The Power of an **ERP and PIM** Connection in Ecommerce

Integrating a PIM tool for ecommerce success

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Who is this ebook for?

It's for small to medium businesses that want to excel in ecommerce.

As an online business owner, you know it's critical to deliver the right products at the right time, and in front of the right customers. If your customers have a good enough connection with your products, they'll end up buying them without any friction. But to reach that goal, you need tools that generate real-time data, streamline tasks and help you deliver a strong customer experience that will set you apart from your competitors.

This white paper will explore enterprise resource planning (ERP) and product information management (PIM) systems—and how they work together. Often, SMBs believe that having an ERP alone is enough, but we've seen how integrating both these tools can enhance the customer experience.

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The great shift in ecommerce

The popularity of ecommerce in the last year has led to many brick-and-mortar stores transitioning into the digital space. According to Statista, online shopping has become one of the most popular online activities, and in 2021 retail ecommerce sales amounted to 5.2 trillion US dollars worldwide. This figure is forecast to grow by 56% over the next years, reaching about 8.1 trillion dollars by 2026.

The growth in ecommerce can be attributed to:

+ Convenience in an always-on world
+ Personalized customer experiences
+ Multichannel buying opportunities
+ Increased mobile usage or adaptivity
+ Demand for cross-border selling

While there is growing potential in ecommerce, 80% of ecommerce stores are still failing, and an alarming 90% of startups closed down. Businesses are failing because of poor content, lack of SEO, UX, and marketing efforts. They're also struggling to overcome brand diversity and
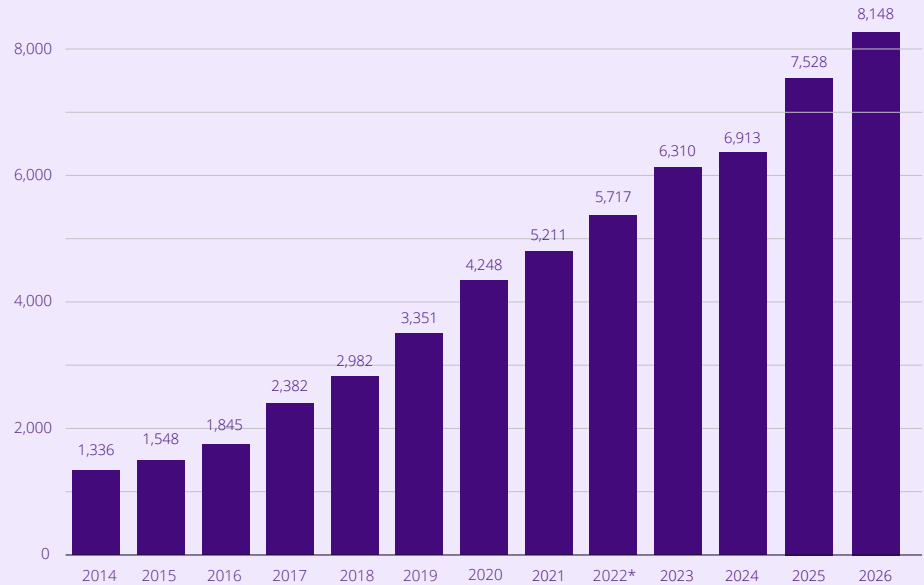
compete against ecommerce giants. For businesses to beat failure, they need to have the right systems in place.

Having an efficient and varied ecommerce technology stack can help you ensure success and sustainability in this fast-paced industry. For example, enterprise resource planning (ERP) software, analytics tools, digital asset management (DAM), multichannel listing management software, inventory and order management, PIM, and more.

Financially, it's not always feasible to jump full-steam ahead and adopt all of these tools, but one thing's for sure: **by maintaining an ERP alone, you're limiting your business.**

Retail ecommerce sales worldwide
(in billion U.S. dollars)

Year	Sales
2014	1,336
2015	1,548
2016	1,845
2017	2,382
2018	2,982
2019	3,351
2020	4,248
2021	5,211
2022*	5,717
2023	6,310
2024	6,913
2025	7,528
2026	8,148

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What is an ERP system?

Enterprise resource planning (ERP) is a system created in the early 1960s.

It is a system used to centralize back-office business activities that affect the end-user:

+ Financial accounting
+ Management accounting
+ Human resources
+ Manufacturing
+ Order processing
+ Supply chain management
+ Project management
+ Customer Relationship Management (CRM)
+ Data services

When you manage all these tasks in one place, it's easier to track and monitor performance.

How do businesses benefit from having an ERP?

ERP systems increase efficiency by helping users operate complex processes. It prevents data re-entry, and assists in improving business functions such as production, order completion, and delivery.

SKU
MICB7503

LABEL
Italian coffee pot

THUMBNAIL

COMPLETENESS
78%

RETAIL PRICE
$19.99
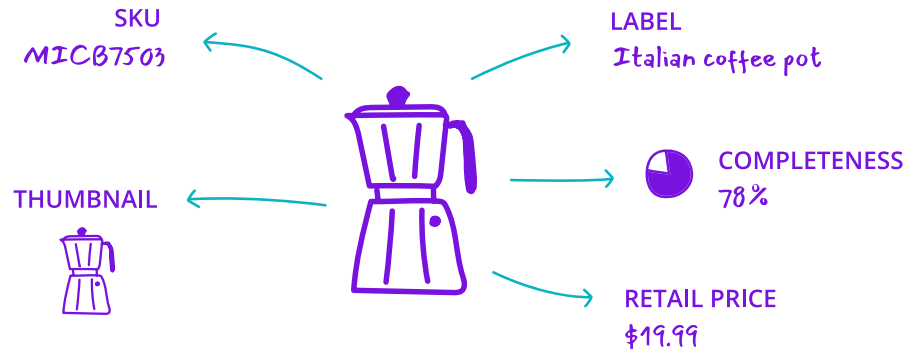
While an ERP is an efficient tool for small to medium-sized businesses tracking inventory-related tasks and products, it does not extend its offerings to storing product information. **It's not an ERP's job to store data that supports a single product throughout its lifecycle; that's the job of PIM.**
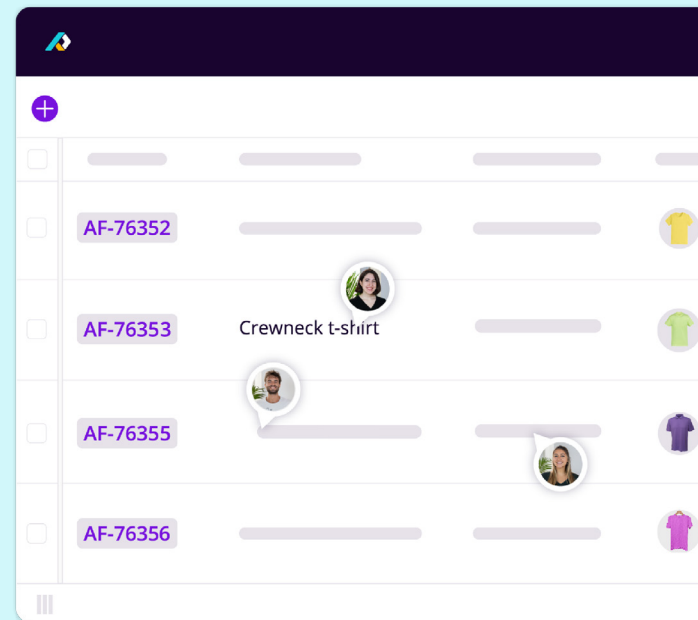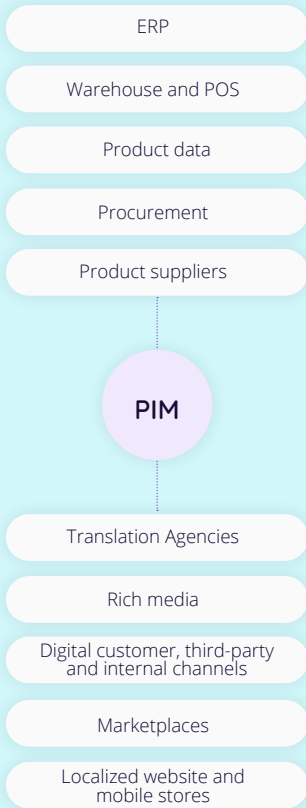
What is a PIM system?

A product information management (PIM) system stores and centralizes product information that you need to market, sell and distribute to your chosen online sales channels.

With PIM, you can collect, manage, and enrich your product data in a single source of truth. It helps you streamline mundane data management tasks, collaborate with cross-functional teams, and deliver compelling product experiences across every digital touchpoint. When it comes to the features, some PIMs offer more than others. For example, others offer DAM capabilities for digital assets and sales enablement tools to create product catalogs and line sheets while others don't. **Plytix offers them all.**

These features allow you to efficiently distribute updated content to your website internally and to various online sales channels.

ERP

Warehouse and POS

Product data

Procurement

Product suppliers

PIM

Translation Agencies

Rich media

Digital customer, third-party and internal channels

Marketplaces

Localized website and mobile stores

How do businesses benefit from having PIM?

You can manage, centralize, and update your product information in one place.

This includes data from your ERP, as well as additional data to help you convert more sales:

+ High-quality digital assets
+ Technical specifications
+ Taxonomy and relationships
+ Sales information
+ Channel-specific information
+ Marketing data
+ Multilingual copy for your multilingual store and more

All the information in PIM can be distributed to your chosen ecommerce platforms, to comparison shopping engines (CSE) such as Google Shopping, Facebook Shops, Amazon and other marketplaces.

Why is there a growing need for PIM in ecommerce?

The ecommerce industry has evolved so much that there are now more options for customers to choose from when shopping around for products to buy .

1. Customers need more product information

Now more than ever, **product content is everything.**

Customers want to read reviews, see high-resolution images, consume sales information in their native language, and make confident purchasing decisions based on the relevant information that's available to them.

According to Google, 85% of shoppers say product data and pictures are important to them when deciding which brand or retailer to buy from. Think about it, when customers search for a product, they are bombarded with content. But the content that will drive them to make a purchase is:

+ Popular and trustworthy content with a high ranking visibility in search
+ Detailed information that will guide their entire purchasing decision

What this means is, a lot of product data needs to be stored in an environment that's not only safe but one that allows a single overview of everything. That way, it'll be easy to spot mistakes, duplicates, or gaps. Google spreadsheets, Excel, and Dropbox, won't be helpful. Instead, it will create room for error and incorrect data.

PIM will help a brand store all that data in one centralized place, where they can easily manage, update, and review without the fear of errors that come with long hours of manual entry work.

85% of shoppers surveyed say product information and pictures are important to them when deciding which brand or retailer to buy from.

Source

2. Multichannel and omnichannel retailing

Gone are the days when brands only needed to sell on their website. Nowadays, **customers have the luxury of choosing to shop on a web store, marketplace, social media, or comparison shopping sites (CSEs). Each of these sales channels offers brands a wider reach and the potential to attract more customers**. And with multichannel and omnichannel retailing, brands get to be where their potential customers are at every touchpoint. This is a huge advantage for brands and a shift in e-retail selling.

Currently, there are 2.14 billion online shoppers worldwide, and:

+ 63% of shopping begins online

+ 50% of consumers shop on their mobile
+ Online marketplaces such as eBay, Alibaba, or JD.com, accounted for over one-third of global online shopping orders in 2022
+ Most shoppers prefer to shop on marketplaces for repeat purchases

This shows massive growth, but that growth isn't only on your web store. It's through various sales channels online. That's why having a PIM tool is so important; to **meet your customers on the channels where they are, and offer them the customer support needed throughout the buying process**.

3. Competitive edge in a tough market

The online selling market is tough, and every brand is trying to attract the same audience. Due to the rise in online sales (ten years' worth of growth in 90 days), the competition is getting even tougher, and what will set you apart from the competition and help give you a competitive edge is having enriched and optimized product data.

Having a centralized product information database allows you to enrich and enhance data your way, in real-time. This ensures you **provide valuable information to your audience regardless of the channel**—always putting you one step ahead of your competition.

U.S. Ecommerce Retail Penetration and Forecast by Vertical
Actual (2015-2021) and projected

Legend:
- Media (videogames)
- Toys/Hobby goods/Games
- Office equipment and suplies
- Electronics
- Clothing & Accessories
- Furniture & Home furnishings
- Consumables
- Food & Bev

Source

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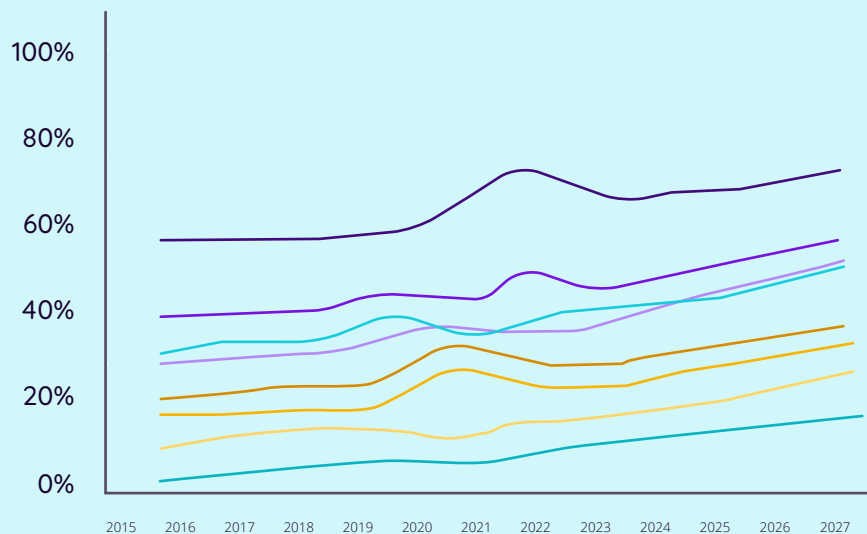
4. Helps tackle product return issues

A querter of customers across all ecommerce industries return between 5 to 15% of their purchased items. And, there has been a rise in the number of online-purchased items being returned by a customer.

The most common reasons for returns are receiving the wrong items, receiving items that look different than what they expected, or receiving items that were damaged upon arrival.

When you have PIM software with DAM capabilities, you can enrich your content to ensure your customers know exactly what they are getting through reliable images. High-quality product images, and videos will enhance the accuracy of product descriptions, which in turn, decrease the chances of return.

How often do you return products ordered online?

Ocasionally **59%**

Never **12%**

Always **12%**

Regularly **5%**

Sometimes **22%**
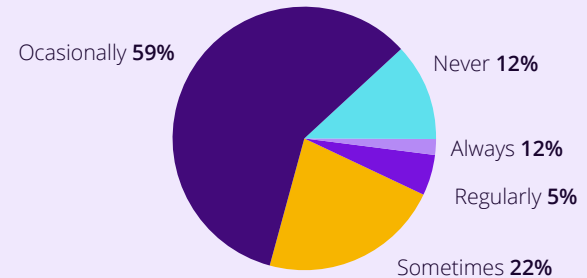
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Do you return products you purchase online more or less often than products you buy in-store?

More **20%**

The same **47%**

Less **33%**
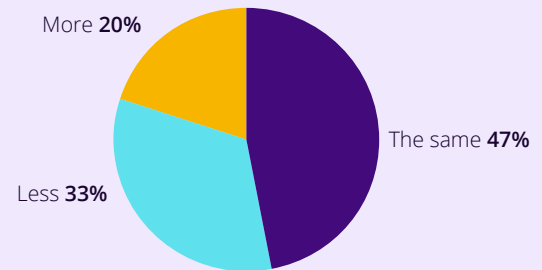
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How ERP and PIM work together

PIM manages product information while an ERP system helps organize business processes.

ERP	PIM
Tracks inventory and procurement	Collects and organizes product specifications
Tracks customer behavior and journeys	Collects and stores sales feedback and reviews
Tracks payment and billing issues	Collects and stores sales feedback and reviews
Tracks and centralizes client-related information	Shares data with sales channels directly

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They play different roles, and while one can't do the job of the other, **a PIM tool is the missing piece to the success of your ecommerce strategy. An ERP can cover multiple touchpoints in the business, but there are limitations as to how much content can be shared outside of the business**.

And for marketing and sales purposes. The problem with this comes when you're competing against companies offering similar products or services online. A basic product explanation will not appeal to customers or get you ranking in Google search results. So, **PIM will complement those ERP shortcomings** and take your product management descriptions to new, rank-worthy heights.

Here's why an ERP and PIM are a winning combination:

Effectively managing SKUs across all systems

When an ERP system is connected to PIM, you can manage **inventory, orders, and product data all from one place**. This content can be viewed internally by teams, or syndicated to ecommerce platforms, CSE's, marketplaces, and more. This will save you time on getting your products to market, and (of course) the manual time wasted on data entry, as well as money on lost sales.

Content sharing for stakeholders

Sending detailed content to retailers, distributors, and wholesalers can be challenging and time-consuming. With just an ERP, you can send the bare minimum information to clients; however, with a PIM integration, you ensure you send your client product data that is more descriptive, accurate, and up-to-date.

Apart from being able to send more descriptive content to stakeholders, **it's a tool that makes collaboration easy across distribution channels**. Need to search and locate various pieces of data; now you can rely on product information that is up-to-date, accurate, and consistent.

Selling on various sales channels becomes easier

Without PIM, product content syndication to marketplaces becomes daunting to the point where people end up not selling on multiple channels. This is a shame because **marketplace visibility is vital to ensure your customers become returning customers**. If they aren't returning to your web store, they should at least be able to find you on popular marketplaces.

Having a PIM tool lets you store variations of your product data, simplifying syndication and distribution to sales channels.

Imagine you want to buy something you have never bought before. Which option would you choose:

	RETAILERS	BRAND	MARKETPLACE
	50%	19%	31%
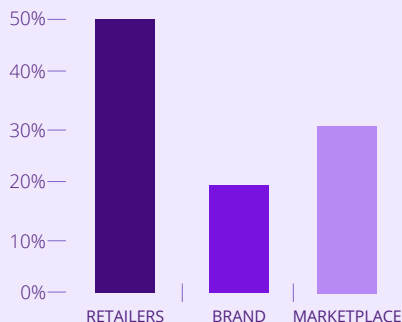
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Now imagine that you like the product and want to buy it again. Where are you most likely to buy next time?

	RETAILERS	BRAND	MARKETPLACE
	31%	20%	47%
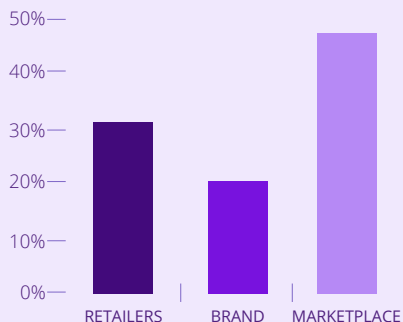
Offers an improved customer experience

According to a survey done on more than 1000 online shoppers, there are a few issues that affect customer experience. Some include:

1. Unclear pricing

More than one-third of online shoppers find unclear pricing frustrating. This is often a result of poor data management and silos. Without clear information, sales can use incorrect pricing information. And by incorrect, we mean they already need to manage these, among others, so make yours is correct:

+ Bulk or wholesale
+ Dynamic or role-based pricing
+ Category and industry-specific pricing
+ Minimum advertised price (MAP)

All this pricing information can cause confusion or get incorrect pricing online when managed manually. To ensure effective selling, sales reps need accurate pricing information at their fingertips. Before, your ERP system would store the pricing costs, but now PIM can do that and more! So, **when a customer interacts with a sales rep, they can confidently respond on time with accurate data.**

2. Poor design

41% of online shoppers dislike webstores that have a poor design or lack sufficient subcategories as it makes it difficult to navigate and look for products. Of course, the more products a company has, the harder it is to manage. But with PIM, the management becomes easier. You can set up variants and attributes to categorize products. This, especially, speaks to the taxonomy of your website and its design. **Focusing on the filtering system will make it easier for customers to see and navigate.**

To add, 29% of online shoppers are also frustrated by poor search functionality. For example, product families. If a customer lands on a black hoodie but prefers a different color for the same product, they won't need to go through a new search for the color they want. Instead, they'll be able to find it easily as it will be attached directly to the hoodie they landed on from their search.

That's because PIM stores and manages all the product variants and relationships.

3. Multilingual websites are important

An ERP isn't meant to store content, let alone multilingual content. But, this impacts customer experience because 40% of shoppers will not buy in another language. Additional data shows:

+ **65%** prefer content in their native language

+ **73%** want reviews of products in their language

+ **30%** of consumers say they'll never buy from English-language sites

+ Another **30%** say they rarely buy at English-language sites

+ **56%** either boycott English-language URLs altogether or spend more time on sites in their own language

+ **75%** of respondents want product information in their native language.
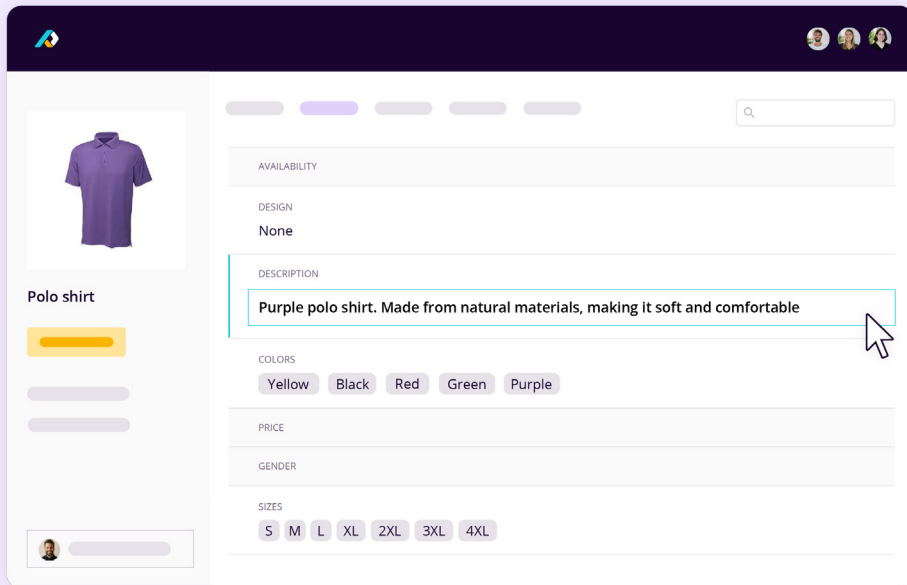
Having a PIM integration allows you to reach a wider audience and give your customers a valuable experience in their native language. **Within PIM, you can store multiple versions of content in different languages (and currencies) to ensure that customers not only get served content in their native language**.

Many American giants are creating multilingual stores because they see the potential it brings in both the sales and customer experience.

Now, small businesses can do that with PIM.

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Improve efficiency within the business

Spreadsheets and various old-school storage units are bad for data management. It causes confusion, room for error, and redundancy, and it kills productivity within the organization.

The more products a company has, the more manual work teams have. This can cause a delay in production and distribution of any information within the company. **Having both PIM and ERP ensures all the information is in a centralized location, is updated, and is ready for use at the drop of a hat**.

This helps marketing, sales, customer service, designers, and writers, to work collaboratively and efficiently together to deliver quality product content and ensure faster time-to-market. Instead of working hours to update data, teams can spend more time focusing on strategizing high-quality, long-lasting marketing campaigns that help retain customers in a competitive market.

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Success in ecommerce needs both: PIM and ERP

The ecommerce industry is ever-changing. Businesses need to ensure they have the tools to simplify processes so that they have the time to work on improving their customer experience.

Having an ERP only does half the work. But having a PIM tool connected to your ERP can help your business leverage ecommerce success in an uncertain world. While success can mean different things to different businesses, in ecommerce, it all comes down to converting searching and browsing customers into buying customers that return to buy more. The only way to convert leads is to:

+ Provide customers with the information they need throughout their customer journey
+ Be visible online by optimizing content for search engines
+ Have a website that is easy to navigate and appealing to look at
+ Deliver impeccable customer experience from browsing to purchasing

All of these have a common denominator: rich product information. And PIM can get you there!

About Plytix

Plytix is a Product Information Management (PIM) platform that complements ERP systems.

It's a next-generation PIM software for SMBs designed to manage product content at scale. Get your products to market faster with accurate information, and win at multichannel commerce with PIM.

Hi, I'm Trever!

Book a demo with us to get an even clearer understanding of how PIM and ERP can work together to improve your business processes. You'll get to speak to a real human, like me.

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