KatanaPIM

The **5** biggest

E-COMMERCE
CHALLENGES

solved by **PIM**
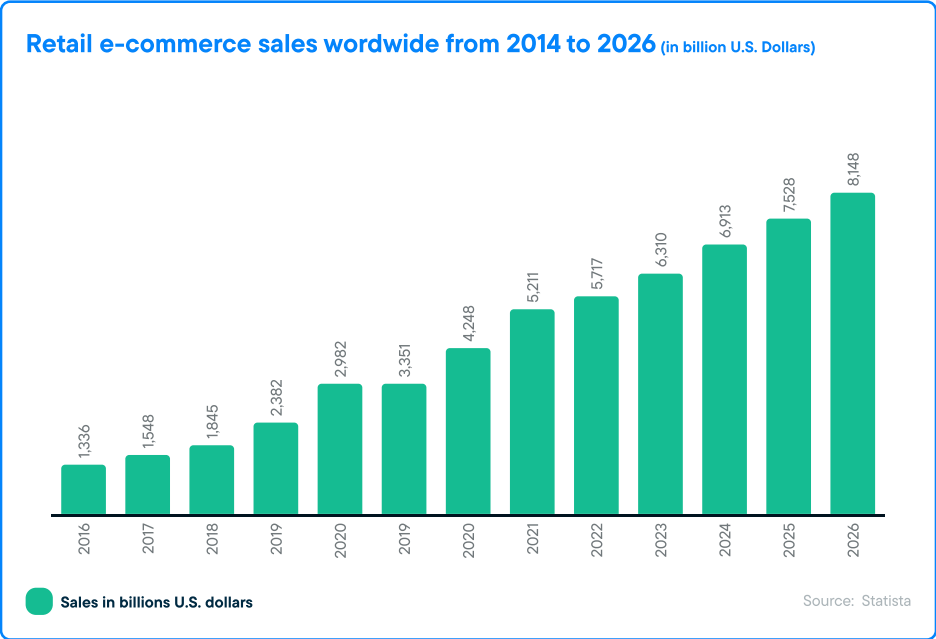
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Introduction

E-commerce has been thriving in recent years and the shift towards online shopping due to the pandemic has only helped to boost its growth even more.

Instead of visiting traditional brick-and-mortar stores, people are increasingly turning to the convenience of **shopping online**. This has led to an impressive increase in retail e-commerce sales, reaching a total of 5.2 trillion U.S. dollars worldwide in 2021. And the best news is, this trend is only projected to continue!

With an expected growth of 56% in the next few years, e-commerce sales are forecasted to reach a whopping 8.1 trillion dollars by 2026 [1]. It's an exciting time for the e-commerce industry, and we can't wait to see where it goes!

Retail e-commerce sales wordwide from 2014 to 2026 (in billion U.S. Dollars)

Year	Sales
2016	1,336
2017	1,548
2018	1,845
2019	2,382
2020	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

● Sales in billions U.S. dollars

Source: Statista

As the e-commerce industry continues to evolve and grow, businesses may face new challenges.

Competition and changing trends, along with an increasing number of sales channels, can present **obstacles** for businesses. These obstacles may include concerns such as high return rates, poor customer reviews, inconsistent brand and customer experiences, prolonged time-to-market, and low team productivity. But the good news is, **with the right tools**, these challenges can be overcome!

One of the main causes of these obstacles is mismanagement of product information.

When customers base their purchase decisions on the accuracy and availability of product information, alongside delivery times and return policies, it becomes vital for companies to have effective strategies to manage this information. It's important to remember that teams often find themselves exhausted by working with scattered spreadsheets, searching for the most recent and accurate version of content, or manually creating and copying information across different channels and systems. All of this leading to **errors and less time** for strategic initiatives. But with the right solutions, businesses can effectively manage and distribute accurate product information, leading to improved customer satisfaction, reduced returns, and increased revenue.

Foodelicious
Herman Specker | Owner
The data centralization data is more important than ever, also because nowadays there are a lot of new systems that e-commerce companies can implement.

Product Information Management (PIM) systems offer a solution to these challenges.

A PIM solution is a centralized system that allows businesses to easily manage, enrich, validate and distribute product data across multiple channels. By streamlining data management processes, a PIM enables teams to focus on more strategic initiatives, ultimately resulting in improved efficiency and cost savings.

In this whitepaper, we'll take a closer look at the five biggest challenges in e-commerce, and how PIM can help master them. **From enhancing customer satisfaction, reducing returns, increasing time-to-market, and boosting team productivity, PIM plays a crucial role in the success of an e-commerce business.** With the right tools and strategies, businesses can turn big challenges into endless opportunities for growth.
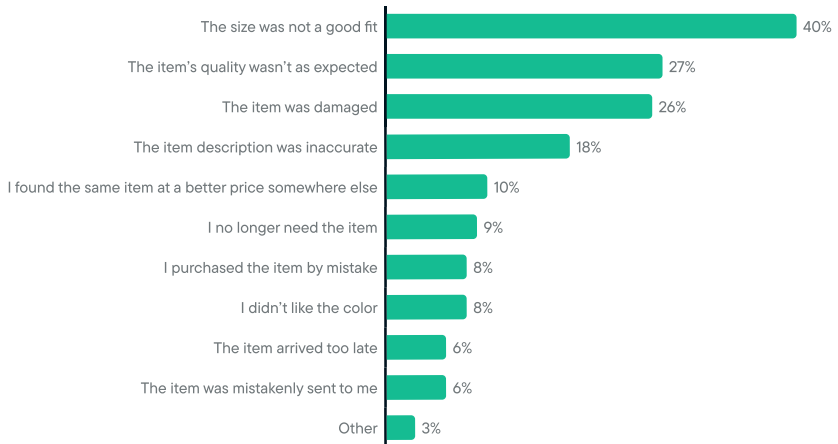
Returns

One of the challenges that e-commerce businesses may face is the high rate of returns:

around 30% of all products bought online are returned [2]! This is an issue that can come from a variety of causes, and one of them is incorrect product information. When there's an error in the information provided, it can lead to disappointment, dissatisfaction and ultimately returns.

Why did you return a item you've purchased online?

The size was not a good fit	40%
The item's quality wasn't as expected	27%
The item was damaged	26%
The item description was inaccurate	18%
I found the same item at a better price somewhere else	10%
I no longer need the item	9%
I purchased the item by mistake	8%
I didn't like the color	8%
The item arrived too late	6%
The item was mistakenly sent to me	6%
Other	3%

Source: Forrester

According to a report by Forrester [3], **18% of online purchases are returned due to incorrect product information**. It's important to note that 27% of returns are due to customers not being satisfied with the product quality, and 8% returns are due to customers not liking the color of the product - both factors that are closely connected to product information.

Returns can be frustrating and very costly for a business, but it's also important to remember that customers value return policies, and not having one that meets customer expectations can discourage them from making a purchase. Improving product information by providing accurate descriptions and detailed images is an effective solution that can greatly r**educe the return rate** and ultimately lead to **increased revenue** and cost savings.

PIM solutions offer businesses the tools to effectively manage and distribute accurate product information. By centralizing and standardizing product data, PIM ensures that all product information is consistent across all channels. Not only does this enhance the customer experience, but it also increases the chances that customers will receive the product they expected, **reducing the number of returns**. PIM also allows businesses to easily add detailed product images and videos, which helps customers get a better understanding of what they're purchasing. This can lead to a further **reduction** in **returns**.

TipPoint Trading
Martijn Leenen | E-commerce manager
We had a lot of returns. If the information on our resellers' websites is incorrect, we get a return. So we had to call our customers to let them change the information on their website. Now, we change it into KatanaPIM and in 24 h it is also changed on our clients' websites. Now the return rate is way lower!

TipPoint Trading faced a tough challenge as an importer and wholesaler in the automotive industry, managing 20,000 products & multiple sales channels.

Incorrectly delivered information and outdated stock levels resulted in high return rates and wasted time. With the implementation of KatanaPIM as their PIM tool and integration with their ERP system, they were able to overcome these obstacles and drive success. With the new system, they experienced increased efficiency and collaboration, faster time to market, and a significant reduction in return rates.

TipPoint Trading has been able to achieve a strong infrastructure with the implementation of a PIM tool, allowing them to focus on growing the business. Now, they plan to expand by building more online shops, as the software is stable and easy to connect to multiple channel. With the support of KatanaPIM, they are able to take the next steps with confidence.

Customer complaints and reviews

Managing customer complaints and reviews is another significant challenge faced by e-commerce businesses.

Research from G2 [4] suggests that online reviews play a major role in shaping customer trust and purchase decisions. In fact, positive consumer reviews increase purchase intent by more than 90%. In the meantime, negative reviews can lead to lost sales and harm a brand's reputation. Poor product information is often a major contributor to customer complaints and negative reviews.

Are you more likely to purchase a product or service if you have been able to read a trusted review about it?

92.4%	7.6%
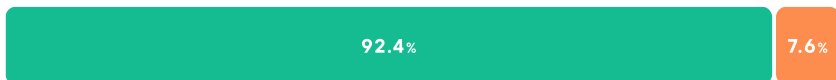
🟢 Yes 🟠 No/Not sure

Source: G2

PIM can help businesses overcome this challenge. By ensuring that all product information is accurate and consistent across all channels, it is more likely that customers will receive the product they expect.
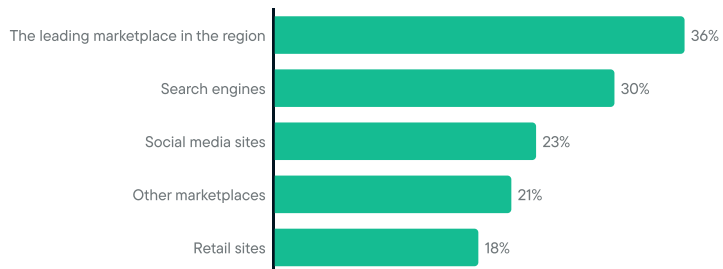
So, besides lowering returns, PIM also helps with a reduction in customer complaints and an increase in positive reviews. Not only that, but it also helps to build trust in the brand, leading to increased customer loyalty and ultimately, sales. It's a win-win for both the business and the customer.

Brand and customer experience

According to various studies and research [5], around half of online shoppers begin their product search on marketplaces or on search engines.

In 2022, **marketplaces** emerged as a popular and convenient option for many people looking to find products online (36%). Meanwhile, **search engines** were also widely used for this purpose, with about 30% of respondents [6].

Online sources where consumers worldwide search for products in 2022

The leading marketplace in the region	36%
Search engines	30%
Social media sites	23%
Other marketplaces	21%
Retail sites	18%

● **Share of respondents**

Source: Statista

Having a strong and consistent brand presence across all channels is crucial for the success of an e-commerce business.

However, showcasing products on multiple marketplaces, webshops, and other channels can sometimes threaten brand consistency and customer experience. It's important for businesses to find ways to maintain a **consistent** brand presence and provide a seamless customer experience across all channels. By ensuring that all product information is accurate, consistent, and up-to-date across all channels, e-commerce businesses can provide a **positive brand experience** for their customers.

This can be a challenging task, but it is essential for the success of an e-commerce business. With the increasing number of customers turning to online marketplaces to research and purchase products, businesses must ensure that their products are **presented in the best possible way**. By doing so, e-commerce businesses can build trust and loyalty among their customers, ultimately resulting in more sales.

PIM can help create a smooth brand experience across all channels, including marketplaces, and improve the overall customer experience.

By centralizing product data including descriptions, attachments and digital assets, PIM ensures that both product information and branding remain accurate, consistent, and up-to-date across all channels. The combination with branding and product information can be used to **establish trust and build credibility** among customers. This consistency in branding across channels helps businesses maintain a strong brand identity even in a multichannel scenario.

SUITSUIT

SUITSUIT
Jan-Willem de Munick Keizer | Director
The product presentation on the other channels negated what we tried to convey through our own platform. We now have one central place where all our product information is collected and defined as a single source of truth. The product information in KatanaPIM is therefore leading at all times.

SUITSUIT, a brand with a strong identity, faced the challenge of maintaining consistency across multiple sales channels.

"We often ran into the issue of different partners and marketplaces using their own product information, images and descriptions, negating our consistent brand presentation", said Jan-Willem de Munick Keizer, Director at SUITSUIT.

By choosing KatanaPIM to manage their product information, they were able to have one central place where all their product information is collected and defined as a single source of truth. "With the help of the PIM tool, we are now confident that all data is complete before the product goes on sale and the descriptions are distributed correctly on all channels," said de Munick Keizer. By making their product instantly recognizable on all channels, they gain their customers' trust, showing a constant presence, but above all, always in line with their brand.

Time-to-market

In today's fast-paced e-commerce market, speed is essential for staying competitive.

But managing and distributing product information both internally and across multiple channels can be a challenging and time-consuming task. "Data centralization is more important than ever because nowadays there are a lot of new systems that e-commerce companies can implement," says Herman Specker, Owner of Foodelicious Wholesale and Foodelicious Store [7].

With the many systems that companies need to integrate in their IT landscape to keep pace with e-commerce (think about ERP, WMS, DAM, webshop, shipping and payment platforms and more), it becomes **increasingly difficult to let these tools seamlessly collaborate**. This can lead to delays in getting new products to market, resulting in missed opportunities, lost revenue, and stress among colleagues.

Additionally, different channels require specific and unique information in order to market products, which can cause long waiting periods before products can be published. This can be a major hurdle for e-commerce businesses looking to quickly and efficiently bring new products to market.

That's where PIM comes in. With PIM, businesses can easily and quickly update product information, resulting in faster time to market and increased sales.

One of the key advantages of PIM is that it allows to collect and enrich all product information, and then seamlessly share that information with other systems. This leads to improved efficiency and ensures that the information being shared is accurate.This game-changing strategy has been proven to **skyrocket time to market velocity**, with companies seeing significant percentage increases in marketing their products.

As proven by a KatanaPIM user, "normally integrating new products took 3 months, but with KatanaPIM, the products are available on all channels within 24 hours. I can definitely say that the time to market is **way faster** now!" - Martijn Leenen, interim e-commerce manager at TipPoint Trading [8].

Polewolf
Thomas Wolfert | Co-director
You don't want to miss out on sales because your content is not complete, and you can't publish certain products. Before we had KatanaPIM, we couldn't go live on certain marketplaces because of missing content. We couldn't deliver it properly.

Home Deco

Fashion

Electronica

Disorganized workflow

As previously noted, the absence of PIM can present a multitude of challenges for an organization.

Without a centralized tool for managing product data, companies' teams may struggle with scattered data across spreadsheets, multiple data files from various sources, duplicated content, and manual errors, resulting in errors and disorganization.

This is particularly challenging when dealing with a large number of SKUs, as the task of finding, reorganizing, enriching, and distributing accurate information to the appropriate sales channels can become a time-consuming job. These challenges ultimately lead to i**ncreased workload**, **delays** in introducing new products and updating existing ones, **stress** within the company, and ultimately, **unhappy customers**.

By providing your colleagues with the tools to quickly and easily manage product content, PIM empowers the users to work smarter, not harder.

With PIM, all product data is centralized in one place, making it easy to update and distribute information across multiple channels. But that's not all, PIM also allows for task assignments and workflows, facilitating collaboration among team members in managing and enriching data and bringing products to market. Therefore, PIM allows **streamlined and efficient workflows** and boosts productivity, leading to a decrease in operational costs and improved overall performance, making sure the teams can focus on more important tasks and strategies to drive business growth.

The rise of PIM

The PIM market is experiencing a significant growth in recent years, with more and more companies recognizing the value of investing in PIM solutions.

This growth is reflected in numerous market research and forecasts, which predict a bright future for the PIM industry. As businesses continue to see the benefits of PIM in solving the challenges they face, we can expect to see even **more companies investing in PIM solutions**, fueling further growth in the market. It's an exciting time for PIM and the e-commerce industry, as businesses look for ways to stay competitive and improve their operations.

According to a MarketsandMarkets report, the global PIM market is projected to expand from $12.2 billion in 2022 to $23.8 billion by 2027, at a Compound Annual Growth Rate (CAGR) of 14.3% [9]. This expansion is driven by the **growing importance of precise and consistent product information** for e-commerce businesses and the desire to boost customer satisfaction and sales.

The growing trend and market of PIM solutions is an exciting development for the e-commerce industry, as it highlights the increasing importance of effective product data management.

With PIM, businesses can streamline their operations, improve customer experiences and ultimately drive sales and profitability. It's a win-win situation, where businesses can benefit from PIM and customers will benefit from accurate and consistent product information. PIM is becoming a **vital tool for e-commerce businesses** to stay competitive and succeed in today's market.

Conclusion

In this whitepaper, we have explored the **five biggest challenges** faced by e-commerce businesses: returns, customer complaints, brand and customer experience, time-to-market and disorganized workflows. We have demonstrated how **Product Information Management** (PIM) solutions can help e-commerce businesses tackle these challenges and improve their operations.

We also highlighted the growing trend of PIM solutions in the last few years. With the e-commerce industry expected to continue growing, PIM solutions will become increasingly important for businesses looking to stay competitive. Implementing PIM solutions can **improve operations and customer experiences**, ultimately resulting in **increased sales and profitability**.

In the end, we showcased our PIM solution, **KatanaPIM**, which has been built to cater to the changing demands of e-commerce businesses. It stands out among other PIM solutions in the market by providing **unique functionalities and features** that meet the needs of e-commerce businesses that want to grow.

PIM solutions are a valuable tool for e-commerce businesses looking to navigate the challenges of the industry and improve their operations. With PIM, businesses can improve customer satisfaction, increase sales, and boost team productivity. Implementing a PIM solution can help businesses **stay competitive** in the ever-changing e-commerce landscape.

About KatanaPIM

KatanaPIM is the leading product information management solution based in The Netherlands (Leiden). Since 2017, KatanaPIM has been helping companies from various industries, such as home and living, food and beverage, fashion, e-health, and more, to easily **collect**, **enrich** and **validate** their product data, and efficiently **distribute** correct and consistent information across their different sales channels, marketplaces, resellers, partners, and catalogs.

By implementing and using KatanaPIM as the s**ingle source of truth for product information**, companies can streamline and automate internal processes, making product data management and launches quick and easy. KatanaPIM's experience and expertise help you **gain full control** of your product information and drive **success** for your business.

Learn about all KatanaPIM's features and benefits with one of our experts and start growing your online business!

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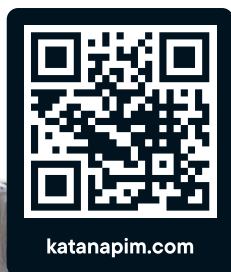
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E-commerce is on the rise, but with growth come challenges. Returns, customer complaints, poor customer experience, slow time-to-market, and inefficient workflows can hold a business back. But what if the source of these issues is mismanagement of product information? In this whitepaper, discover how proper product information management can solve the top 5 e-commerce challenges and help drive growth. Learn how to streamline processes, improve customer satisfaction, and stay ahead of the competition with PIM.

"I believe that product data is key. PIM is key."

H. Specker