

Beyond PIM:

Why Product Information Management is Simply Not Enough

By Wendy LaHaye, Chief Product Officer

Introduction

Since the dawn of eCommerce over a decade ago, product information management has always lagged behind direct-to-consumer (D2C) retailers' needs. However, next generation PIM is here and with it comes much more value and functionality for today's multichannel e-tailer.

At the turn of the 21st century, eCommerce was not only in its infancy, it was often an afterthought for many traditional brick-and-mortar retailers who viewed it as an online extension of their physical store operations, creating "endless aisles" of merchandise far beyond the physical boundaries of their stores. Herein lies the root of the struggle by D2C retailers -- how to effectively manage and utilize their product information as the amount of data rapidly exceeds the capacity and capabilities of their systems.

In response to the critical need to manage and make available ever-expanding product information databases across the enterprise and a variety of sales channels including kiosks, tablets, catalogs, the Web and its rapidly growing mobile and social media sub-channels, e-tailers adopted a methodology and process called Product Information Management (PIM) as a means to curate product data in a central repository and make it available to all channels.

Beyond Product Information Management: CUSTOMER Information Management

We're now at the beginning of a new era in D2C information management, moving beyond simple unidirectional product information management to the more valuable – and profitable – bidirectional *customer* information management.

OrderMotion's technology, called OMX, provides something critical yet not found in any simple PIM system – the ability to capture explicit or inferred customer attributes back into the system, and using a set of customizable rules, automatically analyze and act upon both data and attributes to trigger any number of promotional and customer service events, instantly distributing them back out to the appropriate channels – a customer feedback loop of sorts.

This customer feedback loop is a remarkably powerful tool that enables merchants to take advantage of a wealth of information currently lost by traditional PIM, which merely

acts as a central repository to push product information out. What's missing from traditional PIM is the ability to bring information back IN.

The Power of PIM +Plus™: Harnessing Product, Customer, and Order Information to Trigger Events

Our OMX PIM +Plus™ solution provides information management an extension of custom attributes across all objects and any channel. That data can be used to infer outbound events and trigger them back to the customer – something simple PIM cannot do.

PIM +Plus™ delivers actionable customer and product attributes

Here's how it works:

Example A: A particular size or color of a product is no longer available two weeks into the buying season.

PIM: Alerts product manager that this particular product is not in stock and the merchant responds by taking this item off the website. No information regarding customer interest comes in and the merchant loses sales for the rest of the season for this item.

PIM +Plus™: Infers product attribute and customer interest, leaves product up on the website, and triggers an automatic email to the interested customers to see if they'd like to receive notice of when it will be available again. The merchant can now analyze shadow demand and see



that an additional 200 items could be sold. PIM +Plus™ enables the merchant to save the sale *and* accurately calculate demand for next season.

Example B: Evaluating the cost-per-order (CPO) of a pay-per-click (PPC) banner campaign

PIM: Well-maintained and timely product information contributes to an apparently successful PPC campaign. Online merchant pays \$1 per click, receives 100 clicks with 100% conversion, grossing \$1000 for those 100 sales, so the CPO is \$10. Looks like a good deal and a solid ROI.

PIM +Plus™: Our OMX PIM +Plus™ feedback loop tracks customer response and actions throughout the entire order management process to reveal that fifty customers actually cancelled the sale or returned the goods. The *true* CPO, when adjusted for returns and cancellations is actually double the initial cost, revealing the PPC campaign to be a bad deal. The reasons for the poor results, also captured by PIM +Plus™, enable the merchant to restructure the campaign, the product offering, and the pricing, if necessary, for more successful outcomes.

Example C: e-tailer sells the same women’s shoes through two different webstore navigation structures – one through a country wedding lifestyle landing page and the other through a standard department store navigational structure.

PIM: Standardized product information is pushed out to all webstore shoppers, regardless of the navigational structure through which it was accessed. The e-tailer cannot determine if a lifestyle/event-based product inquiry generated more sales and profit than a standard store navigational structure.

PIM +Plus™: PIM +Plus™ provides navigational category analytics. Our OMX technology captures the category structure through which the shopper added the shoes to her shopping cart, enabling the merchant to determine which navigation categories drive the most profits, based on order captures less returns/cancellations.

The difference is clear to see: PIM simply provides static product descriptions and information but no customer/

product attribute feedback. PIM +Plus™ provides a dynamic, actionable product/customer metric enabling a specific and appropriate response to maximize current and future sales.

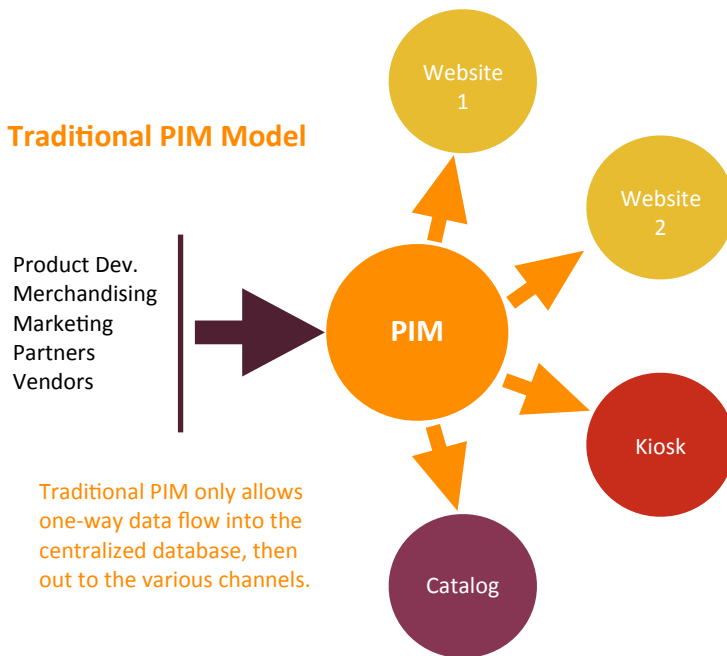
PIM +Plus™ brings ALL attribution together in one system for the fullest possible picture of the entire order management and CRM process. While PIM can efficiently manage static product data across the enterprise, PIM +Plus™ provides powerful, real-time operational information.

PIM vs. PIM +Plus™: A Closer Look

Early PIM: Gaining control of product information across the enterprise

Despite decades of developing and perfecting planograms that anticipated customer behavior and enabled merchants to modify their store layouts, floor plans, and promotional displays to exploit that behavior, brick-and-mortar retailers failed to transition planogram strategies and retail store science to the Web. Years of exhaustive monitoring and measuring customer buying patterns resulted in what could be called the “Science of Retail”, yielding reams of critical information and understanding to help retailers time promotional activities and sales down to the day and minute, yet virtually none of that transitioned online. Instead, newly-minted online retailers and web designers simply began uploading product information to new websites that rapidly became unmanageable in a multichannel environment.

Traditional PIM Model



D2C eCommerce businesses quickly discovered the problems inherent in multichannel selling, handicapped by decentralized data and inconsistent product information. The customer buying experience was often less-than-satisfactory when product descriptions, pricing, and availability were missing or didn’t match across channels. Information could be incomplete or become quickly out-of-date as marketers struggled to maintain separate data silos for each channel and information sources wrestled with incompatible input systems.

Without consistent and reliable data across all channels, brands could suffer at the hands of consumers quick to punish them for a lack of product information or confusing data. Accurate, timely product information can make the difference between no sale and a loyal and profitable customer. Thorough, consistent data across all channels builds value and reinforces brand identity.

PIM: Order Out of Chaos

Initially, traditional PIM solved a lot of problems for e-tailers. Multiple, often conflicting, product information databases were eliminated. Incompatible data formats and inconsistent data requirements were standardized to make product information input from a variety of sources more comprehensive and efficient.

PIM enabled eCommerce companies to unleash the full benefit of an “endless aisle” business model. Merchants gained the ability through PIM to tame complex workflows, consolidating and integrating product attributes and assets from across the enterprise as well as from outside sources into a centralized database and single naming convention or taxonomy. This ability to gather, structure, and curate product information by itself makes PIM an attractive and powerful tool for any D2C eCommerce company.

Equally attractive is the ability PIM provides to push product information out to a variety of sales channels – the Web, mobile, call centers, kiosks, print media, tablets, and more. Typical PIM systems enable the sharing of product information across platforms, media, and channels – regardless of formatting or location – to speed distribution and help satisfy customers’ desire for immediate, comprehensive, and relevant product information to drive purchasing decisions.

The only thing missing from PIM, however, is something even more valuable than the ability to manage and distribute product information, and that is the ability to create a loop that returns critical customer feedback and attributes to the e-tailer to help build customer profiles, detect trends, forecast sales, strengthen customer retention, and tailor promotional campaigns.

PIM +Plus™: Closing the Total Information Management Loop

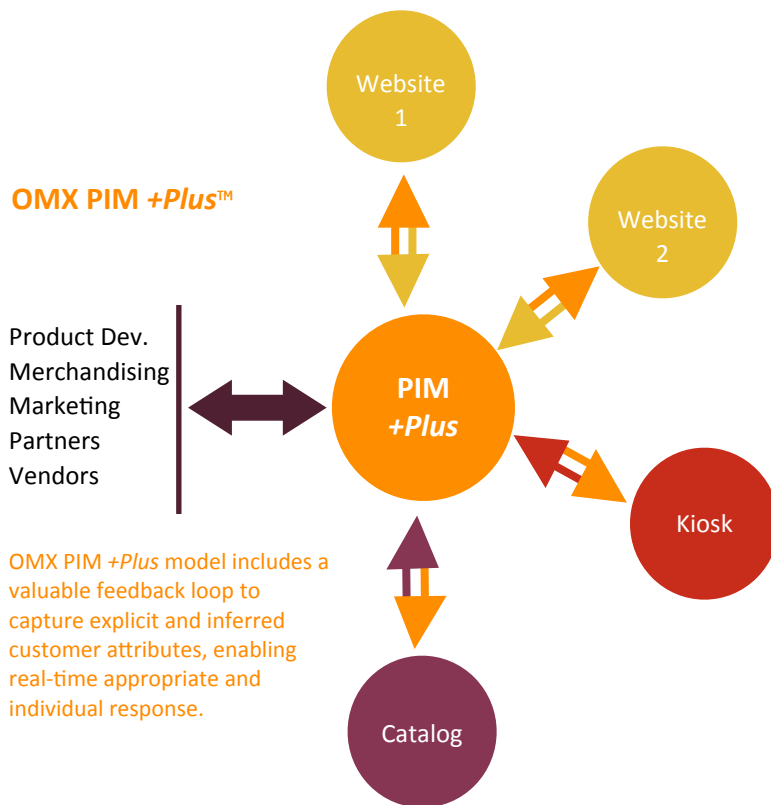
The concept behind PIM +Plus™ is that the science of retail – with its millions of dollars invested in years of consumer behavior analysis and measurement -- should apply to the online world as well. When D2C e-tailers embrace PIM +Plus™ as a more comprehensive and effective way to perform PIM,

they’re adding considerable firepower to their ability to manage and meet customer expectations, drive sales, analyze trends, and boost profits.

PIM +Plus™ provides the element missing in virtually every current PIM system – the ability to capture and utilize customer attributes and respond to them immediately, appropriately, and automatically. Adequately managed product information is simply not enough – today’s eCommerce merchants need the ability to develop a complete picture of their entire D2C order management

process, analyze it, and take the immediate actions necessary to exploit marketing opportunities, create promotional campaigns, prevent the loss of sales, and build a loyal customer base. Product data, without customer attributes, provides neither the whole picture nor the valuable information needed for effective customer management.

But it doesn’t stop at metrics for just product and customer attributes. There’s a third metric crucial to completing the



total information management loop – order/orderline attributes. To gain a truly comprehensive picture of your entire order processing and management system it's important to understand what's *in* the order and *why*. Armed with this data, a D2C merchant can gain valuable insights into customer intent and actions – are certain products *always* sold with other products, or *never* sold with them? What influences orderline activity? Is it seasonal? Price related? Influenced by promotion? Traditional, unidirectional PIM has no way to capture any of this vital data and therefore no way of enabling the e-tailer to respond to it to maximize sales opportunities.

The ability to build volume, retain customers, maximize sales, and increase profit is like a three-legged stool of which product information, customer attributes, and order/orderline attributes are the legs. Take away just one of those legs and it simply doesn't work. In fact, it *can't* work because you're missing a vital part. Without product information, your customers have no way to make informed purchasing decisions. Without customer attributes, you have no way of understanding customer behavior and implementing strategies to positively affect it. Without order/orderline attributes, you can't see the connection between customer intent and action. PIM +Plus™ provides all of this. Conventional PIM, none – you can only assimilate product information and push it out the door. Everything else is just guessing.

Breaking Down Informational Barriers

A major challenge to developing and implementing a PIM +Plus™ solution is the manner in which enterprise-wide operational information is processed and stored. Typical corporate workflow favors compartmentalization of information – every department assimilates and utilizes the information it needs to successfully carry out its mission, with little or no thought as to how other departments might be able to take advantage of that data.

The result is no surprise – a hierarchical IT structure with various chunks of data safely tucked away in vertical departmental silos and no real way of bridging them across the enterprise. Homegrown systems that have metastasized often make the problem even worse. Instead of streamlining the process, IT departments often make it even more complicated, costly, and inefficient by expanding the system in an attempt to handle increasingly diverse, disparate, and growing amounts of data.

A conventional PIM solution is often seen as the “silver bullet” by an increasing number of D2C merchants as a way to simplify, consolidate, and integrate product and merchandising information. In fact, while early adopters grabbed onto PIM only after they recognized that they had a problem, forward-thinking companies are now insisting upon PIM before they even begin to promote in the D2C marketplace. But, as we've just seen, PIM is at best a partial solution and one that only addresses the marketing silo. What about customer relationship information and order/orderline data? Only PIM +Plus™ can provide all that.

PIM +Plus™ is the key to true strategic D2C information management, enabling stakeholders to visualize and analyze customer and order management information across the entire system so that immediate, accurate, and appropriate responses can be made at any point in the order management process – from promotion to sales to fulfillment to follow-up. No more corralled-off silos that restrict informational workflow across the enterprise. PIM +Plus™ not only provides the total informational picture needed to analyze and evaluate sales trends and customer relations management, it also helps create a comprehensive, seamless, dynamic, end-to-end view of the entire order processing and management system. Instead of just peering through the PIM window to get a look at how product information is aggregated and curated, IT managers and D2C executives can get a sweeping, comprehensive view of the entire customer relationship and order management landscape with PIM +Plus™.

The Revolution Is Here. Join Us.

Welcome to the future of D2C commerce, where PIM is just one function of the broader, more comprehensive, next-generation PIM +Plus™ methodology built into our SaaS-based OMX order management technology. We bring the full power of the science of retail to bear on eCommerce to help you, the D2C merchant, achieve maximum success today and create a sustainable, profitable foundation for the future.

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For more information on PIM +Plus™ and our advanced OMX technology, visit www.ordermotion.com or contact us at: 877-775-3900 info@ordermotion.com