

Digital Product Information

A must-have capability for retailers and CPG firms.

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These days buzz topics like AI, blockchain and digital are discussed at length with great passion, ranging from the boardroom to the office coffee bar.

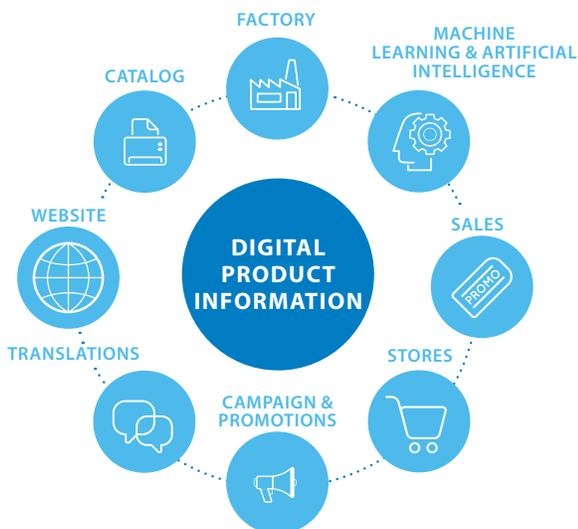
Ask the same group about digital product information (DPI) and one is likely to garner little excitement. Taking it further, offer up that DPI is critical for initiatives like AI, blockchain and digital to truly succeed, responses might range from disbelief to utter skepticism.

In this short extract, we will explain digital product information and why it is a strategic imperative for consumer product companies and retailers alike.



What is Digital Product Information

DPI refers to a set of business functions, organizational processes, governance structures and information systems that interact to onboard, update and enrich a company's products through all key consumer touch-points (online and offline).



Myths and realities about Digital Product Information

A fully functioning and well-integrated DPI has the potential to transform a business by increasing customer satisfaction, reducing inventory problems, simplifying business processes and energizing digital channels – all leading to an uplift in sales and/or reduction in costs. In our observations, the true business impact of digital product information is poorly understood across the industry. Here are some myths that outline the pervasive effect of digital product information on key aspects of retail and CPG businesses.

Business Impact of Digital Product Information

MYTH	REALITY
<p>1 DOES NOT IMPACT REVENUE</p> <p>EXAMPLE</p> <ul style="list-style-type: none"> Speedier introduction of new products translated to \$40M in incremental revenue for a retailer 	<p>Streamlined and automated processes accelerate new product introduction</p>
<p>2 NOT RELEVANT IF WE DON'T SELL ONLINE TO CONSUMERS</p> <p>EXAMPLE</p> <ul style="list-style-type: none"> Retailers are seeking more product information from CPG firms everyday Consumers research products online even when they purchase the products in store 	<p>Most consumers now research products online even if they purchase at a store</p>
<p>3 HAS NO EFFECT ON CUSTOMER SATISFACTION</p> <p>EXAMPLE</p> <ul style="list-style-type: none"> For a premier retailer, 30% of the customer orders had complaints due to charging higher shipping costs than confirmed @ time of order. 	<p>Errors in product data such as weights and dimensions can lead to shipping issues</p>
<p>4 DOES NOT AFFECT BUSINESS OPERATIONS</p> <p>EXAMPLE</p> <ul style="list-style-type: none"> For a CPG firm, more than 10% of orders are blocked from shipping due to data issues At a retailer, stores spend 145,000 hours per year correcting negative inventories and DCs spend 270,000 hours correcting errors 	<p>Errors in weights and dimensions delay shipments to customers</p>
<p>5 NO AFFECT ON ANALYTICS</p> <p>EXAMPLE</p> <ul style="list-style-type: none"> For micro-merchandizing, a retailer wanted to understand which scent of a detergent was selling well in which areas. Since the scent was not captured in product data, analytics could not be developed 	<p>Rich and detailed information about product attributes can answer new questions</p>

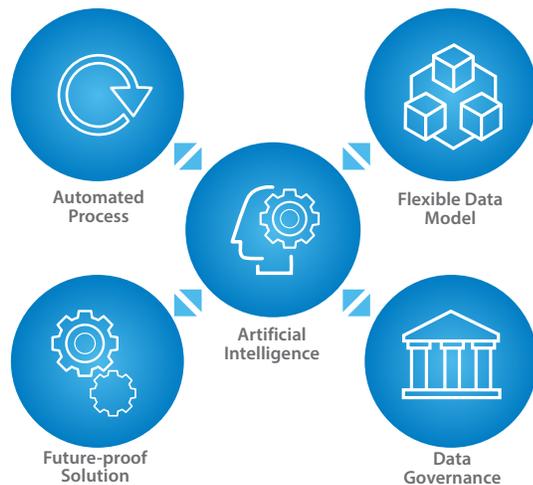
The Framework & Approach Forward

To develop robust capabilities in digital product information, our team of experts have developed an integrated framework, based on a number of successful transformation projects (and key learnings from them) over the past several years. Let's explore these further.

A. AUTOMATE PROCESSES

The end-to-end process for creating a new product should be streamlined and automated. Also, when changes need to be made, detailed processes and their actors need to be defined to prevent potential confusion. The process needs to create metrics at every stage so that bottlenecks for creating and updating product information can be identified.

Framework for Digital Product Information



B. FLEXIBLE & SCALABLE DATA MODEL

Throughout the product creation process, a robust data model ensures that all the requisite attributes are captured - from operations such as order fulfillment and planogram planning to data warehousing and business analytics. The product data model needs to be flexible and scalable so that attribution can be added or updated rapidly.

C. FUTURE-PROOF SOLUTION

The technical solution is what operationalizes the process and data model. It then integrates with rest of the organization's applications that need the product information. The solution needs to be future-proof by being able to adapt to the changes in business needs, and also to take advantage of future technical innovations.

D. DATA GOVERNANCE

A robust data governance framework is what sustains excellence within product information and thus across the enterprise (including roles and responsibilities). Without strong governance, product information will deteriorate rapidly and handicap the enterprise.

E. ARTIFICIAL INTELLIGENCE

Machine learning is now being used in identifying and harmonizing duplicates in products. Previously this task was done through laborious identification of rules. Natural language processing can assist in defining and maintaining manual product taxonomies, and thus aid data scientists to do ad hoc analysis. Natural language generation can auto-create product descriptions that were previously manual.

Maturity Assessment and Program Definition

Ask yourself the following 5 questions. If the response is "yes" to 3 or more, then it's a great place to be in. Otherwise, consider the need to develop a broader digital product information capability for your enterprise.

1. Are you challenged to present compelling and attractive information about your product to consumers?
2. Are you satisfied with the current speed and accuracy of new product introductions?
3. Do you have high accuracy analytics and reports on your product data without the need for data cleansing?
4. If there are issues with product information, do you know who can get it fixed and why it happened in the first place?
5. In an environment where product data is distributed across systems, is it easy to establish which system has accurate data?

In defining a program, ensure a cross-functional executive sponsorship team. Typical functions would include marketing, sales, IT, supply chain, fulfillment, logistics, consumer insights and analytics. Avoid a boil-the-ocean approach and focus on a set of capabilities linked to clear business outcomes. Achieving 100% accuracy with all digital product information is a cost-prohibitive undertaking, and therefore a focused agenda is more likely to succeed.

Product information has strategic impact across the enterprise - from revenue to customer satisfaction to business operations and analytics. Every retailer and consumer products company should assess their current maturity and capabilities to determine a path forward. Significant benefits and financial gains await the ones bold enough to get this right!

Our Enterprise Insights Team

At Infosys Consulting, our team of experts believes that data is the key to unlocking an organization's full potential in today's digitally-centric world. Our consultants focus on helping companies see new opportunities by analyzing insights across the enterprise, and creating turn-key solutions for them to drive growth and competitive advantage.

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