

Product Information Management? Product MDM? Or Both?

A guide to help you make the right choice for your product data management needs

ABOUT INFORMATICA

Digital transformation changes expectations: better service, faster delivery, with less cost. Businesses must transform to stay relevant and data holds the answers.

As the world's leader in Enterprise Cloud Data Management, we're prepared to help you intelligently lead—in any sector, category, or niche. Informatica provides you with the foresight to become more agile, realize new growth opportunities, or create new inventions. With 100% focus on everything data, we offer the versatility needed to succeed.

We invite you to explore all that Informatica has to offer—and unleash the power of data to drive your next intelligent disruption.

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Introduction

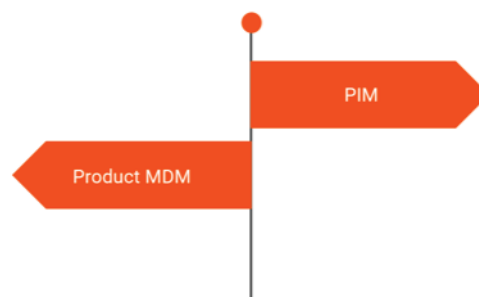
Remaining competitive while delivering exceptional customer experience across any touchpoint requires more than ever an agile, scalable, and flexible solution for trusted and relevant product data.

As data volumes explode, business models change, and new sales channels emerge, having a trusted product data is more crucial than ever before.

Organizations across industries have recognized product data as a strategic asset at the executive level. The initiative for a master data or product information management (PIM) strategy is no longer driven by IT alone. Chief Information Officers (CIOs), Chief Data Officers (CDOs), Chief Marketing Officers (CMOs), and other MarTech and Digital Marketing roles are becoming the main executive sponsors for Master Data Management (MDM) solutions. They acknowledge the role of MDM and PIM to drive business value across the entire organization. They recognize the importance of these technologies for a successful data-driven digital transformation strategy.

The Product Information Management market is estimated to grow to USD 15.78 billion by 2021 with a CAGR of 25.3%.¹ The master data management market size is projected to USD 22.0 billion by 2023, at a CAGR of 18.3% from 2018 to 2023. The major factors driving the market include the increasing use of data quality tools for data management and the rising need for compliance.²

This increase in investment in and attention to master data, means many organizations are now challenged to choose the right strategy for creating a single view of trusted master data. In the area of product master data management, this choice is leading to confusion. Specifically, the difference between Product Master Data Management (Product MDM), and Product Information Management (PIM) technologies on the surface appears subtle.



This paper strives to outline the difference between PIM and Product MDM. It also elaborates when you would choose one solution over the other and when to leverage the power of the combination.

¹ <https://www.marketsandmarkets.com/Market-Reports/product-information-management-market-661489.html>

² <https://www.marketsandmarkets.com/Market-Reports/master-data-management-market-267174702.html>

Product Information Management

Definition and Purpose

A Product Information Management (PIM) is a business application that centralizes the management of product data and digital assets and streamlines collaborative data enrichment. It helps standardize the increasingly complex demands of product content and syndicates trusted, enriched and high-quality product information to sales and marketing channels.

PIM improves cross-functional collaboration, streamlines critical workflows, and enables customer/sales opportunities to surface that otherwise would have been hidden by disconnected, poor-quality product data.

It is a master-data fueled, process-driven application for collaboration on product content, designed for business users to enjoy a seamless experience from a role- and task-based easy-to-use UI.

An enterprise-scale PIM solution should be built on top of a data platform with a prebuilt data model, data quality rules, business process management workflows, and a configurable, business-user-friendly UI. It should provide out-of-the-box, prebuilt data models, processes, and templates for faster time to value, which would compare favorably to a more DIY configuration process—and reduce implementation time from months to weeks.



Figure 1: Typical data workflow of a PIM solution

Key Capabilities and Business Value/Benefits

The main objectives of a PIM solution are:

- Streamline collaboration on product content, both internally and externally (with partners, suppliers...)
 - Automate product information management and approval workflows
 - Speed up time to market for new products
 - Improve omnichannel capabilities
 - Deliver engaging product experience across all touchpoints
 - Publish consistent, relevant, and localized product content

- Fuel any channel with the right product information
- Expand the reach of sales and marketing into new channels
- Increase sales through
 - rich and complete product information and digital assets
 - engaging customer experience and loyalty thanks to trusted and relevant product content
 - improved up-sell and across-sell opportunities
 - higher conversion rates and margins
- Securely exchange product data via data pools

Drivers and Users

Typically, the need for a PIM solution is driven by the sales or marketing organization. This demand arises as these divisions find they cannot adequately scale in their publication of increasingly complex content across the ever-increasing number of sales and marketing channels they are required to support.

PIM users are normally performing a function directly related to a sales or marketing process. It will typically support a large number on internal and external (agency) users across a broad range of sales & marketing roles.

With its strong focus on collaborative workflows, PIM allows multiple stakeholders to author a comprehensive set of product attributes needed by the business.

Depending on the industry, the product attributes you manage changes:

- For retailers, these are typically sales and marketing attributes needed to bring a product to market
- For manufacturers and distributors, it is attributes for supporting logistics, master catalogs, and supplier/reseller networks

Finally, once product data is completely authored, PIM syndicates or exports that data to other consuming systems or digital touch points such as ecommerce, e-marketplaces, point-of-sale (POS) systems, print, data pools, and more.

Product Master Data Management

Definition and Purpose

Product Master Data Management (Product MDM) is the glue that binds an organization's systems and information together. Mastering product data with MDM provides a single source of truth—based on trusted, accurate, complete product data—for any data-driven digital transformation: marketing and sales operations, omnichannel retailing, supply chain optimization, compliance initiatives, and more. The primary purpose of Product MDM is to create relationships—between products, customers, vendors, employees, households, locations, and the like—and fuel analytical and operational business applications. Product data is managed within an MDM system just like other business-critical data, with the intention of understanding the complete number and type of relationships.

Key Capabilities

With Product MDM, you can locate, access, and utilize trusted data exactly when and where it's needed. To be able to support the end-to-end requirements of trusted product data, it should include the data quality, data integration, business process management, and data security capabilities that will enable you to:

- Acquire product, supplier or customer and other data quickly, no matter its source (on-premises, in the cloud, or from third parties)
- Gain visibility into data, relationship patterns, and variations—and make any necessary corrections
- Easily enrich master data records with data from external providers
- Create a trusted view and securely deliver product data for both analytical and operational use cases

Product MDM has a broader scope than a specific department or types of users. The recognition of a need for Product MDM could come from multiple different places within an organization. Roles who will recognize this need are typically trying to consolidate data across different functional or regional divisions in an organization. Often the need is initially identified by IT, as they are frequently the ones who get the increasing requests to collect, cleanse, and cross-reference product data.

Business users express the need for Product MDM using different terminology, all revolving around poor product data quality, and low trust in any figures associated with product data (sales, inventory, forecast, profitability, etc.).

Product MDM spans multiple business objectives, departments, and lines of businesses across the organization. It helps organizations improve business operations by removing data inconsistencies that can have serious impact to the business.

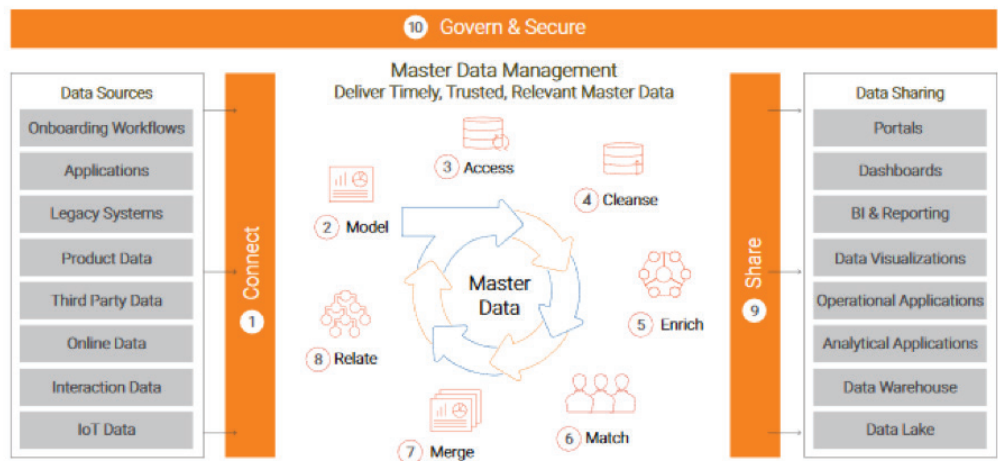


Figure 2: Typical steps and processes of a Master Data Management solution

Benefits and Business Value

- Access a trusted 360°-view of product data across the organization
- Avoid product launch delays
- Improve supply chain efficiencies
- Enable rapid supply chain traceability
- Stop lost revenue due to out-of-stocks
- Reduce customer defection because of poor service
- Reduce inventory levels
- Enable rich reporting and analytics environments to deliver informed decisions
- Consolidate product data from different systems
- Clear relationships (raw material and supplier; finished goods and sales regions)
- Achieve maximum ROI from M&As by streamlining corporate data consolidation to realize synergies more quickly
- Use accurate product data across the enterprise for your analytics, big and small, for better opportunity identification and increased value
- Boost business efficiency and IT performance by automating data profiling, discovery, cleansing, standardizing, enriching, matching, and merging in a single central repository
- Share and manage product master data strategically and securely across functions, channels, lines of business, regions, and applications

Comparison Table: PIM vs. Product MDM

The path to value should be based on the current most pressing business challenges: What business challenge do you want to address by implementing a solution to better manage product data? This table highlights the typical business value delivered by each solution.

	Product Information Management (PIM)	Product MDM
What's your primary use case?	Author product data to publish to ecommerce web sites, print publishing systems and multi-domain MDM	Master product data to create relationships between products, customers, vendors, households etc. and send to business applications
What data domains do you want to manage?	Primarily product domain	Multiple domains built around product data. Typical domains include Customer, Supplier, Location, etc.
How many attributes do you need to manage?	Hundreds of product attributes (e.g. color, size, style, price, packaging, reviews, images, etc.)	Dozens of product attributes that help identify a product uniquely (e.g. SKU)
What are your expectations in terms of product data authoring?	Business application for process-driven workflows and collaboration across teams (internal and external) to acquire, author, manage product data with role-and task-based user interface	Small amount of changes or product data authoring done by small set of users, typically data stewards
What are your main business objectives?	<ul style="list-style-type: none"> • Manage heavy authoring of Master Data with detailed workflow requirements, including mass edit authoring/mass data management. This ensures consistency, control, and quality in the ongoing maintenance and use of this information • Manage digital assets and other unstructured data (Manuals, User Guides, Marketing Collateral, etc.) related to their products • Organize product data into product data catalogs with one-to-multiple hierarchies to classify/categorize products • Manage external partners (Suppliers/ Vendors/Manufacturers, Retailers, etc.) with a self-service portal to upload and/or update product data • Manage product master data received from multiple source systems (PLM, Data Pools, Supplier Portal, ERPs, MDM etc.) • Manage product data syndication to multiple internal or market facing channels and systems (eCommerce, e-marketplaces, POS, Print, Mobile, Social, Data Pools, etc.) 	<ul style="list-style-type: none"> • Manage a single, trusted view of products • Gain insight by relating product to other data domains (Customer, Supplier, Location, etc.) in one-to-multiple hierarchies, as well as product-to-product relationships • Provide real-time access to product data for operational systems and enterprise analytics
How is the system used when it comes to management of the data?	Single Source of Truth for Product Authoring	Single Source of Truth across multiple versions of Product/Package
Regulatory compliance	Automate and streamline the secure exchange product information via data pools, like the Global Data Synchronization Network (GDSN) within PIM to support regulatory compliance, e.g., EU 1169 for Consumer goods (PIM)	Reduce the cost of compliance by having a source of trusted product data readily available, e.g. IDMP and farm to fork (MDM)

PIM and Product MDM: A Powerful Combination

In some cases, organizations decide to leverage both PIM and Product MDM. They may start with one solution and then add the other, since they realize that to support their use case and future master data strategy, they will need a combination of both capabilities.

In this case, Product MDM and PIM will enable a product master data ecosystem that combines the capabilities and business values listed earlier in this guide.

PIM will serve as the business application for collaboration on product authoring, syndicating data to external systems and sales channels, but can also feed the MDM with accurate product content, so it maintains the Product Golden Record. MDM can also complete the part of material data mastering (for example). MDM serves as the foundation to hierarchy, and enables reporting, analytics, and internal system processes.

MDM will allow analyzing how many products the company sells, while PIM can serve as a collaborative product content management platform with more details about the products, variants, and assortments.

There is one key concept to remember when working with MDM and PIM solutions in tandem:

- Data should only be included in an MDM solution if there is a need to share the data broadly across multiple systems (e.g. internal, analytical, external, supply chain, etc.)

With this concept in mind, you can accept that some of the product data will have its source and 'golden record' outside of MDM. Specifically, the PIM system becomes the golden record for a large portion of the sales and marketing data that is primarily fueling mostly external channels. This is similar to a PLM system being the golden record for a bill of material.

End-to-End Product Information Management With Informatica

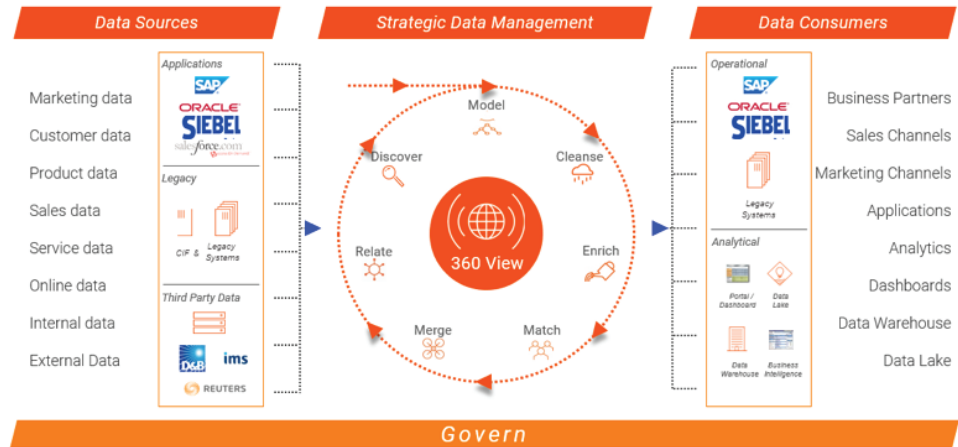
Informatica® offers a PIM solution called MDM–Product 360 and a Product MDM solution called Informatica Intelligent Multidomain MDM.

Both MDM–Product 360 and Product MDM will deliver measurable business value. Depending on the use case, you may need a combination of both to cover the full end-to-end information value chain requirements from sourcing to consumption.

An integrated approach that is based on Informatica's Intelligent Data Platform with full multidomain MDM, PIM, Business Process Management (BPM) and Data Quality (DQ) capabilities supports a long-term data-driven digital transformation strategy. It ensures data accuracy and transparency across customers, consumers, suppliers, locations and systems.

The high-level reference architecture shows how the MDM and PIM can work together.

Creating an Intelligent 360 View



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Figure 3: High-Level architecture with combined MDM and PIM functionalities

Conclusion

Cross referencing the typical value delivery from each solution with your challenges should give you some initial guidance as to which technology (or combination thereof) will provide you with the most immediate, measurable business value. And of course, this guide is not meant to be a substitute for an individual assessment of how well each technology will deliver the expected value in your organization.

The delivery of high-quality product data should be seen as a journey, delivered in multiple stages or projects—starting small and growing fast. A vision of the big picture (to give you an idea of whether you might ultimately need both technologies) along with good communication of intermediate business value delivered is crucial to the success of this journey.

Learn More

To discover more about both [Product 360](#) and [Multidomain MDM](#), you can read our [brochure](#), download a [solution brief](#), or [contact us](#).



Worldwide Headquarters 2100 Seaport Blvd., Redwood City, CA 94063, USA Phone: 650.385.5000, Toll-free in the US: 1.800.653.3871

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