pivotree™

Improving eCommerce Revenue and Costs with High Quality Product Data

Introduction

The foundation of commerce has not changed much in the past century. Whether it was strolling in and out of the stores on Main Street to find and purchase your weekly goods, dog-earing the toy catalog to ensure Santa brought all the right presents, or engaging in midnight online shopping sprees from your phone — the art of commerce has always relied on sellers attracting customers, customers finding products, and products getting delivered, be they by horse-drawn carriage, the US Postal Service, or the Fed Ex delivery van. How we ensure consumers find our products and buy and get them has evolved rapidly in the past 20-25 years. As of 2023, the number of digital buyers stands at 2.64 billion, which equates to 33.3% of the global population (eMarketer). In this ever-growing and ever-evolving market, sellers like Amazon and Walmart have set the benchmark for market expectations.

Central to this evolving commerce ecosystem is data. The total volume of data worldwide is expected to reach 181 zettabytes by 2025 (Statista) and will continue to grow exponentially. To drive differentiation, you must find a way to manage data so that customers can easily find the products they need and trust the experience enough to complete the purchase journey.

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Opportunities Abound In Digital Commerce

Digital Commerce Will Continue To Accelerate

With the increasing speed of technological advancement, material science, computing, data management, quantum computing, and other variables that impact commerce, the growth we experienced in the past 25 years will repeat within the next 5-10 years. Most organizations are unprepared for a future that is approaching this fast and furious.

Even before the pandemic hit in 2019, the pace of digital commerce growth already seemed meteoric; eCommerce sales jumped to $26.7 trillion in 2019, 4% more than in 2018 (UNCTAD). While this growth was inevitable, events like the pandemic accelerated the growth rate and elevated customer expectations. As businesses strive to provide frictionless commerce experiences not only to consumers but also as suppliers to business customers, the increasing gulf between customer demands and business capabilities to meet these demands will create even more friction. As they deal with higher volumes of data and the need to meet customer expectations, they will acquire more technology, need more human resources, or both.

'Composable' Is Here To Stay

Composable technology is revolutionizing digital commerce from the inside out. As organizations look to increase agility and responsiveness to rapidly changing market demands, composable technology empowers them with modern, flexible, modular solutions. With the advent of paradigms such as MACH (Microservices, API-First, Cloud-Native, and Headless) architecture, the practicality of composable technology far outweighs that of monolithic systems. Composable will become an inevitability rather than an option, and data will continue to be the most critical and foundational driver of success.

MACH

ALLIANCE

> As businesses strive to provide frictionless commerce experiences to customers, the increasing gulf between customer demands and business capabilities to meet these demands will create even more friction for these businesses.

The Current State Of Frictionless - Where Data Fits In

Though ripe with opportunities, the current state of digital commerce typically represents a system in transition. Customer expectations are increasing, and so are market sizes. Composability offers organizations a greater chance to fast-track their response to customer expectations. However, it also creates the possibility of knee-jerk reactions that only exacerbate business problems. Even without composable solutions, it's not unusual for organizations to strive to achieve frictionless — frictionless for their customers, but not necessarily for the organization itself.

As a result, one begins to encounter "data problems." These problems appear as symptoms in the customer and organizational experience, including:

- ✔ Poor findability
- ✔ High product returns
- ✔ Inability to meet customer demands
- ✔ Presence of useless, inconsistent, or untraceable data that fails to facilitate the buying journey
- ✔ Absence of a single source of truth
- ✔ Absence of business insights

The problem here is not the data, but how it is managed. In most cases, data is managed by multiple departments and users, and it resides in many systems. Keeping track of it is not easy. The challenge compounds when organizations want to scale. As they ramp up technology to deal with this high volume of data, the solutions are not always right, leading to the continuous need to fix and fine-tune data for better efficacy.

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Identifying Friction In The Data Value Chain

So where do the problems start? Is it data ingestion? Or is it poor enrichment practices? In today's global markets, it's critical to identify points of friction that slow or halt your customers' ability to buy your products and services. You can't control what your competitors do but you can take steps to ensure your commerce website delivers a good experience as customers - both businesses and consumers - search for and compare product options. There are 3 main challenges you can take steps to address.

FRICTION #1
Data Inconsistencies Across Multiple Suppliers

Managing product data from a multitude of suppliers, each with their own unique formats and systems, presents a significant hurdle. The sheer volume and diversity of data sources often lead to inconsistencies and discrepancies, making it difficult to maintain uniformity. Product data gaps can severely impact eCommerce performance and revenue generation by causing customer frustration, leading to lost sales opportunities. Incomplete or inaccurate product information hampers the customer's ability to make informed purchasing decisions, resulting in decreased conversion rates and diminished customer trust.

FRICTION #2
Onboarding Time and Effort

Onboarding new product SKUs demands considerable time and effort due to the need for thorough data verification, categorization, and integration into existing systems. Each new SKU requires meticulous attention to detail — gathering product specifications, digital images, and pricing — which prolongs the onboarding process. Streamlining this process is crucial for expediting time-to-market and maintaining competitiveness, necessitating the implementation of efficient onboarding procedures and automated tools to facilitate rapid integration of new product offerings.

FRICTION #3
High Cost of Enriching and Maintaining Product Data

Enriching and maintaining product data incurs significant expenses due to the resources required for data collection, cleaning, and updating. The continual need for accuracy amplifies these costs, as errors can lead to customer dissatisfaction and lost sales opportunities. Investing in robust data management systems and automated processes can mitigate these expenses in the long run by streamlining operations and improving data quality.

> You can't control what your competitors do but you can take steps to ensure your customer experience is exceptional.

AI Plays a Significant Role

AI has significantly enhanced the process of creating product descriptions and normalizing attribute data from multiple sources. By sourcing product catalogs, user reviews, manufacturer websites, and more, and leveraging machine learning techniques, the AI model can extract relevant information and create coherent and concise content. The benefits are profound:

Improved Consistency and Accuracy

AI ensures consistency and accuracy in product descriptions by minimizing human error and biases. It can avoid inconsistencies that might occur when multiple data analysts are involved in the process. With AI, the content generated will be more cohesive, maintaining a standardized quality across different products.

Scalability and Efficiency

Creating product descriptions and attribute data from scratch can be time-consuming and resource-intensive. AI can generate descriptions for numerous products, increasing productivity and reducing time-to-market.

Integration of Multiple Data Sources

Because AI can analyze and synthesize a vast amount of data from multiple sources it produces more comprehensive and enriched product descriptions, highlighting key features, benefits, and unique selling points.

Channel-Ready Adaptability

AI can create product descriptions and attribute data that are tailored for specific sales channels or platforms. Whether it's for commerce websites, social media ads, or print catalogs, the generated content can be automatically adapted to fit the requirements and constraints of each channel, optimizing engagement and conversions.

AI enables speed and scalability but at every stage of the process there are expert data analysts who ensure the accuracy and quality of the product data.
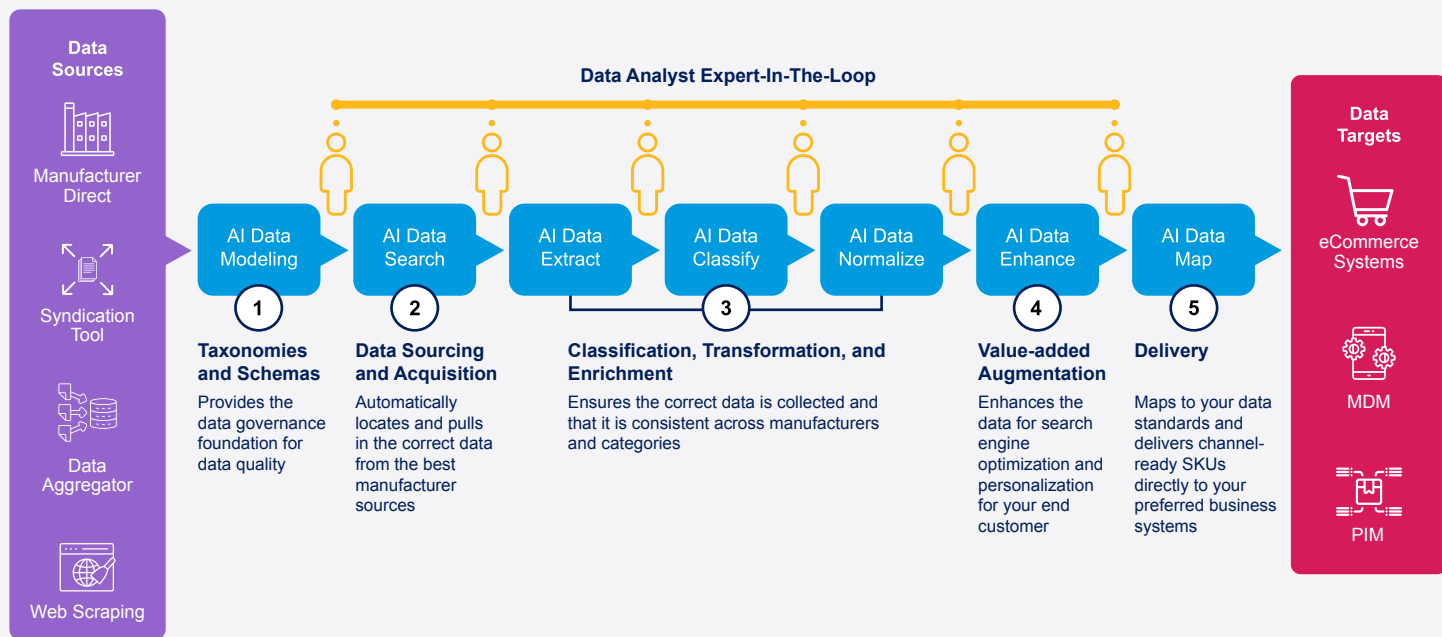
Get the Data with Pivotree SKU Build

It's time to stop expecting your 'systems' to resolve your core data challenges. Even a successful PIM or MDM implementation could result in a well-organized, single source of bad data.

Pivotree SKU Build is a service that delivers the product data you need to fuel eCommerce growth without the high cost of sourcing and enrichment. It is powered by expert data analysts with AI assistance to provide high-quality channel-ready SKUs rapidly and at scale, directly integrated with your commerce and data management systems. This eliminates the cost of data onboarding system administration.

Key Benefits of SKU Build

✓ Improve category revenue and conversion rates with frictionless data onboarding.

✓ Accelerate time to market for new SKUs with fast, integrated channel-ready data.

✓ Reduce costs and risk with consistent, accurate product data.

Here's How Your Product SKUs are Built and Delivered

Data Sources
- Manufacturer Direct
- Syndication Tool
- Data Aggregator
- Web Scraping

Data Analyst Expert-In-The-Loop

1. AI Data Modeling — **Taxonomies and Schemas** — Provides the data governance foundation for data quality
2. AI Data Search — **Data Sourcing and Acquisition** — Automatically locates and pulls in the correct data from the best manufacturer sources
3. AI Data Extract / AI Data Classify / AI Data Normalize — **Classification, Transformation, and Enrichment** — Ensures the correct data is collected and that it is consistent across manufacturers and categories
4. AI Data Enhance — **Value-added Augmentation** — Enhances the data for search engine optimization and personalization for your end customer
5. AI Data Map — **Delivery** — Maps to your data standards and delivers channel-ready SKUs directly to your preferred business systems

Data Targets
- eCommerce Systems
- MDM
- PIM

Data Modeling
Data models are built by Pivotree taxonomists using AI to ensure consistency and data governance across the board. This is an essential foundation for SKU Enrichment.

Data Sourcing, Transformation, and Enrichment
This is the process of acquiring "raw" content, and enriching it to correct gaps, inconsistencies, and errors in product descriptions and attributes aligned with the taxonomy and data schema.

SKU Delivery
SKU Build delivers channel-ready SKUs directly to eCommerce, PIM, and MDM systems. It completely eliminates the need for vendor portals, and data acquisition and curation processes for PIMs.

Data That's Ready To Serve

With Pivotree SKU Build, organizations get more than a one-time solution to "fix" data at any given touchpoint. SKU Build resolves issues that continue to challenge organizations, such as data availability, usability, interoperability, and data quality and integrity. SKU Build provides ready-to-use product data, dramatically reducing the costs associated with manual effort, and speeding up time-to-value.

SKU Build is all about eliminating the high cost of sourcing and enrichment to provide organizations what they need the most — high-quality, channel-ready product data delivered directly to the system(s) of your choice.

Conclusion

Undoubtedly, technology has ensured that digital commerce has reached critical mass in the past decade or so. In fact, according to estimates: the digital commerce market is expected to grow at a CAGR of 27.15% from 2022 to 2027, with the market size forecast to increase by $12.9 billion USD. With a growing market, organizations must also deal with increasing complexity in the commerce ecosystem and an ever-growing tapestry of technology options and advancements. Today, the challenge is not the absence of technology but the preparedness to make the most of it.

Innovation breeds technology but is not limited to it. In fact, from the commerce industry point of view, innovation enables organizations to break free from the shackles of limiting technology and surge forward while reducing technical debt. Data management through solutions like SKU Build, and systems like PIM and MDM, provide a means to deliver data as an asset in perpetuity.

SKU Build is all about bringing organizations what they need the most — ready-to-use data.

Why Pivotree

Pivotree, a leader in frictionless commerce, strategizes, designs, builds, and manages digital Commerce, Data Management, and Supply Chain solutions for over 200 major retailers and branded manufacturers globally. With a portfolio of digital products as well as managed and professional services, Pivotree provides businesses of all sizes with true end-to-end solutions. Headquartered in Toronto, Canada, with offices and customers in the Americas, EMEA, and APAC, Pivotree is widely recognized as a high-growth company and industry leader.

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Contact us for more information on how we can help solve your data challenges. Ask about our data assessment.