



WHY DIGITAL COMMERCE DEPENDS ON PIM

BYRD – The Product Content Lifecycle Management Technology

DIGITAL COMMERCE WITHOUT PIM IS LIKE A SHOP WINDOW WITHOUT PRODUCTS

»Product content is and remains the most important sales argument.«

The enormous upswing that digital commerce has experienced in recent years has also meant that **companies are increasingly focusing on the topic of PIM** – because quite a few have inevitably failed when trying to manage their product data effectively with the help of Excel spreadsheets or the product databases of online stores. In this paper, we therefore want to look at the product content lifecycle in detail and in particular address the question of why PIM is essential for successful e-commerce.

We hope you enjoy reading it!



Yours sincerely

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THE ERA OF DIGITAL COMMERCE

»Product sales today take place on many different channels.«

One of the biggest changes in companies' product communication is the increasing **diversification of channels**. What used to be limited to online stores and product catalogue is now also taking place on many other channels, both owned and third-party. D2C manufacturers must consider more and more potential points of customer interaction. These range from web stores and sales apps to social media and innovative sales channels such as conversational commerce.

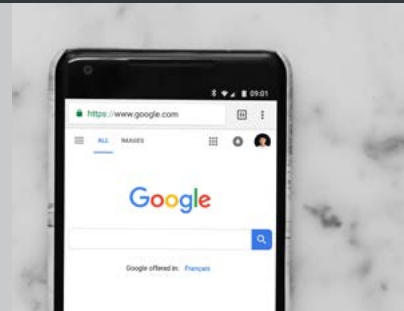


1st place
36%

»36 per cent of consumers use **leading marketplaces** as their preferred platform for product searches.«

2nd place
30%

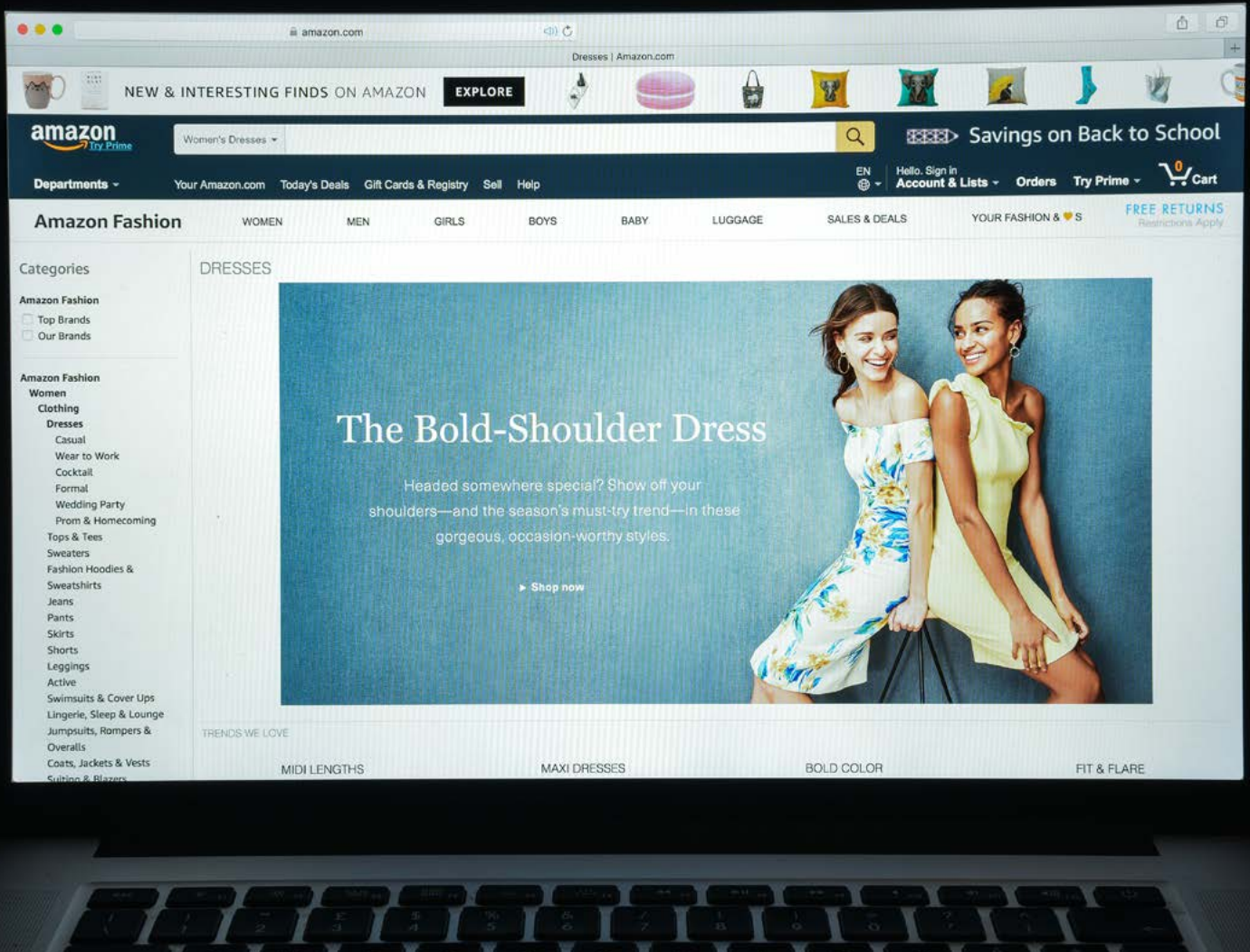
»30 per cent of consumers prefer **search engines** for their product searches.«



3rd place
23%

»For 26 per cent of consumers, **social media** is the preferred platform to search for products.«

However, to offer the best possible product experience on all channels and address the entire potential target market, it is also necessary to integrate third-party platforms such as online marketplaces and retailers into the communication strategy. Increasing numbers of **consumers are turning to their trusted retailers when searching for products**: in 2022, the proportion of consumers who cited leading marketplaces as their preferred platform for product searches was 36 per cent. Search engines came in second place with 30 per cent, followed by social media (23 per cent).



In addition, manufacturers must find new ways to address their target group in a personalised way as cookies can no longer be utilised. Retailers now offer **numerous options for this in the context of retail media**, from the use of advertising space and sponsored products to enhanced content, i.e., a wide range of design options for a brand's product detail pages on the retailer platform. **Enhanced content is becoming an increasingly important tool for manufacturers**, as it enables them to adapt their product communication to their brand identity on third-party channels and thus better differentiate their products from those of the competition.

In global commerce, brand manufacturers and retailers are moving closer and closer together. For manufacturers, this means that they must share their product content as efficiently as possible with all their retail partners and consider those retailers' individual requirements. More and more companies are relying on a direct **connection to the Global Data Synchronisation Network (GDSN)** to absorb the complexity that this creates in data exchange between industry and retail. Manufacturers can publish their central product data once in the network and every retail partner can easily access it, import it into their own product content lifecycle, and use it for product marketing in online retail.



THE CONTEXT SETS THE TONE

»Product data is only half the battle – real product experience needs much more than that.«





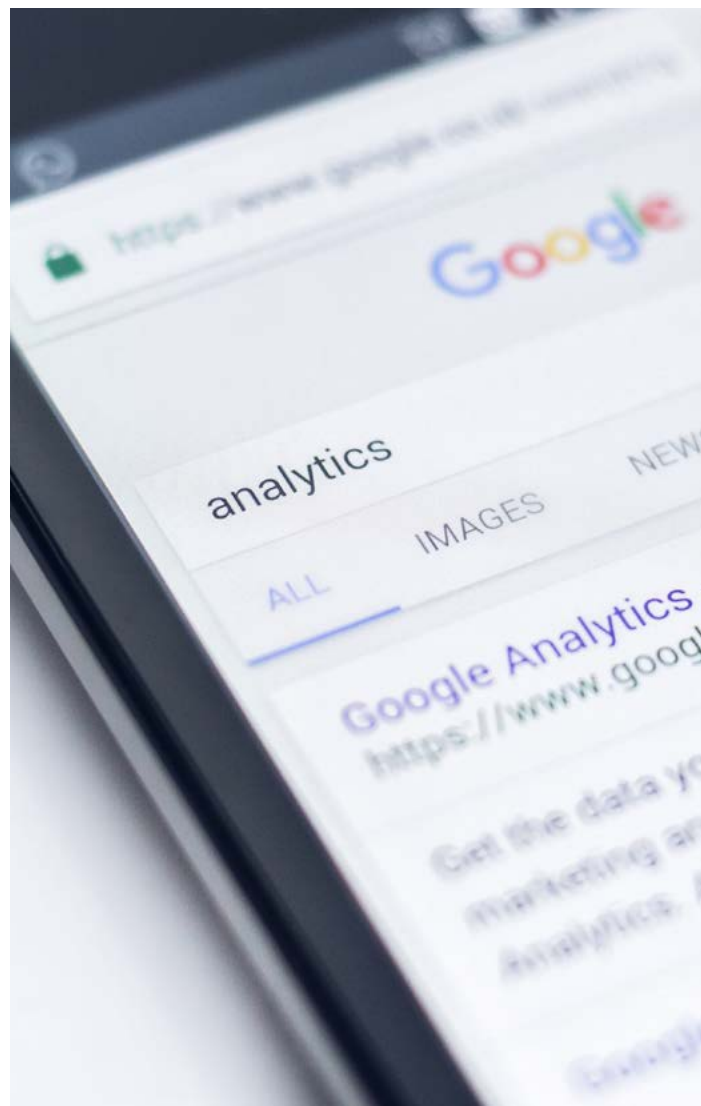
Although product data forms the foundation for all product communication, it is not yet convincing in its granular form. Only **by enriching** this data with marketing texts, product images and videos, and other creative elements is **genuine product content** created – and thereby communication content that is suitable for supporting marketing and sales processes.

It is important to understand that »suitable« has a different meaning for each communication channel. Products should be presented differently in the online store than on social media, and the online marketplace or retail partner’s product detail page also offers special framework conditions that must be considered when creating product content.

The success of product messages largely depends on the extent to which they pick up on the context of the respective communication channel and thus offer users the most natural consumer environment possible. Large blocks of text that make sense on the product detail page of the online store are merely scrolled past on the Instagram channel. Some hero images have more impact in the manufacturer’s mobile app than in the product overview on Amazon, for example.

Brand manufacturers must define **rules for convincing product communication** touchpoint by touchpoint and thus map the entire customer journey. Of course, this is also a learning process – **analytics tools** can be used to precisely measure the success of campaigns and derive insights that form the basis for continuously optimising product content.

For this task to be accomplished efficiently and in a controlled manner, it takes a system architecture that is appropriately set up. Above all, it takes a close **interaction between the solutions** used in order to provide the best possible support for cross-system processes and workflows.





FOCUS ON THE DIGITAL VALUE CHAIN

»Each element in the product content lifecycle fulfils a specific task.«

For granular product data in product information management (PIM) to create unique product experiences in an online store, the product content must pass through several lifecycle stages. The increasing complexity of communication makes it necessary to map this digital value chain and all software areas involved very carefully and to control the **central data flows effectively**.



The **creation and management of product content** essentially comprises the two software disciplines of **PIM and digital asset management (DAM)**. A flexible and contextual display of product content requires a particularly close integration of product information with digital assets, which requires a deep integration of PIM and DAM. Product content management solutions cover these two disciplines directly in one and the same system, thereby preventing potential inefficiencies and process breaks in the data flows. In the next step, channel management governs the channel-specific communication rules and the publication planning of the product content, thereby controlling the entire product communication. Finally, syndication has the task of actively distributing the product content to the various data recipients with the help of direct connections to the GDSN, common online marketplaces, or the retailers' supplier portals.

While your own communication channels usually already have analytics tools, there are **special digital shelf analytics (DSA) tools** for third-party channels such as the online marketplace that often keep an eye on the direct competition as well as your own products' performance. This allows marketing managers to gain important insights and continuously optimise their product messages to make their own products stand out from the competition. Here, too, it is **important to automatically feed the information from the analysis tools back into the product content lifecycle** to minimise the manual effort required for product content maintenance.

THE ART OF INTEGRATION

»Systems, data, processes, people – everything is interacting.«

Having the right software systems in place is one thing, as to ensure that the product content lifecycle is managed and controlled effectively, the entire value chain must be optimally integrated. This includes not just the technologies and their interfaces – the processes and workflows based on the software solutions must also be integrated across systems and automated as far as possible for increased efficiency.

In addition to increasing efficiency and the resulting time savings for marketing and communication managers, integrated processes ensure increased **automation potential and improved data quality**. For example, they automatically validate product data during import using defined test criteria and rules and then enrich, translate, map, and transform it with as little manual intervention as possible.






WHAT IS THE REALITY TODAY?

»The wrong focus inevitably leads to problems.«



Even if the advantages of a perfectly integrated product content lifecycle are obvious, the **reality** in most companies **is still very different**. It is not uncommon to still see Excel spreadsheets used to manage product data, and different file versions often lead to redundant data storage and, even worse, **serious data quality problems**. To avoid this, some companies have tried to solve the issue with the product database when setting up their online store. But even here, companies very quickly reach the limits of what is possible, as no store catalogue can replace the extensive **capabilities of a genuine PIM system**.




In addition to the major functional differences between product management in online stores and PIM systems, there is a central **reason for using PIM**: while the online store creates products individually for presentation on the store pages, a PIM system stores product data in a **media-neutral** manner and therefore acts as a **single source of truth for all data recipients**.

Without a central PIM system, problems along the digital value chain are inevitable. These problems include inefficient processes in product management, marketing, and sales, a lack of information in customer service, and poor data quality, all of which can lead to dissatisfied partners and customers as well as higher return rates and therefore avoidable costs. Long time-to-market and a suboptimal product experience in the communication channels also lead to unrealised sales potential.

BRING YOUR PRODUCT CONTENT TO LIFE!

»The digital roadmap for lively product communication.«



So, when the need arises to expand the e-commerce area, open up new digital sales channels such as online marketplaces, or tackle online store projects, companies are well advised to **take a close look at their own product content lifecycle** as a first step and compare it with the current and future requirements of marketing, sales, product management, customer service, and business strategy.



Smaller companies in particular that do not yet have a PIM system in place are well advised to lay the foundations in product content management before expanding their digital sales channels. This will later enable them to expand their product communication very flexibly to include new output channels or to tackle issues such as multilingualism or the marketing of new product ranges without difficulty.

The **introduction of PIM systems is much less complicated, cheaper, and simpler** today than it was a few years ago. Modern SaaS solutions with preconfigured data models that cover industry-specific requirements out of the box, as well as connectors to the most important data recipients such as the GDSN or the largest online retailers and marketplaces, are ready for use after a short implementation time.

Careful design of the product content lifecycle leads to sustainable business development, optimised data quality, and more efficient processes and helps to maximise the ROI of the entire digital value chain. Manufacturers and retailers alike benefit from vibrant product content at all points of interaction through an improved customer experience, higher conversion rates, lower return rates, and a continuous strengthening of their own brand and relevance for consumers.