

Mastering Product Information is Everyone's Business

**PIM and MDM Help Maximize the Value
of Product Investments**





Introduction

Product Information Management (PIM) is essential to business processes, the customer experience, and ultimately financial performance. It is shared among business units, customers, partners and distributors and may take many forms, including text, video and images.

PIM software has evolved to automate processes and eliminate many of the problems and mistakes made in managing PIM data. Highly successful organizations combine PIM with Master Data Management (MDM) systems seamlessly across all data domains.

This eBook, based on Ventana Research's benchmark research "Trends in Product Information Management," explains PIM, how it supports business goals, its relationship to MDM, and how to evaluate tools and make the case for PIM.

Mastering product information will improve performance. It is everyone's responsibility. Here's how to do it.



What PIM is, What PIM Does

Product Information Management (PIM) is the management of an organization's product information in standard formats using processes, information and technology.

Product information can consist of catalog and SKU data, manufacturing reference information, images, videos and product descriptions, text and documents and more.

The goal of PIM is to ensure that product information is consistent and accurate, regardless of where or how it is stored or used.

PIM creates a single authoritative source of information and allows internal and external parties to access what they need. For example, marketing and sales can access product information to facilitate moving prospects into and through the sales pipeline while retailers and distributors can get sales.

Successful PIM delivers benefits including:

Product information that is uniform regardless of how it is accessed or distributed. This benefit alone provides:

- Increased efficiency.
- Maximized value of investments in products and services.
- Increased customer clarity and satisfaction.
- Increased sales through consistency and completeness.

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Evergreen information

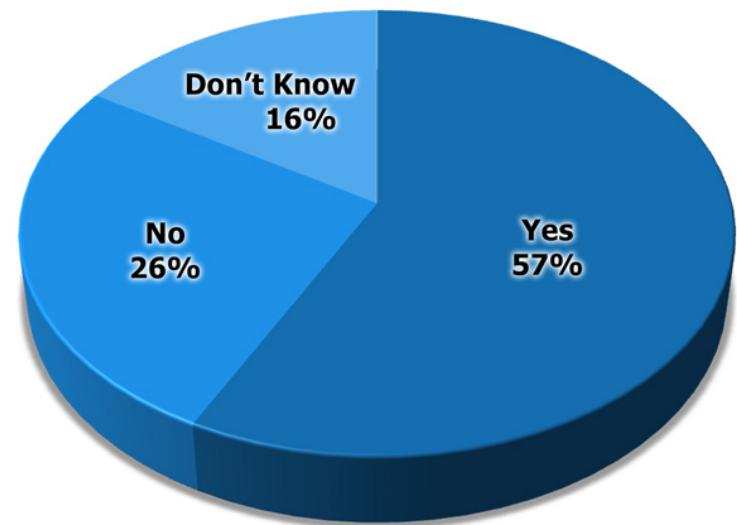
PIM enables its managers to define product information, collect and assemble it, and make it available as needed. The PIM information store is evergreen, remaining current as new information becomes available and outdated information is changed.

Reliable PIM has been difficult to achieve. Ventana Research's benchmark research shows that 48% of organizations surveyed struggle to maintain a single version of product information. They cite incompatible tools as the cause.

More than half – 57% – plan to change the way they manage product information during the next 12-18 months, indicating a high degree of dissatisfaction.

This data can help bolster the business case for improving PIM. It demonstrates that improving PIM represents an opportunity to gain a competitive advantage and shows that many organizations anticipate changing how they manage PIM; therefore it's important to fund this priority soon or risk falling behind.

Will Management of PIM Change?



Takeaway: Many organizations are dissatisfied with their current PIM process and are looking to rapidly implement change.

PIM Supports Business Goals



Organizations want PIM tools to support their business goals. That's because the quality of product information and the ability to effectively use it impacts the processes and goals of many different business units, including marketing, sales, finance, manufacturing and distribution.

Why will businesses seek to change the way they manage product information? Close to half (46%) said to improve data quality.

They also cited improved cross-sell and up-sell potential and improving the customer experience through the deployment of improved PIM.

There's yet a third driver. When asked about ***making the business case for PIM***, the two top reasons were improving customer satisfaction (53%) and improving customer service (38%). Here, as seemingly everywhere in business these days, the customer benefit from improved PIM trumps the efficiency of error elimination and broad business unit support.



Takeaway:

Businesses want to eliminate errors and improve data quality, support multiple business units and improve customer satisfaction and customer service.

PIM and MDM Work Together



Both Master Data Management (MDM) and PIM support a common goal. While MDM is designed to help IT users manage the data infrastructure, PIM is designed to enable business users to maintain and access product data while ensuring its consistency.

Research makes it clear that effectively managing change in product-related information requires PIM.

The PIM issues creating the most frequent challenges are:

- Maintaining consistent pricing (28%).
- Addressing incomplete product attributes (26%).
- Managing new product introductions (23%).

Business units use MDM to manage information assets as they seek to improve data quality across multiple systems, including PIM. Business units must also integrate other types of information with product information, which PIM facilitates because it operates with MDM methods built into it.

The types of information that are most often integrated with PIM are:

- Customer (55%).
- Financial (51%).
- Pricing (48%).



Takeaway: MDM is the province of IT.

PIM should be chosen to support business users. Both must work together.

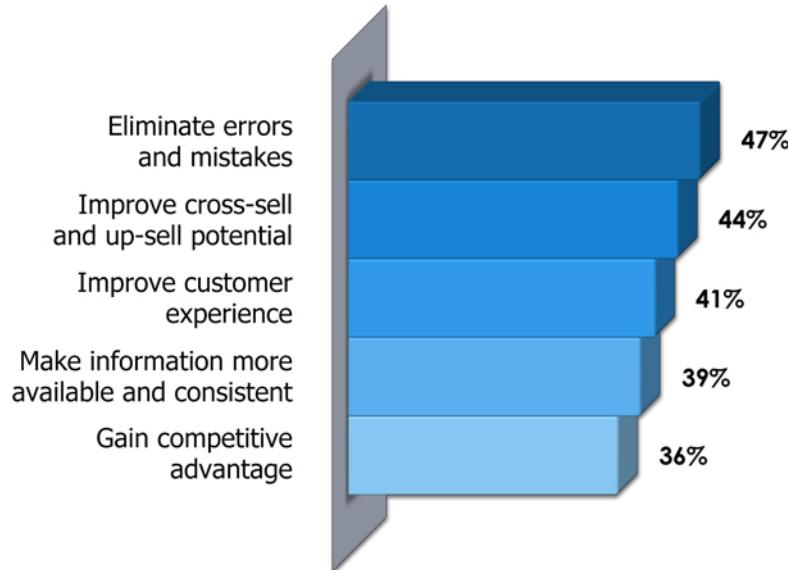
The Right Technology Helps



Having a single PIM system avoids the headaches that multiple systems create.

Ventana Research recommends implementing a dedicated PIM system. Research shows that nearly half of organizations with a dedicated PIM system (47%) eliminate errors. 44% of research participants said that their dedicated PIM system improves the potential for further sales.

Top Benefits of Dedicated PIM



Business analysts in particular require a robust set of PIM capabilities including:

- Discovering and associating products.
- Product search.
- Communicating issues.
- Designing layouts.
- Generating documentation.
- Publishing product information.



Takeaway: Look for a single, dedicated PIM system with a robust set of features.

The Wrong Technology Hurts



Spreadsheets are everywhere and used for almost everything in business. More often than not that's a mistake.



Spreadsheets are a poor way to manage product information, rife with the potential to distribute incomplete, inaccurate or old information.

Still, **94% of organizations use spreadsheets to support product information.**

Not surprisingly, **56% of these organizations frequently find errors.** By contrast, only 6% say they rarely or never find errors.

Reliability of product information is important, but attaining it can be a twisted road. 45% of research participants said that they create their unified, reliable product records manually. Not surprisingly, one-third of that group is dissatisfied with that method of PIM record creation.

Only 27% of respondents use a dedicated PIM application. This must quickly change. Laggards will pay the cost of not moving to dedicated PIM solutions.



Takeaway: Eliminate manual processes that create errors by moving to dedicated PIM systems.

Focus on Business Users...



PIM is essential for increased sales and improved customer relationships. Because business units are responsible for creating and managing product information, tools should be sought that support their needs first, while still factoring in analyst and IT user needs.

MDM and PIM must be considered together. MDM works within the IT infrastructure to manage assets used in business processes. Managing a single source of product information through a PIM system that works with your MDM system will increase benefits dramatically.

Research participants identified the following benefits resulting from business units managing a single source of product information in a PIM/MDM environment:

- 90% eliminated errors and mistakes.
- 85% improved customer service.
- 80% enjoy more available product information.



Takeaway: Support the business user, but ensure that the PIM system is compatible with MDM.

How to Choose PIM Tools



In selecting a dedicated single system for PIM, Ventana Research recommends focusing first on current product information management activities to assess where improvements are needed. Identify roles responsible for products, such as manufacturing, product management, commerce and distribution, and establish their needs. Only after making these first assessments should you begin exploring tools.

Business users should drive the PIM selection process, as they are more likely to support and adopt systems that are designed with ease of use and user efficiency in mind.



Takeaway: Consider the PIM needs

of all involved user roles and ensure resources are available to support PIM adoption.

Making the Business Case



When establishing a case for PIM tools or PIM improvement, base the argument on the potential for increasing the business value of product information. Determine:

- Where improving product information can increase its business value – for example, to product managers or marketers who want to inform customers using non-traditional materials like video.
- How technology can make it easier to improve product descriptions or aggregate product information.
- How better PIM can translate into improved customer satisfaction (a goal of 53% of research participants).
- How PIM can improve cross- and up-selling potential (a benefit cited by 44% of research participants).



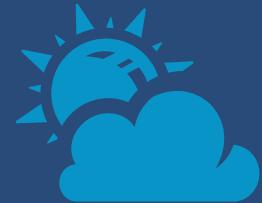
Bolster your case using these salient facts: 87% of participants reported that using a dedicated single system for PIM delivered a faster time to market. 90% said it eliminated errors.

However, a lack of resources hindered the ability of more than one-third of organizations (37%) to deploy PIM. A third (33%) cited budget issues. Be sure to do the necessary groundwork to ensure support.

Takeaway: Dedicated PIM delivers customer and competitive results – but requires adequate support and resources.



Businesses Need PIM and MDM



Organizations that have integrated MDM and PIM eliminate errors more than twice as often as those that have not combined MDM and PIM (47% vs. 20%). This directly translates into efficiency and customer satisfaction.

Ventana Research identified many types of data that must be integrated with product information management, including:

- Catalog systems (44%).
- Analytics (43%).
- Transactional data (38%).
- Images and videos (35%).
- Documents (31%).

Takeaway: Companies with integrated PIM and MDM enjoy more than double the rate of error elimination than companies that have not integrated PIM and MDM.

Conclusion

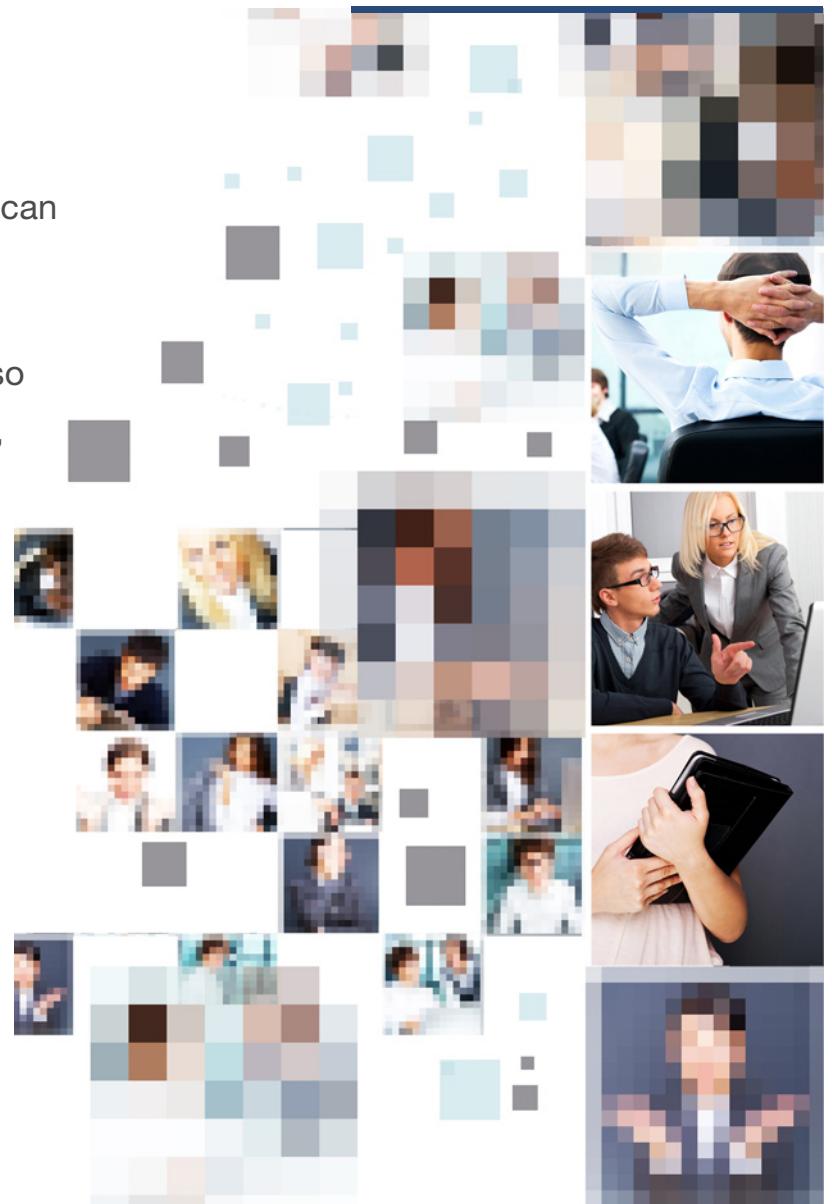
Product information management (PIM) is a simple concept, but it can be challenging to execute effectively.

PIM is more than just processes, technology and information; it also involves people working together to achieve these goals. In particular, business units and IT must share responsibility and resources for creating consistent information.

When designed well and used properly, PIM processes supported by appropriate technology, including MDM, create otherwise unidentified opportunities to sell products and services and help improve loyalty and the customer experience.

Sponsored by

The full PIM Benchmark Research Report, “Trends in Product Information Management: Ensuring Consistency to Gain Competitive Advantage and Increase Profitability,” can be purchased from Ventana Research at www.ventanaresearch.com.



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