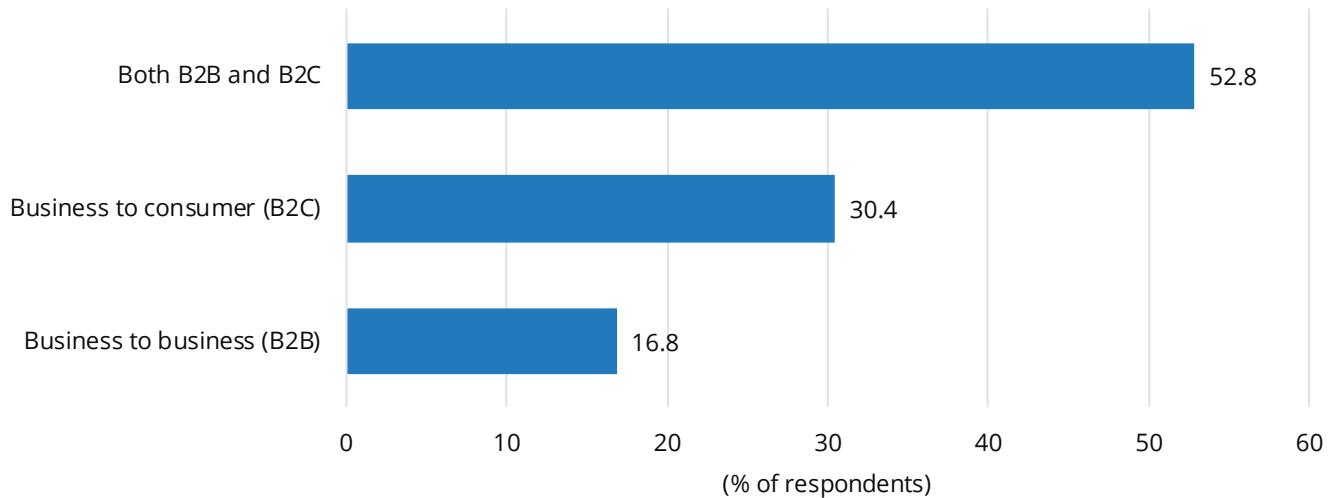
AT A GLANCE

KEY STAT

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FIGURE 1: **Business Models Using Digital Commerce Applications**

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



n = 125

Source: IDC's SaaSPath Survey, 2023

The channel is no longer the limiting factor as commerce breaks free from traditional silos such as B2B or B2C. Omni-channel commerce recognizes that the customer journey is no longer linear but a complex web of interactions across various digital and physical spaces. It challenges businesses to not just adapt but anticipate and seamlessly integrate these interactions, ensuring a unified and enriching experience at every stage.

The Strategic Nexus of Product Experience Strategy in Omni-Channel Commerce

The transition from static sales channels to a dynamic, omni-channel ecosystem is imperative for businesses operating in both the B2B and B2C markets, requiring a sophisticated orchestration of product narratives that resonate across the digital and physical divide.

Product experience management (PXM) stands at the forefront of digital commerce transformations, acting as a conduit through which businesses can navigate the complexities of digital commerce, leveraging composability to remain agile and responsive. In simple terms, PXM enables businesses to gradually replace outdated systems with more flexible, modular solutions, starting with the digital representation of those products, including texts, photos, and visual media, to enhance their merchandising. Once that catalog is well-structured and has clean data under the hood, the other elements of the commerce ecosystem can be gradually decoupled from monolithic systems and integrated with best-in-class technologies without the need for time-consuming and expensive rip-and-replace projects. This flexibility is vital for swiftly adapting to market changes and customer needs, ensuring that businesses are not just reactive but also proactive in their digital commerce strategies. This adaptability allows for a more dynamic approach to managing product information and customer interactions, which is crucial for competing in the fast-paced digital marketplace.

Benefits of Utilizing PXM in Omni-Channel Commerce and Retail

The benefits of PXM extend to competitive advantages for omni-channel commerce. Examples of competitive advantages that can be found in the market include the following:

- » **Elevating the customer experience across multiple channels:** PXM use in customer experiences allows the coordination of product information, stock availability, delivery times, BOPIS options, staff availability, product detailing, customer relevancy, product ratings, reviews, user-generated content, marketing copy, and more. Enabling these capabilities in both the online and offline experiences and ensuring coordination support a holistic, consistent experience that is proven to increase customer loyalty, retention rates, conversion rates, and lifetime value.
- » **Seamless integration and advanced analytics across platforms:** Metrics are key to effective omni-channel retail businesses today; however, the typical retailer has 40–60 different platforms and software solutions deployed or on the shelf at any time. With such a variety of solutions, overlays, and integration points, data governance and data management become paramount, and the ability to integrate across multiple platforms becomes critical to retail success. PXM solutions provide the impetus to capture a portion of the data without boundaries regarding what they represent. Future PXM solutions will offer automated, AI-driven, seamless integrations with the ability to extract advanced, complex analytics at the user's behest.
- » **Uniform source of product information across channels:** Product information can be consistent, singular, and structured for fast and easy access and built on the most critical decision of data schemas that are not limited by the source, channel, or nondata limitations. Omni-channel stores can trade information through simplified access, and APIs allow the rapid building of new application modules.
- » **Operational visibility:** Product information accessibility and highly analytic facilitation through a strong PXM platform deliver accurate real-time data to retailers. Retail executives can see and understand exactly what is happening across their product lines, stores, items, and channels to the second and from any perspective.
- » **Flexible technology infrastructure to meet demand:** The infrastructure required to support omni-channel commerce continues to change, improving speed, accuracy, and data quality. Harnessing new modules that can process data better, introducing AI capabilities, integrating with different systems, and enabling true future proofing of a system are the hallmarks of a strong PXM solution.
- » **Tailoring product experience (PX) across diverse commerce channels:** Commerce is not limited to the standard store and online experiences. We will see new omni-channel opportunities emerge such as social commerce, mobile commerce, live streaming, and on-demand shopping that require the extension of product data with delivery mediums. Extending product experiences across many channels will enable retailers to capture sales wherever the customer is, rather than forcing customers to change their behavior. Customizing the data for the diversity of channels will offer a significant competitive advantage.
- » **Minimizing operational costs and boosting efficiency in omni-channel retailing:** Operational expenses, labor costs, omni-channel store ops, warehouse management, fleet management, and transport management must consider product information as they can be impacted by PXM solutions that manage wide data sets and integrate with merchandise operations management tools. Being able to shift the relevant data for these systems to make

automated decisions or enable access for manual decision-making through adjacent tools can be the difference between delivery on time or delivery at cost.

Benefits of PXM for B2B: Flexibility and Business Agility Throughout the Digital Transformation Process

PXM impacts the B2B business by enabling flexibility, business agility, scalability, and automated contingency planning for digital transformations. Centralizing components of product catalog management, ensuring seamless integration across use cases, leveraging relevant data, and enabling measurement dramatically increase the value in B2B scenarios, especially when considering supply chains, wholesale-retail relationships, or CPG/brand-retail relationships. Using tools that provide a holistic view confers significant benefits to B2B users, such as enabling cross-business functionality, interdepartmental functionality, and faster, more reliable decision-making. At the end of the day, PXM provides an environment of collaborative engagement for B2B engagement to thrive.

Key benefits that PXM provides for B2B engagement include the following:

- » **Rapid change enablement:** Businesses using PXM solutions can pre-identify order issues, reroute packaged goods, transfer to new way stations, define and reduce inventory holding costs, and dispose of perishables appropriately through the rapid dissemination of information on products and across boundaries.
- » **Restore services and product availability:** PXM enables scenario planning, especially disaster recovery, and the development of contingency planning to build in the ability to drive product substitutions, update missing product information quickly, and identify and designate variant options beyond the item level for specific product types.
- » **Price and contract efficiency:** Fully omni-channel product information can easily translate into substantial coordination of pricing, B2B contract negotiations, delivery automation, and replenishment for raw materials through leveraging just-in-time concepts as well as transactions to capture float and reduce days sales outstanding for B2B efficiency.
- » **Increased profitability:** PXM enables product metadata and historical data about the product to travel with the product throughout its life cycle. This includes sourcing information to the final destination or even reclamation of used products. Profits are improved by access to the data to identify, target, trace, measure, and optimize the product journey.

About Akeneo Product Cloud

Overview and Core Offerings

Akeneo offers a compelling solution for businesses grappling with the complexities of product information management (PIM) and customer experience optimization. Established in 2013, the company primarily focuses on streamlining PIM through its composable, cloud-based platform. The platform's central premise is to consolidate product data from various sources, ensuring accuracy, consistency, and accessibility throughout. This consolidation is vital in an era where ecommerce relies heavily on accurate and comprehensive product data to drive sales and enhance the customer experience.

Akeneo's offering extends beyond traditional PIM by incorporating elements of AI and customer experience management. It helps companies tailor product information for different channels and customer segments, a critical

feature in today's omni-channel retail and distributor environment. Akeneo's solution includes features such as data quality insights, catalog management, and information localization, which are essential for companies operating in global markets.

Technological and Business Implications

From a technological standpoint, Akeneo's cloud-based, API-first approach is intended to ensure scalability and integration with existing enterprise systems, a crucial factor for large organizations. The emphasis on user experience in the platform's design can lead to better adoption rates within organizations, addressing a common pain point in enterprise software deployment.

Strategically, Akeneo's focus on product experience strategy positions the company well in the evolving digital commerce landscape, where consumer and buyer experiences with the product are increasingly becoming a key differentiator. By enabling companies to manage and optimize product information across various channels, Akeneo aids in improving sales conversion rates, customer satisfaction, and operational efficiencies.

Challenges

Despite the advantages, there are challenges and considerations for companies considering Akeneo. The effectiveness of a PXM system is contingent on the quality of data input from the organization purchasing the product. Organizations must have robust processes for data collection, cleansing, and governance to fully leverage Akeneo's capabilities. Furthermore, the PXM market is dynamic, with evolving customer expectations and technological advancements. Akeneo must continuously innovate to stay relevant, which poses a challenge given the rapid pace of change in digital commerce technologies.

A summary of challenges facing the PXM market includes:

- » **Rapid technological advancements:** Emerging technologies such as AI, machine learning, and augmented reality are redefining customer experiences and expectations. Akeneo needs to continually innovate and incorporate these advanced technologies into its platform to stay ahead, which requires substantial ongoing investment in research and development.
- » **Increasing data volume and complexity:** With the proliferation of SKUs and the need for detailed product information across multiple channels, the volume and complexity of the data that companies need to manage are growing exponentially. Akeneo must ensure that its platform can scale efficiently to handle this data surge without compromising on performance or usability.
- » **Globalization and localization challenges:** As businesses expand globally, they face the challenge of localizing product information for different markets, which involves not just language translation but also adapting to local cultural nuances, legal requirements, and consumer preferences. Akeneo's ability to support robust localization features is critical in this context.
- » **Customer adoption and change management:** Implementing a new PXM or PIM system can be a significant change for an organization, as it involves new workflows and processes. Akeneo faces the challenge of not only providing a technologically superior product but also ensuring that it is user-friendly and that businesses can adopt it with minimal disruption. This challenge is compounded when dealing with large enterprises that may have ingrained processes and resistance to change.

Each of these challenges represents a strategic hurdle for Akeneo as well as an opportunity. Addressing these effectively can not only enhance the company's product offering but also position Akeneo as a forward-thinking leader in the PXM space.

Conclusion

The shift toward a more integrated, customer-centric approach in digital commerce, which the capabilities of PXM drive, heralds a new era of business opportunities and growth.

PXM's advantages in fostering omni-channel commerce are manifold. It enables businesses to offer enhanced integration and flexibility, optimize the customer experience, and gain strategic agility, which are essential for staying competitive in a rapidly evolving landscape. Whether it's elevating the customer experience across multiple channels, seamless integration and advanced analytics, uniform product information dissemination, or tailoring product experiences to diverse commerce channels, PXM solutions stand as pivotal tools in the arsenal of digital commerce.

Organizations that effectively harness PXM's capabilities are setting themselves up for success in a highly competitive digital marketplace. Omni-channel commerce relies on PXM as a keystone in building a resilient and adaptable digital commerce strategy. As we transition into an era of boundaryless digital commerce, PXM's role becomes increasingly critical, strategically leveraging product information to craft engaging, personalized customer experiences.

About the Analysts



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Heather Hershey is research director for IDC's 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; CPQ and order management applications; digital marketplaces; headless digital commerce; enterprise partnership/integration strategies among digital commerce, supply chain, marketing, and content management vendors; commerce experience management across channels; digital shelf trends; and AI-enabled or intelligent commerce.



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MESSAGE FROM THE SPONSOR

Akeneo is the product experience (PX) company and global leader in Product Information Management (PIM). Leading brands, manufacturers, distributors, and retailers, including Chico's, CarParts.com, TaylorMade Golf, Rail Europe, and more utilize Akeneo's intelligent Product Cloud, app marketplace, and partner network to create elevated product experiences through product data enrichment, syndication, and supplier data onboarding. For more information: <https://www.akeneo.com>.

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