

# 6 ways

## Akeneo PIM delivers unbeatable ROI





# There is no doubt that implementing a PIM is a **valuable** investment for companies.

A system of record for accurate, up to date, and complete product data with all the necessary attributes, stored in a platform that mandates governance, empowers collaboration, and facilitates syndication to all of your sales channels is critical to delivering a product experience that can help unlock growth for your business.

However, the leaders that typically approve the investment in PIM projects always ask the payback question — what is the ROI from this project? **The good news is that quantitative measurements abound.**

Let's dive into the metrics so that you can get down to the calculations for your own analysis.

01

# Better conversion rates



PIM tools have been credited with helping improve conversion rates through better quality and more complete product information.

With better product information, PIM improves search functionality and Google indexing, which helps increase both conversion rates and average order value. See the example on the right of how PIM can help increase online revenue.

## Customer Benefits:

**x4**

increase in sales  
conversion rate

## Example

Let's take an eCommerce site as an example. It gets 10,000,000 sessions per year that has a pretty typical 2% conversion rate, and generates 200,000 orders annually. Implementing Akeneo PIM gives them a 3% relative lift in conversion rate, equating to a new conversion of 2.06%. Now, those same 10,000,000 sessions will generate 206,000 orders. Multiply the difference, 6000, by your Average Order Value (AOV) and you get the revenue lift you can conservatively expect from your new PIM. In this scenario, with a \$100 AOV, this company would **realize an additional \$600,000 in revenue per year from their PIM**. Not too shabby!

02

# Fewer returns



It's not just about convincing customers to buy your products, of course — it's also about making sure they are satisfied with their purchase and won't be returning the product.

Product returns are a growing concern for merchants and brands. Estimates show that up to 40% of online orders are returned by customers, so with an average cost of \$25 per return, it's easy to calculate how much this can cost.

Reducing the rate of returns can have a huge impact on the bottom line, and many returns are caused by customers not understanding the product they're buying. In other words, low-quality product information and poor product experiences drive higher return rates. The governance and collaboration capabilities a PIM offers guarantees that companies will provide better product experiences. Therefore, most of our customers factor in a 10% reduction in returns into their ROI model.

## Example

Staying with our previous example, you'll recall they do 200,000 transactions per year. If 30% of those transactions get sent back by customers, that's 60,000 returns per year. At \$25 per return, this company has to carry a negative \$1.5MM line item in their books — ouch! Reducing the return rate by a conservative 10% will reduce the number of returns by 6,000. The new, lower return rate of 27% means the company faces only 54,000 returns, **saving the company roughly \$150,000.**

## Customer Benefits:



**40%**  
decrease in  
returns



03

# Efficient enrichment



We all know the expression “time is money”. But for companies, particularly in the modern omnichannel world, it’s not just an old adage — it’s a fact of life. Fortunately for Akeneo customers, the strong collaboration around product data enrichment powered by a top-notch PIM means fewer people can enrich product data in less time.

Companies continually report that [a PIM significantly reduces workload](#). To determine the productivity cost associated with product enrichment, our customers analyze how many full-time employees manage product data in some way, shape, or form. They then average out how many hours these employees spend on product data. Lastly, most leaders tell us they expect a 5X return in productivity from their employees. This gives us all the data points needed to calculate your productivity cost.

## Example

Let’s revisit our example. Today, they have 10 employees that earn an average of \$100K who each spend 25% of their time working on product enrichment, costing the company roughly \$250,000. However, a PIM can reduce enrichment time by at least 50%, **saving \$125,000 in raw cost.**

## Customer Benefits:



# 50%

increase in  
productivity

04

# Accelerated time-to-market



Increased enrichment speed can not only help your company save money, but help bring more revenue as well.

One big pain point companies often express is how long it takes for them to get a new SKU merchandised and ready to sell. It is common to hear that it takes 6 weeks or more to collect all the right data, fill in all the attributes, ensure it is correct, and then list it across sales channels.

These companies have products that are ready to ship today, but they have to sit there losing money until the product data enrichment is complete. When all of that downtime is multiplied by all the new SKUs that get produced every year, the losses add up. It has been proven that a PIM like Akeneo has allowed companies to get new products live up to 80% faster. What does this mean in the real world? The simplest way to estimate the value of improving time-to-market is to start by estimating the number of new products you release every year. Next, apply your average sales price to each of those SKUs. Thereafter, divide the yearly value by 365 to get the daily value. Finally, multiplying this daily value by the number of days a PIM shortens your time-to-market gives you a very clear ROI.

## Example

The easiest way to calculate this is with a series of proportions. If a company currently generates \$20,000,000 per year with 50,000 SKUs, it should generate \$22,000,000 with 10% additional SKUs (i.e. 5,000 SKUs). The next proportion says that if the company generates \$2,000,000 in additional revenue in 365 days, it should generate \$5,479.45 per additional day. Now that we know the revenue per day that the company can expect from the new SKUs, we can calculate how much incremental revenue the company can earn by chopping its time-to-market in half. In this case, **our company earns \$115,068 by reducing it by 50% or from 6 to 3 weeks.**

## Customer Benefits:



New products live up to

**80%** faster

05

# Easy catalog expansion



Once you've fixed conversion and return rates and accelerated your enrichment and time-to-market processes, it's time to take your PIM to the next level by using it to expand your product line.

In fact, many Akeneo customers tell us they've been able to expand their catalog by exploring endless aisle capabilities. Some begin working with dropshipping suppliers, some create their own marketplaces, and others are empowered to stock bigger and better product lines. No matter how they go about it, more products mean more sales, and it's all possible thanks to Akeneo PIM.

## Customer Benefits:



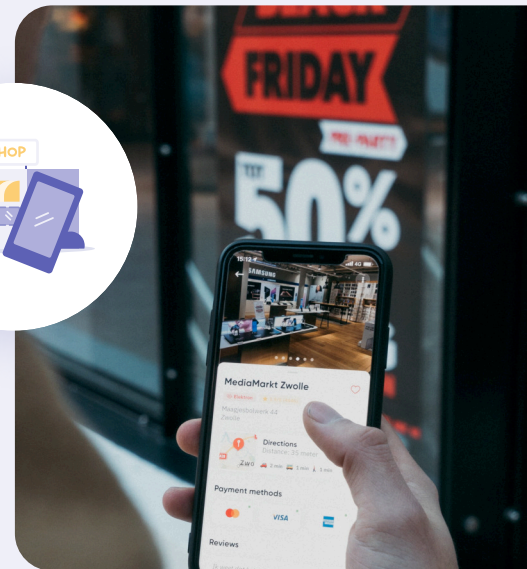
More products  
mean  
More sales

## Example

The company in our example recently decided to expand its catalog by roughly 10,000 SKUs; 2,500 in each of the next 4 quarters. Using the same proportion we used in the time-to-market section, we can begin to estimate what these new SKUs mean to the business. If our company earns \$20,000,000 with 50,000 SKUs, how much will they earn with 60,000 SKUs instead? With help from PIM, they could see as much as **\$125,000 in new revenue**, depending on when the products are released and whether they are considered core products or accessories.

06

# Expand to new channels



Akeneo PIM can help you both expand the number of products you sell, and also increase the number of channels you sell them on. In fact, many of our customers have used Akeneo PIM to easily package product data and distribute it to all of their sales channels.

Increasing the number of sales channels your products are available on makes it easier for potential customers to find your products. That means they're more likely to make a purchase — so how much extra value can new sales channels bring to your business? Let's have a look.

## Customer Benefits:



More channels  
make it  
**Easier to find  
your products**

## Example

Start by taking the number of new channels you will sell on and multiply that by the number of products you plan to sell there. For example, our retailer wants to open up 3 new channels selling an average of 2500 products on each of them. Because it will take time for the new channel to ramp up, we'll estimate that a new channel will initially add 5% of the value of their existing business. Because it will take time for the new channels to ramp up, we'll estimate that a new channel will initially add 5% of the value of their existing business, or in the case of our example merchant, roughly **\$150,000 in revenue.**



# Get great ROI with Akeneo PIM

For companies that take full advantage of a PIM, the ROI is no doubt outstanding. They'll see a nice lift in revenue from a higher eCommerce conversion rate, they'll reap the benefits of lowering their rate of returns, and they'll be able to enrich more products with fewer people in a shorter amount of time. From there, they open up new sales channels and even explore carrying additional products or becoming a marketplace of their own.

Added together, our \$20 million company has generated nearly **\$1 million in new revenue** and **saved \$275,000 in cost from using Akeneo PIM**.

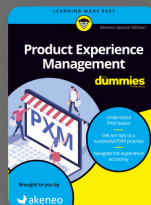
## Continue reading...



### IDC PIM MarketScape (2021)

Get a better understanding of the PIM industry and learn which solution is right for you.

[Read the whitepaper >](#)



### PXM for Dummies

Your guide to mastering product experience management and win in the experience economy.

[Read the whitepaper >](#)

## Want to learn more about how to calculate ROI from Akeneo PIM?

Contact us and we'll walk you through our ROI model using your data and assumptions.

[Contact us](#)



# About Akeneo

Akeneo is a global leader in Product Experience Management (PXM) solutions that help merchants and brands deliver a compelling customer experience across all sales channels, including eCommerce, mobile, print, and retail points of sale. Akeneo's open source enterprise PIM, and product data intelligence solutions, dramatically improve product data quality and accuracy while simplifying and accelerating product catalog management.

Leading global brands, including Fossil, Staples Canada, Made.com, and Warner Music Group, trust Akeneo's solutions to scale and customize their omnichannel and cross-border commerce initiatives. Using Akeneo, brands and retailers can improve customer experience, increase sales, reduce time to market, go global, and boost team productivity.

For more information, please visit [www.akeneo.com](https://www.akeneo.com).

Contact us

