Productsup

The P2C report

Radically rethinking commerce

Contents

Introduction

Great change drives great innovation. The 1980s saw the rise of ERP. CRM emerged in the 2000s. Fast forward another 20 years, in this age of commerce anarchy, we are now witnessing the advent of a new technology paradigm: product-to-consumer (P2C).

P2C management promises to offer an invaluable approach for taking back control of the shopper experience as it expands into ever-more complex, fragmented, and extended markets.

A simple example. Say you're a conglomerate of beauty brands active in 40 countries. What makes the most sense: trying to build a single presence on TikTok, or opening 40 accounts?

And say you have **30 brands across these 40 countries,** do you then try and control 1200 accounts? Then consider that you are not only facing this challenge on TikTok, but also across myriad other hyperscale platforms such as Google, Facebook, Instagram, Pinterest, Snapchat, Twitter, and YouTube. Never mind retargeting platforms such as Criteo and AdRoll, as well as price comparison sites like Shopping.com, Idealo etc. Suddenly, it's easy to understand why **commerce anarchy** is perhaps the most pressing issue businesses face today.

This report examines the rise of commerce anarchy before guiding you through the best approaches to not only overcoming it, but taking back control and thriving in it. I believe it makes essential reading quite simply because, outside a small handful of hyperscale businesses, commerce anarchy poses a real and present danger to every brand, retailer, service provider and marketplace.

The strategic management challenge is not about optimizing today's digital processes. It's about transforming future relationships. Only by entirely rethinking the P2C journey will organizations ever be able to deliver the personalized, consumer-centric experiences their shoppers have come to expect.

By taking effective control over every aspect of the **global P2C product information value chains,** organizations can manage powerful outbound digital flows and also the deep feedback loops which link them to buyers. That is how to create seamlessly brilliant shopper experiences.

This is not just the most important operating model to which brands, retailers, service providers and marketplaces need to shift. It is the only one.
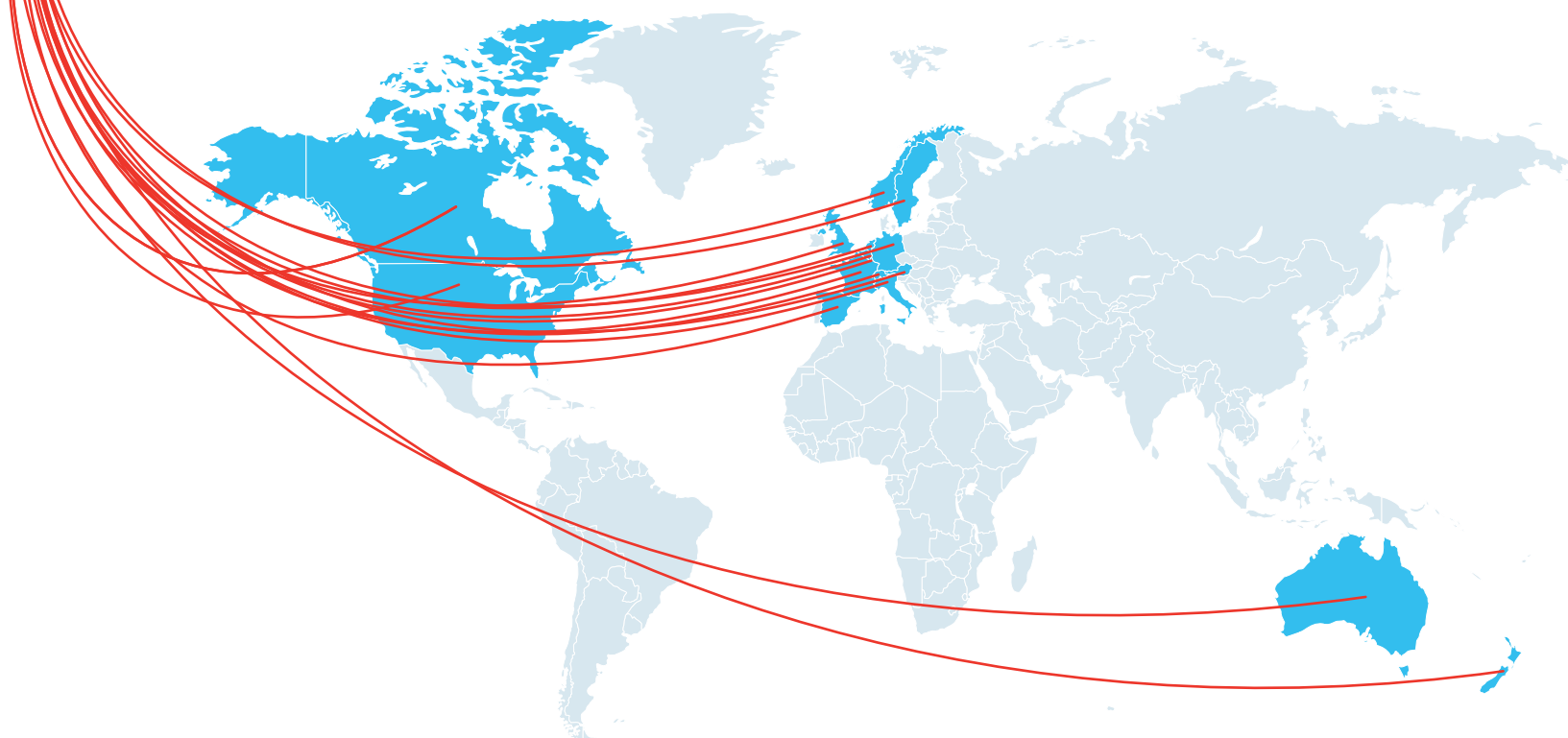
Vincent Peters
CEO
Productsup

Research background

1. Countries

NAM – US, Canada
DACH – Austria, Germany, Switzerland
BNL – Belgium, Netherlands, Luxembourg
ANZ – Australia, New Zealand
NOC – Sweden, Norway
South – Italy, France, Spain
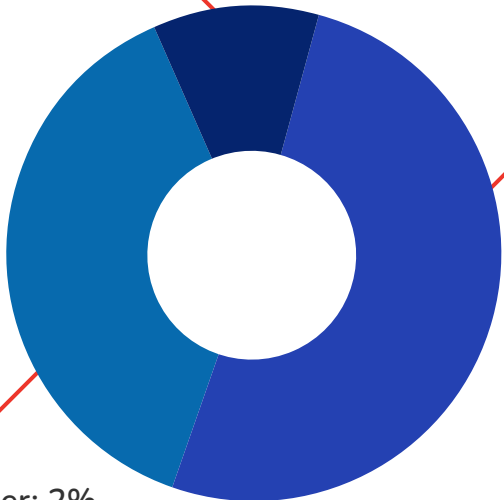United Kingdom

2. Job titles

C-Level (11%)
 CIO: 2%
 CRO: 3%
 CDO: 3%
 CMO: 3%

Executive (51%)
 VP of Marketing: 5%
 Head of Marketing: 6%
 Director of Marketing: 9%
 MD/GM: 10%
 VP of Sales: 10%
 Sales Director: 11%

Manager (38%)
 Global PIM Manager: 2%
 Business Analyst: 3%
 Snr Marketing Manager: 5%
 Product Manager: 13%
 Marketing Manager: 15%

Research background

3. Industries

1. Advertising
2. Business Services
3. Clothing
4. Computer Retail
5. Consulting Services
6. Consumer Electronics
7. Department Store
8. Energy
9. Flowers, Gifts & Specialty Stores
10. Food/Grocery
11. Furniture/Home Goods
12. Health
13. Hospitality
14. Industrial Machinery & Equipment
15. IT
16. Jewellery & Watches
17. Manufacturing
18. Marketing Agency
19. Materials
20. Media & Internet
21. Retail
22. Software
23. Transportation
24. Vehicles

4. Methodology

This independently conducted research is based on a survey of **750 senior decision-makers,** either personally responsible for, or reporting directly to, the person in charge of managing, and sharing product information. The organizations polled spanned **16 countries and 24 industries.** The ensuing insights provide a deep understanding of organizational awareness globally around commerce anarchy, and the root causes of the phenomenon.

The survey was conducted by Coleman Parkes Research.

Coleman Parkes Research is a full-service, end-to-end specialist in B2B marketing and business research with full B2C capabilities.

5. Definitions

3D ecommerce
3D ecommerce is the ability to look at product information value chains holistically from multiple angles including, but not limited to, product lines, geographies, channel feeds, promotional tactics, and feedback loops.

Commerce anarchy
Commerce anarchy is the struggle faced by brands, retailers, service providers and marketplaces to manage the increasingly complex and interlinked paths between products, services, and consumers.

Product Information Value Chain (PIVC)
A Product Information Value Chain (PIVC) denotes all the information flows needed to enable ecommerce buyers to transact. These may include supply chain logistics, product information management, and social media signals. Organizations have many different product information value chains.

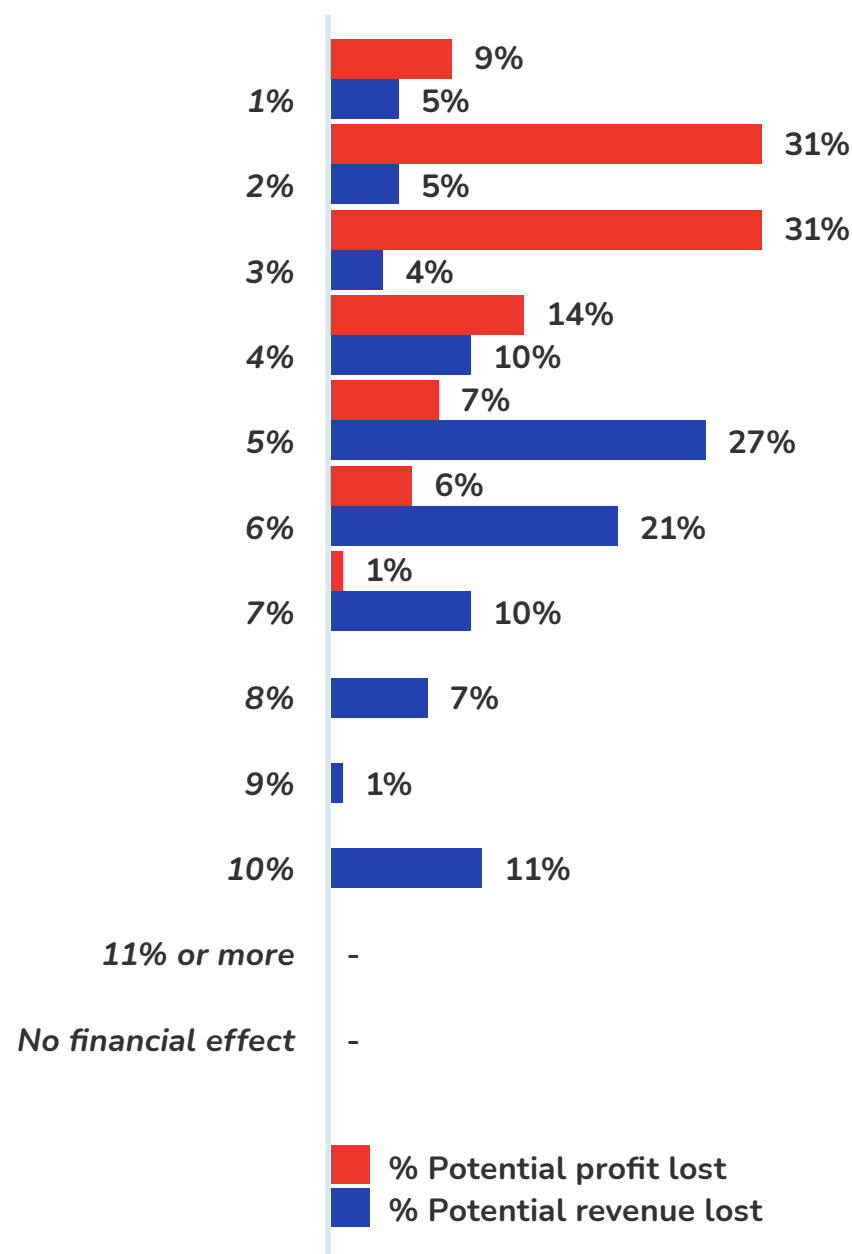**Product-to-consumer (P2C) management**
Product-to-consumer (P2C) management is a category based on mapping, understanding, and, ultimately, controlling all 3D product information value chains to cut through the chaos of commerce anarchy. P2C management offers brands, retailers, service providers, and marketplaces a systematic approach to controlling, directing, and maximizing their commerce ecosystems.

The reality of a poor approach to **Product Information Value Chain** management

With *$4.2 trillion* in global sales and growing, ecommerce is unstoppable. The defining proofpoint occurred when Amazon overtook Walmart as the largest retailer in the USA. It is now obvious that every brand, retailer, and digital marketplace that supplies goods will have to integrate online and in-person channels. Forever.

Most brands and retailers, however, just cannot devote the resources they need to make this a reality. The result is an exponential rise in complexity and in the size of management teams trying to tame commerce anarchy. The stakes are high. Errors can result in fundamental damage to precious brand, product, or vendor reputations. Today, a single mistake in the smallest detail really matters. An unflattering product image, the incorrect price point, or an inaccurate description risks losing not only individual sales, but hard-earned consumer **loyalty, revenue, and profit.**

In fact, this research demonstrates the wrong approach to product information value chain management is costing organizations an **average of 3% in profits and 6% in revenues every year.** The vast majority of respondents are also concerned it is inflicting reputational damage on their brands.

	% Potential profit lost	% Potential revenue lost
1%	9%	5%
2%	31%	5%
3%	31%	4%
4%	14%	10%
5%	7%	27%
6%	6%	21%
7%	1%	10%
8%		7%
9%		1%
10%		11%
11% or more	-	
No financial effect	-	

% Potential profit lost
% Potential revenue lost

Overall, **98%** agreed they are either **'very concerned'** or **'concerned'** that a poor approach to product information value chain management is causing reputational damage to their brands.

3% loss in profits every year
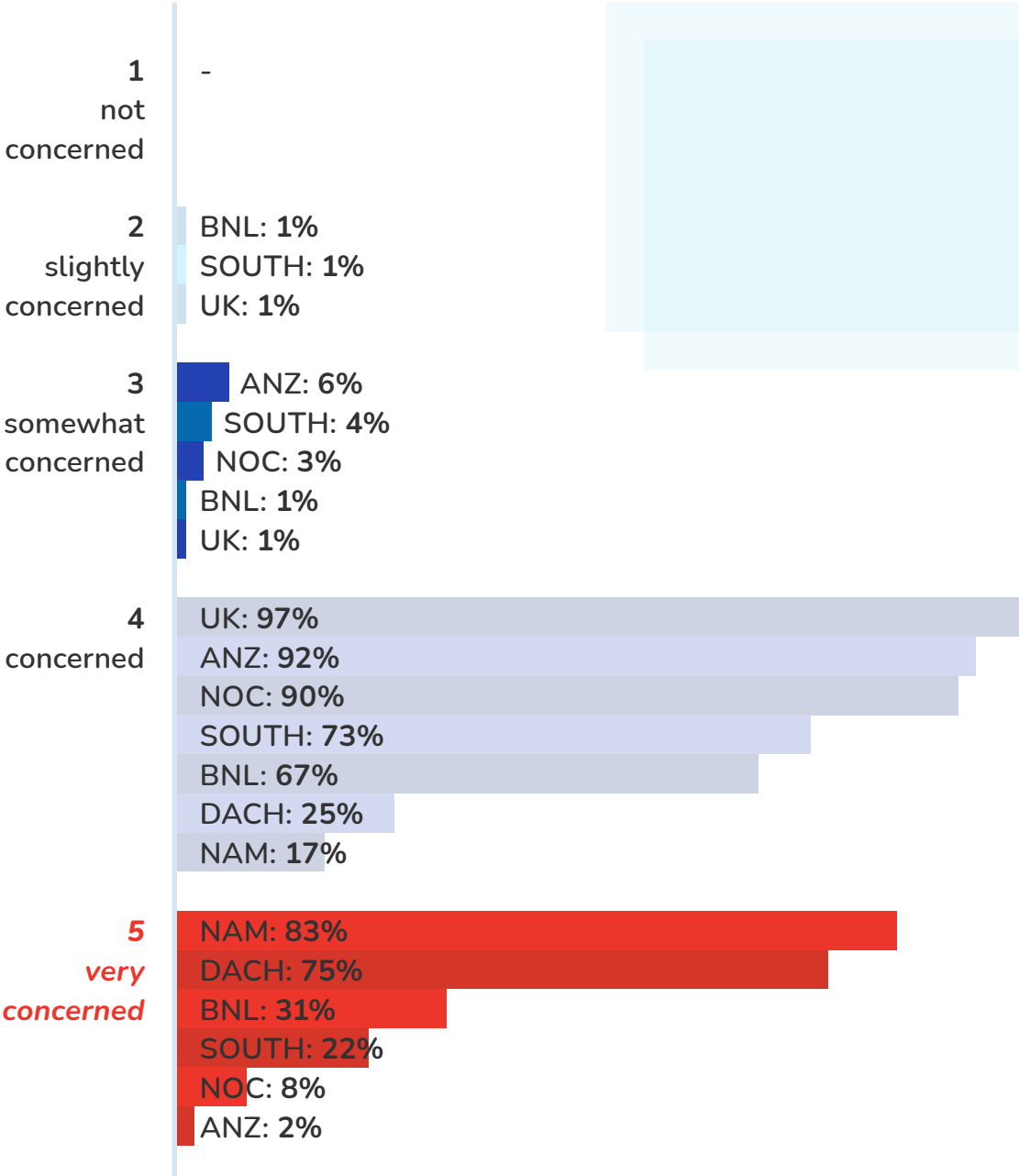
6% loss in revenues every year

The reality of a poor approach to
Product Information Value Chain management

The research reveals that **53%** of respondents are relatively confident in their organization's ability to compete with hyperscalers over the next three years. But only **2% feel very confident about competing.** Perhaps unsurprisingly, this tiny percentage comprises company decision-makers rather than the hands-on managers who execute the strategy.

One of the study's most concerning findings is that even today less than one quarter of companies sell their products on the world's largest social commerce platforms. **Only 20% use Facebook** as a sales channel. When it comes to **Instagram, the figure falls to just 14%.** There were also some big industry differences that showed the least confident in managing social challenges were **manufacturers, 37%, and retailers, 23%** of whom lacked competence in social commerce. In contrast, **just 14% of service providers** feel the same.

How concerned are you with the consistency of the product information being passed through your current tech stack?

*not concerned: 1 to **very concerned: 5***

1
not concerned
-

2
slightly concerned
BNL: **1%**
SOUTH: **1%**
UK: **1%**

3
somewhat concerned
ANZ: **6%**
SOUTH: **4%**
NOC: **3%**
BNL: **1%**
UK: **1%**

4
concerned
UK: **97%**
ANZ: **92%**
NOC: **90%**
SOUTH: **73%**
BNL: **67%**
DACH: **25%**
NAM: **17%**

5
very concerned
NAM: **83%**
DACH: **75%**
BNL: **31%**
SOUTH: **22%**
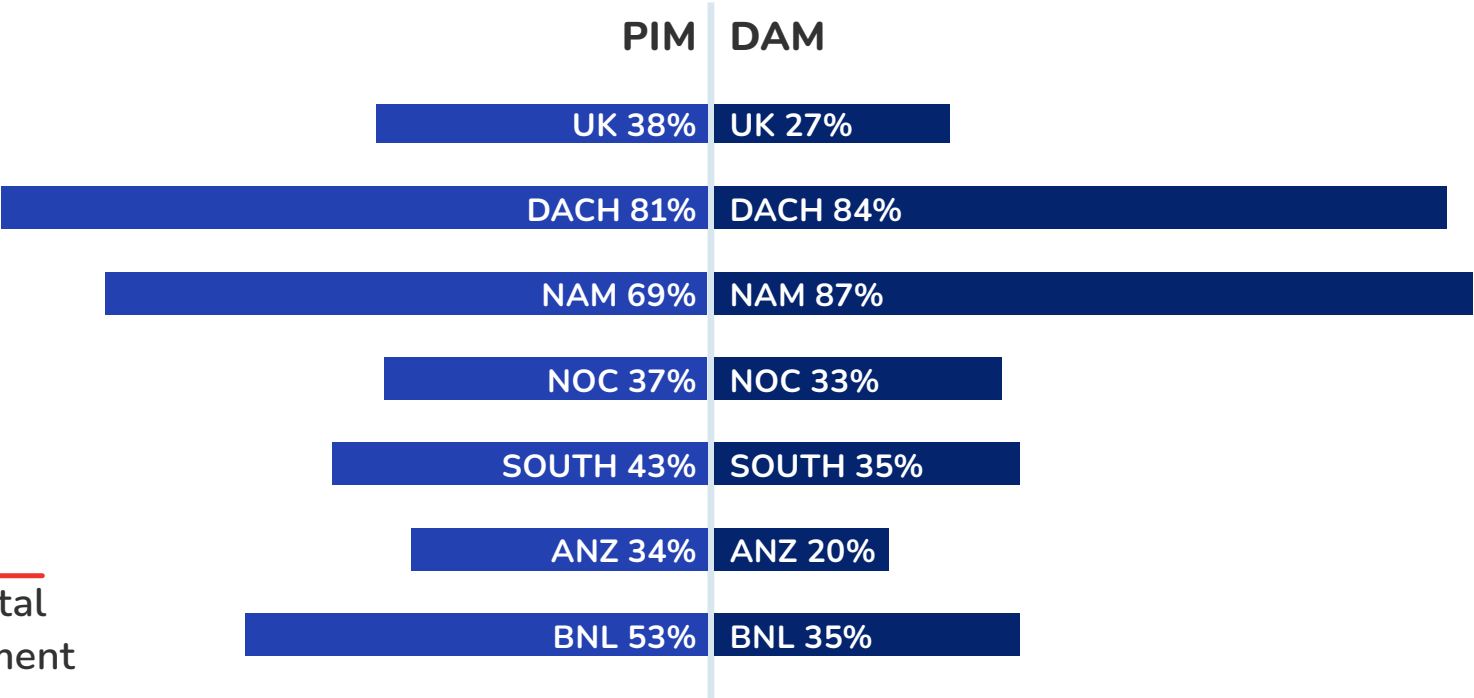NOC: **8%**
ANZ: **2%**

The reality of a poor approach to
Product Information Value Chain management

Which tech stack do you use to ensure that your customers have the correct product information at any stage on their buyer journey?

PIM
51% use a Product Information Management (PIM) system
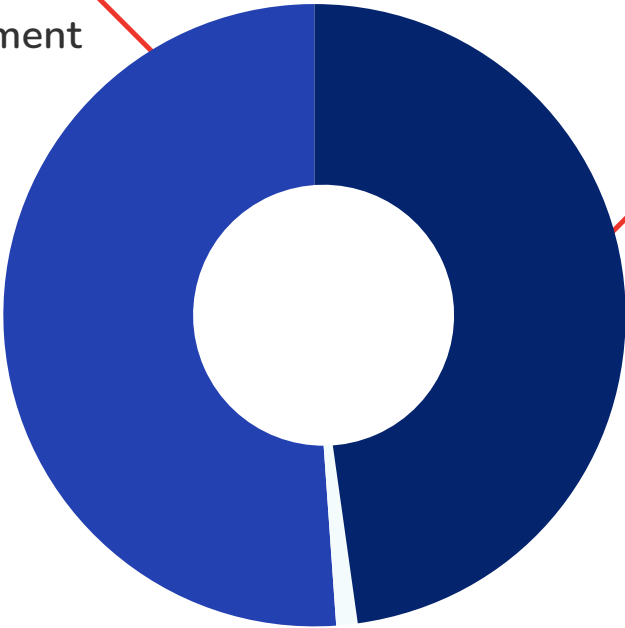
DAM
48% use a Digital Asset Management (DAM) system

PIM | **DAM**

UK 38% | UK 27%
DACH 81% | DACH 84%
NAM 69% | NAM 87%
NOC 37% | NOC 33%
SOUTH 43% | SOUTH 35%
ANZ 34% | ANZ 20%
BNL 53% | BNL 35%

By failing to take advantage of the huge potential offered by social channels, organizations are by definition limiting their share of a **$4.2 trillion ecommerce market.** And ultimately, by missing out on valuable feedback loops, they are putting their own survival at risk.

The study showed **51% of organizations have a product information management system in place and 48% a digital asset management (DAM)** system. Even with all this tech, the vast majority are concerned about the consistency of product information flowing through their current tech stacks. In fact, **88% of executive decision-makers** strongly agree that they need to improve their tech stacks to accelerate growth and outpace the competition.

What happened to the **profits and revenue?**

When a digital transformation project has gone well and online sales are rising, an organization has reason to feel confident about the future. At the same time, brands, retailers, service providers and marketplaces need to constantly check the bottom line. Because when they do, they are likely to discover that revenues and profits are leaking away for a variety of reasons.

According to the research, nearly all organisations are reporting challenges to their level of accuracy in detecting changes in customer buying behaviours, all of which indicate reasons for profit and revenue leakage.

Five key reasons for profit and revenue leakage

1. Departments working in silos:
47%

2. Legacy IT systems:
47%

3. Too many systems:
45%

4. Poor data analytics:
38%

5. Inability to scale systems:
13%

Inadequate product information is a **silent killer**

The study also shows us that misleading product information costs companies from **6% to even 10% in revenue and between 3% and 7%** in profit. This puts the cost of poor information flows in a stark light – up to **$252bn globally.**

6-10% loss in revenue

3-7% loss in profit
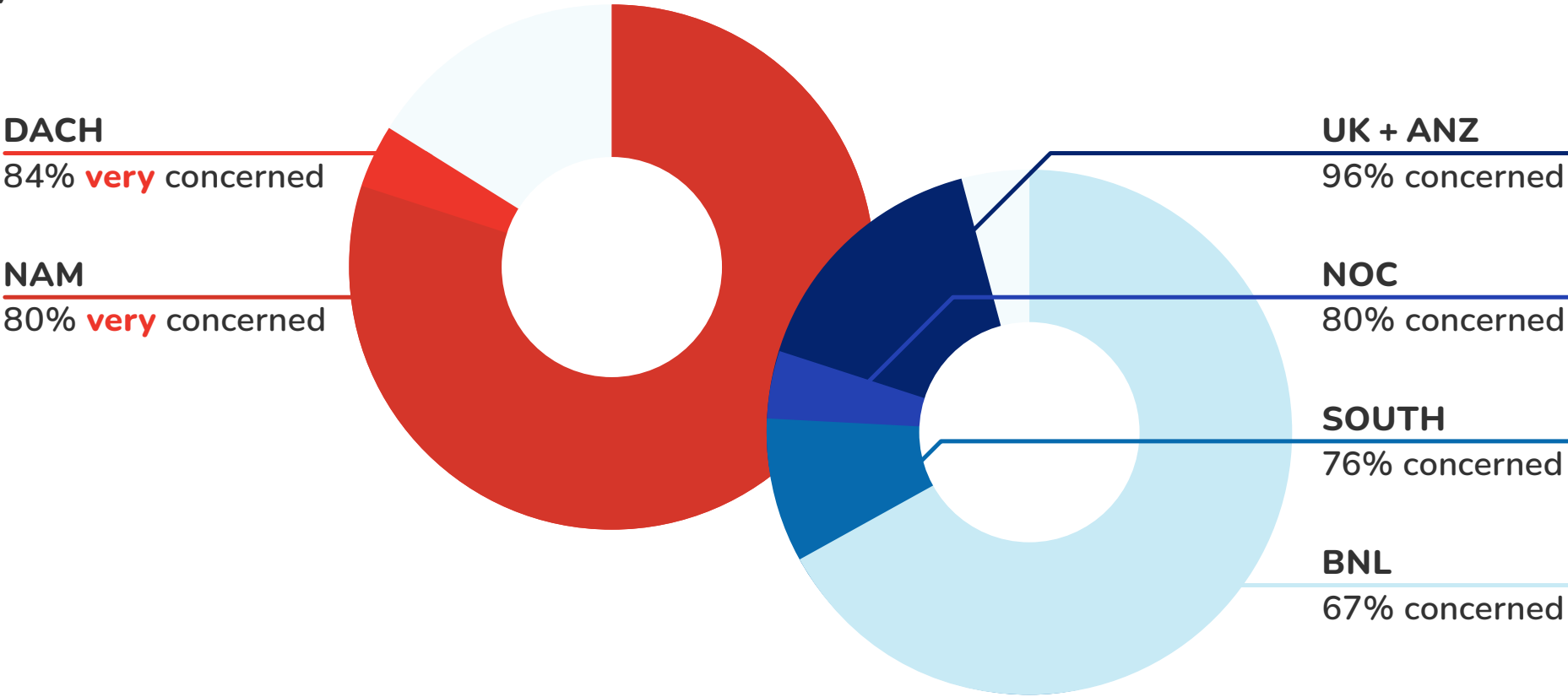
Strategy: get a plan in place

Failure to control commerce anarchy can have serious consequences both internally and externally. These consequences quickly affect a business's ability to survive, let alone thrive. Only by successfully managing commerce anarchy can you avoid these issues and remain at the forefront of such a highly competitive world.

Just 2% of respondents are very confident in their ability to detect changes to customer buying behavior in the current climate. You don't have to look far to see the world of digital commerce is a fast-moving space where poor levels of strategy and execution are visibly exposed on a daily basis and at the highest levels.

This can have an extremely negative impact on competitiveness, brand reputation, compliance, and corporate strategy – or in other words, the things businesses need to get right in a digitized landscape.

The result of failing to successfully manage commerce anarchy?
Being out-competed.

To what extent are you concerned your company is experiencing reputational damage to its brand(s) due to a poor approach to **product information value chain management?**

DACH
84% **very** concerned

NAM
80% **very** concerned

UK + ANZ
96% concerned

NOC
80% concerned

SOUTH
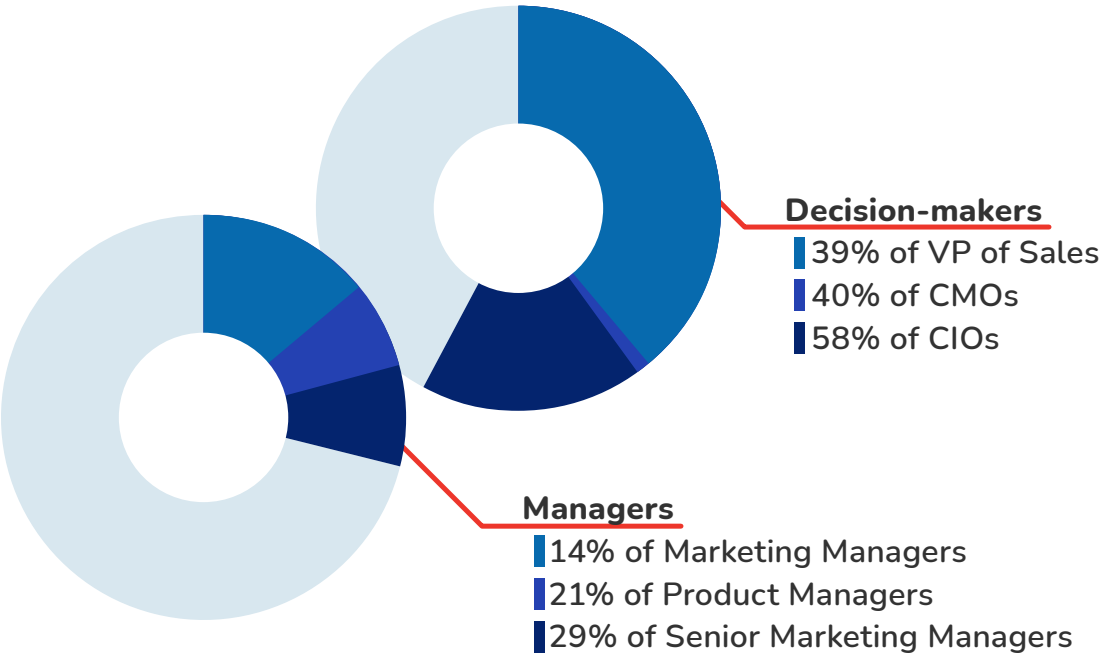76% concerned

BNL
67% concerned

Strategy: get a plan in place

Without a change in approach, commerce businesses across the spectrum – from digital-native hyperscale retailers and marketplaces to global and local brands, retailers, service providers and marketplaces – are all vulnerable.

The strategic management challenge is, therefore, not to optimize digital processes but to transform relationships. Only an entirely fresh product-to-consumer (P2C) strategy will guide brands, retailers, service providers and marketplaces towards the personalized consumer-centric process essential for survival.
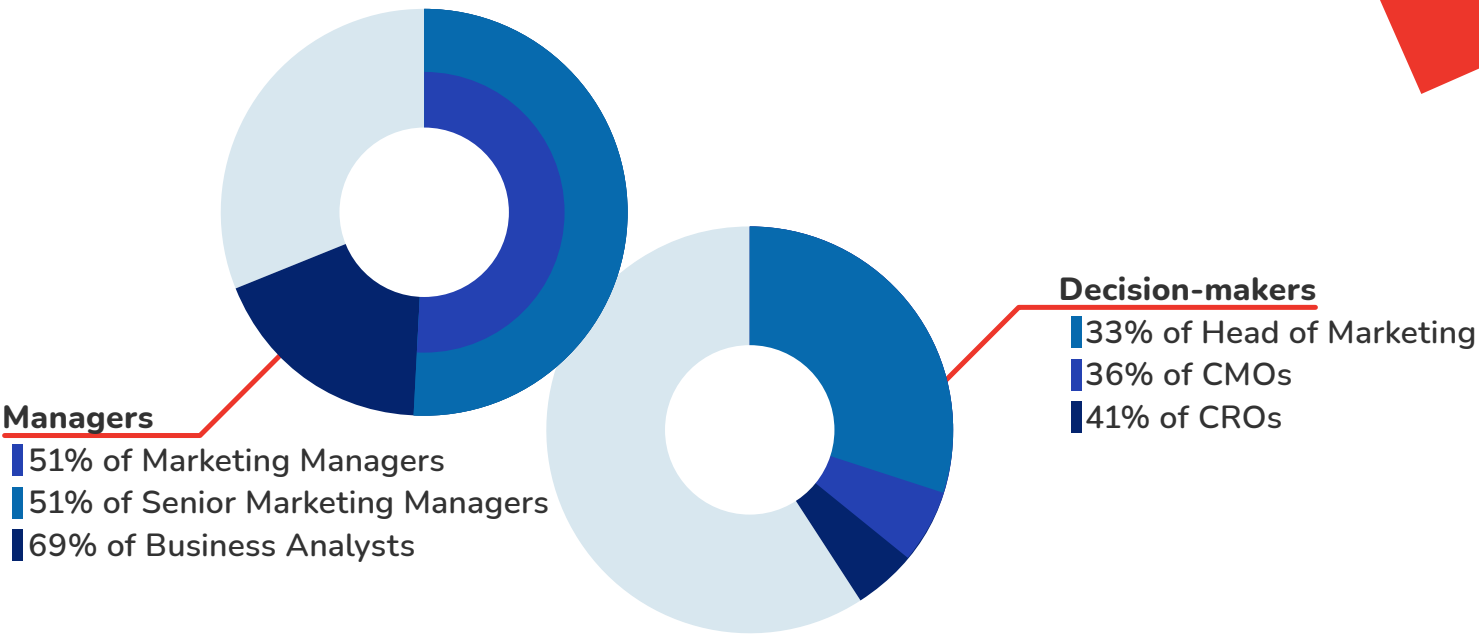
These results indicate a severe internal misalignment between the confidence of decision-makers in their ability to compete with hyperscale companies, and the front line management who experience the day-to-day realities.

The majority of respondents agree that their organizations could grow faster with a better tech stack. And they understand that the marketplaces they rely on also compete against them. Interestingly, these are the key sticking points to commerce growth. Most **decision-makers are confident** in managing their stacks, resources, and product/market strategies. Yet front line **managers display a much lower level of confidence.**

% of decision-makers who agree to stop optimizing and rethink their current approach

Managers
- ▌51% of Marketing Managers
- ▌51% of Senior Marketing Managers
- ▌69% of Business Analysts

Decision-makers
- ▌33% of Head of Marketing
- ▌36% of CMOs
- ▌41% of CROs

% of decision-makers happy with their current approach

Decision-makers
- ▌39% of VP of Sales
- ▌40% of CMOs
- ▌58% of CIOs

Managers
- ▌14% of Marketing Managers
- ▌21% of Product Managers
- ▌29% of Senior Marketing Managers

And this is not the only inconsistency we have seen in the research. Many respondents said that they lack confidence in the consistency of the product information being passed through their current tech stack, even while agreeing they are happy with that same stack. These contradictions are visible throughout the entire study, with companies often aware of certain issues yet unsure how to fix them, further fueling commerce anarchy.

Where to **next?**

Michael Porter is an American academic known for his theories on economics, business strategy, and social causes. He is the founder of modern business strategy and one of the world's most influential thinkers on management and competitiveness.

In 1985, Porter introduced the **concept of product value chains** – a concept that remains valid to this day. Every organization needs a strategy for managing the myriad product information value chains they require to reach their target audiences. However today it represents less than half of the story.
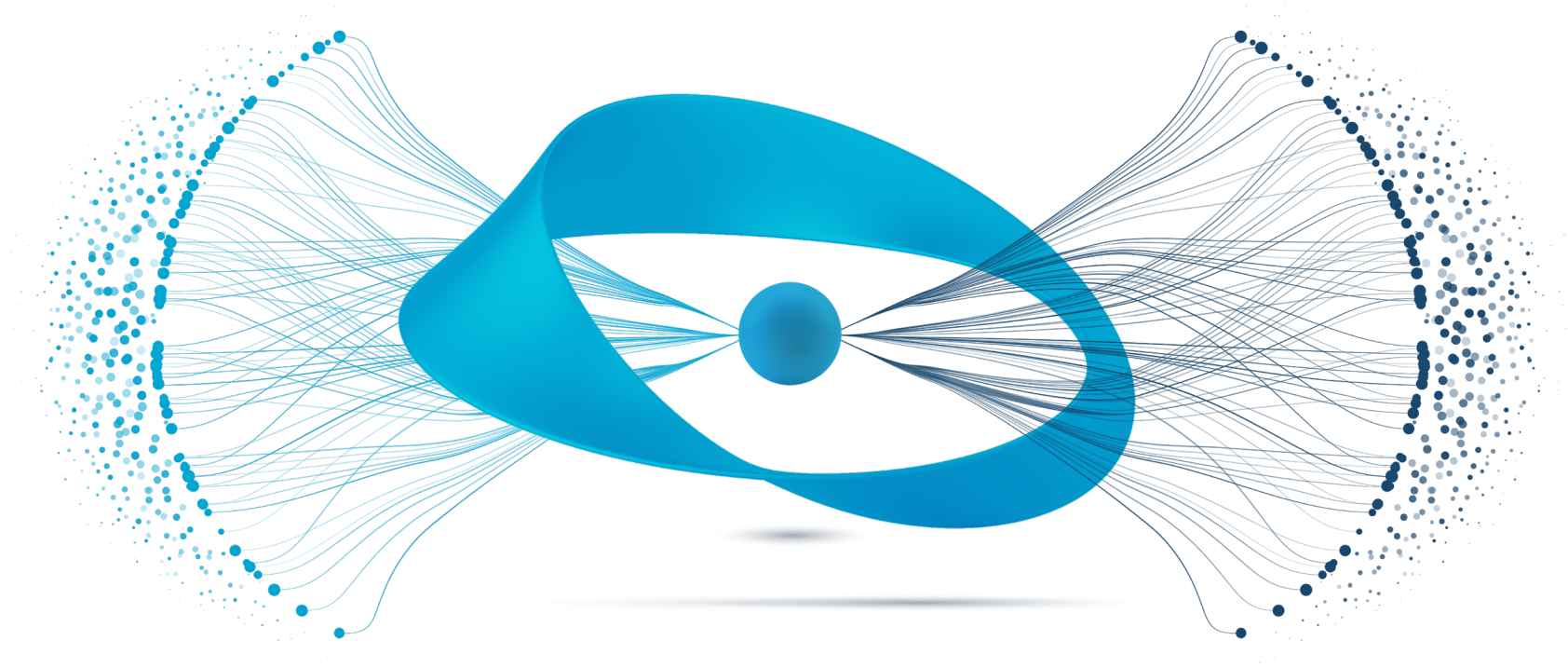
The actual physical product is increasingly becoming an afterthought. It's only a part of what a consumer expects from a retail experience. In contrast, online buyers often base their purchase decisions purely on product information, including all the rich, high quality media they consume online.

This means every organization now needs an additional strategy for managing all the product information value chains that they require to reach their target audiences, their consumers.

In short, every organization needs a product-to-consumer strategy (P2C strategy).

Specialists such as McKinsey, Bain and others need to support organizations in developing their **P2C strategies.** And consultants like Accenture, PwC, Deloitte, Cognizant and WIPRO, need to develop a global P2C practice to implement these P2C strategies including the organizational structures, processes, governance, and P2C platforms that support them.

Where to **next?**

> "P2C management solutions provide a systematic way to maximize the total overall effectiveness of product information value chains. They almost completely automate the complex real-time flows of the key inputs and outputs of product information in a commerce environment. Such solutions enable the strategic administration, management, and governance across an unlimited number of stores, catalogs, consumer touch points, product items, transactions, and buyers."

Dion Hinchcliffe
Vice President and Principal Analyst, Constellation Research
Product to Consumer (P2C) Management
Delivering decisive control over digital commerce ecosystems

P2C management key features:

1. Consumer reach

Real-time syndication to a large number of consumer marketplaces with marketing and advertising support.

- Support for all major shopping platforms
- Ad spend management with profitability management
- Digital shelf analytics with SEO recommendations
- Automatic A/B testing of product content (text, images)

2. Commerce management and optimization

Enabling the cross-platform operations and continuous automated improvement of a commerce business across myriad product providers and consumers.

- Software-as-a-service cloud delivery across every P2C dimension
- Integration and feed support for common IT support systems
- Data mapping of system flows and syndication
- Continuous monitoring of the P2C ecosystem
- Tracking, analytics, and reporting
- Continuous and real-time data import and export
- Sales campaign optimization
- ROI strategy
- Recovery and loss prevention
- Detailed view of the P2C management value chain

3. Product data ecosystem

Large-scale integration of product information sources such as sellers, vendors, and manufacturers.

- Master data support for all P2C-related data
- Infinite product catalog size and complexity
- Cross-channel catalog and advertising data
- Contextual, intelligent, channel-independent content enrichment
- Support for third-party data services

Where to **next?**

Future first: P2C

The main advantages respondents believe a P2C platform will deliver.

48% A higher rate of innovation to stay ahead of the competition.

48% Faster time to market for products, digital assets and campaigns.

37% Reduced product return rates.

51% Clearer strategic decisions based on data-driven insights.

46% Strengthen their brand on a global level.

99% are interested in the P2C approach for their business going forward.
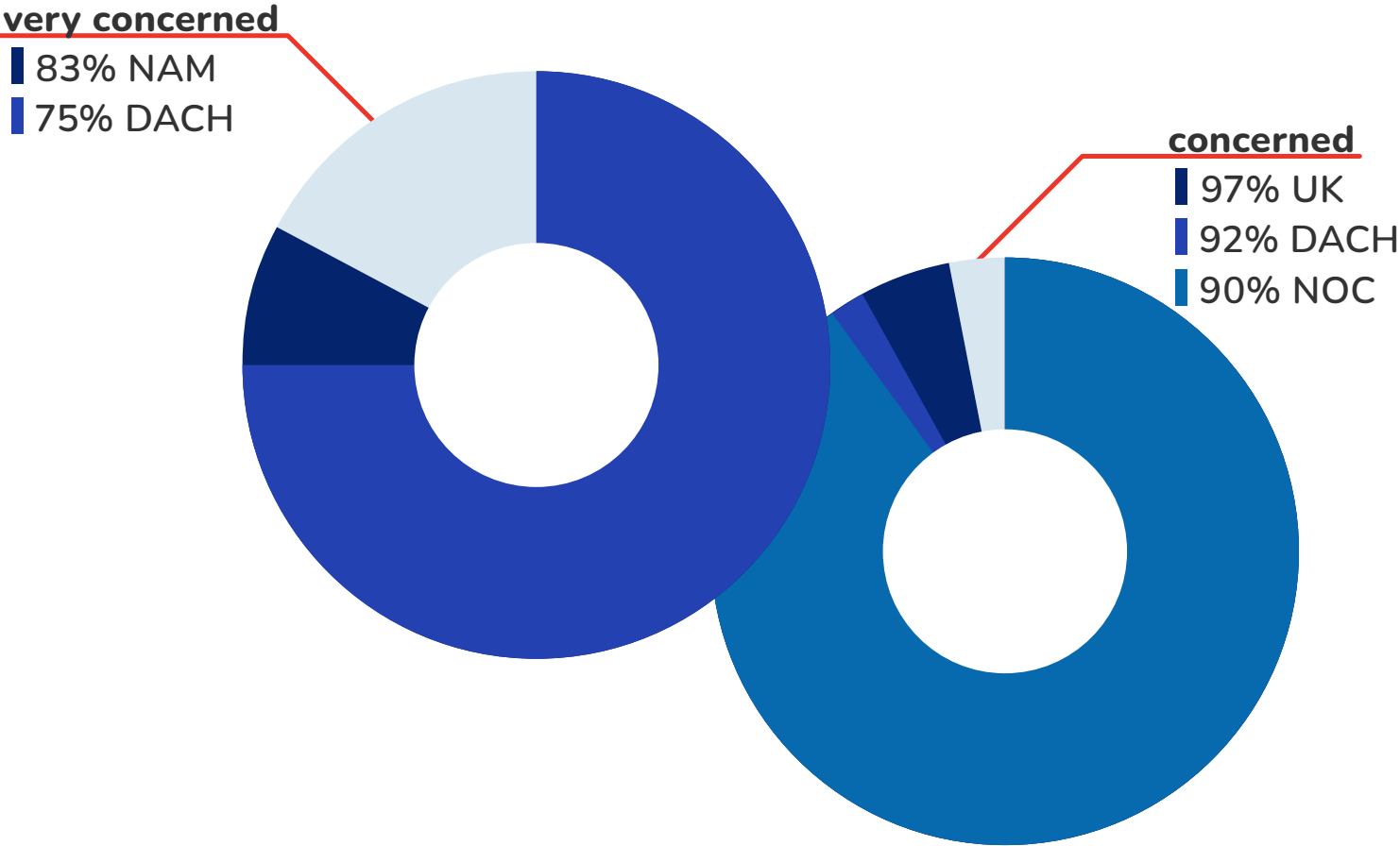
The vital role of **P2C**

As we have seen through the research, companies are aware of certain P2C issues yet lack the complete picture and knowledge on how to address them. This contradiction only serves to deepen the chaos that results from commerce anarchy, never mind the huge urgency of bringing order to this chaos. It truly is a matter of adapt or die. **The only question is: how?**

North American companies showed the highest awareness of this situation with **83%** of respondents agreeing they are **'very concerned',** followed by the DACH region a**t 75%**. As for respondents agreeing they are **'concerned',** the **UK tops the list at 97%** followed by **Australia and New Zealand at 92% and NOC at 90%.**

All 24 industries included in the research scored over **50% for being either concerned or very concerned** with the consistency of the product information flowing through their current tech stacks.

very concerned
- 83% NAM
- 75% DACH

concerned
- 97% UK
- 92% DACH
- 90% NOC

The vital role of P2C

Industry	1	2	3	4	5
Advertising	-	-	-	43%	57%
Business Services	-	-	-	81%	19%
Clothing	-	-	-	55%	40%
Computer Retail	-	-	-	50%	50%
Consulting Services	-	-	5%	64%	36%
Consumer Electronics	-	-	-	45%	53%
Department Store	-	-	-	67%	28%
Energy	-	-	-	83%	15%
Flowers, Gifts & Specialty Stores	-	-	-	78%	11%
Food/Grocery	-	-	-	59%	38%
Furniture/Home Goods	-	3%	-	71%	25%
Health	-	-	6%	61%	35%
Hospitality	-	-	2%	72%	22%
Industrial Machinery & Equipment	-	-	11%	70%	26%
IT	-	-	1%	85%	15%
Jewellery & Watches	-	-	4%	47%	53%
Manufacturing	-	-	4%	42%	55%
Marketing Agency	-	1%	6%	100%	-
Materials	-	-	4%	50%	50%
Media & Internet	-	-	-	60%	40%
Retail	-	-	-	63%	35%
Software	-	-	-	55%	45%
Transportation	-	-	-	68%	24%
Vehicles	-	-	3%	68%	32%

How concerned are you with the consistency of the product information passed through your tech stack?

*not concerned: 1 to **very concerned: 5***

This reinforces the view that industries across the spectrum are vulnerable to commerce anarchy and need to rethink their current approaches.

Now is the time to introduce a P2C strategy – a single, streamlined way to track, interact with, and intervene in the product information value chains (PIVCs) to grow your business and stay ahead of the competition.

But this is just the start of the P2C journey. Once brands, retailers, service providers and marketplaces start to take back control and overcome commerce anarchy, P2C offers real competitive advantage.

Just imagine bringing new products and services to market with confidence in the knowledge of where they will be viewed, in what format, and how they will need to be packaged and delivered to maximize the revenue, profit, and ROI.

Connect your products with consumers

Over 900 brands, retailers, and service providers are using the Productsup P2C platform to streamline workflows from weeks to minutes. They benefit from the capability to export via any channel, anywhere, while creating unique consumer experiences on every journey to purchase. In doing so, they are continuously realizing their global potential, finding new places to sell, new buyers to sell to, and new product innovations to offer.

Productsup. Empowering commerce.

For more information about P2C go to:

www.productsup.com

Glossary of **terms**

1. 3D ecommerce
3D ecommerce is the ability to look at product information value chains from multiple angles including, but not limited to, product lines, geographies, channel feeds, promotional tactics, and feedback loops

2. Commerce anarchy
Commerce anarchy is the struggle faced by brands, retailers, service providers and marketplaces in managing the increasingly complex paths between products, services, and consumers.

3. Constellation Research
As an award-winning Silicon Valley-based strategic advisory and futurist analyst firm, Constellation Research serves leaders and organizations navigating the challenges of digital strategy, business-model disruption and digital transformation. Constellation works closely with solution providers, partners, C-suite executives, boards of directors, and its Constellation Executive Network of buy-side leaders to lead the way in research coverage and advise clients how to achieve valuable business results.

4. CRM
Customer Relationship Management (CRM) is a technology for managing all your company's relationships and interactions with customers and potential customers. The goal is simple: Improve business relationships. A CRM system helps companies stay connected to customers, streamline processes, and improve profitability.

5. DAM
A Digital Asset Management (DAM) system is software that allows businesses to organize, distribute, collaborate on, and securely store digital files that make up a digital asset library.

6. ERP
Enterprise Resource Planning (ERP) refers to a type of software or system used by a business to plan and manage daily activities such as supply chains, manufacturing, services, financials, and other processes.

7. Feed management
Feed management is used to tailor and enhance product information in order to improve the quality and results of feed-based campaigns.

8. Marketplace experience and social commerce
Marketplace experience and social commerce enables the sale of large amounts of products and services directly through marketplaces as well as social media channels. It enables users to prepare data, perform price comparisons, and make sure product data, orders, and shipment updates stay in sync.

9. PIM
Product Information Management (PIM) refers to systems that manage product data. By running processes in parallel, a PIM system helps to improve the time to market of a product significantly, while, at the same time, reducing costs.

10. Product content syndication
Product content syndication is the distribution of product data feed across multiple ecommerce sales platforms and marketplaces while complying with each of their different requirements as it synchronizes product data across various sales portals and channels.

11. Product Information Value Chain (PIVC)
A Product Information Value Chain (PIVC) denotes all the information flows needed to enable ecommerce buyer transactions (these may include supply chain logistics, product information management, and social media signals). Organizations have many different product information value chains.

12. Product-to-consumer (P2C) management
Product-to-consumer (P2C) management is a category based on mapping, understanding, and, ultimately, controlling all 3D product information value chains to cut through the chaos of commerce anarchy.
P2C management offers brands, retailers, service providers and marketplaces a systematic approach to controlling, directing, and maximizing an e-commerce ecosystem.

13. Seller and vendor onboarding
Seller and vendor onboarding enables marketplaces, retailers, or affiliates to aggregate and integrate thousands of supplier catalogs to their own system in order to list, resell, or advertise products.