

PUSHING THE LIMITS OF GS1 GLOBAL DATA SYNCHRONIZATION

GDSN delivers an incredible opportunity for retailers and suppliers to increase the accuracy of supply chain data. But it has little relevance to the marketing content retailers need to influence online purchase behavior.

Perspective

The GS1 Global Data Synchronization Network (GDSN) is designed to support item set-up and logistics data. It does *not* support marketing descriptions, feature/benefit statements, multiple web image views or the full set of relevant product specifications consumers need to make an informed purchase decision.

This distinction has become less obvious because some GDSN- certified data pool companies offer their own “marketing content” to retailers *with* GDSN set-up data. Conceptually, this approach should deliver extreme efficiencies. But the reality is a model that produces inferior product information characterized by inaccuracy, incompleteness and inconsistency.

There are approximately 30 data pools certified by GS1 GDSN, Inc. to support GDSN requirements. The certification applies to GDSN logistics data such as units of measure, dimensions, weights and color. There is no certification or standard for the very marketing fields retailers need to influence purchase behavior and support their brand promise.

Why would a retailer subscribe to marketing content from a data services company?

There are many reasons that appear logical at first glance with cost being a significant factor. When retailers consider cost in relation to return, the value of this model quickly disappears. Return is directly measured by conversion, attachment and return rates. Impact on the retail brand can also be measured by reviewing what customers are saying about product information in CSR reports, product returns and abandonment rates.

Retailers are fast becoming experts at measuring return in the online channel. Those who use data pool “content” are beginning to understand what their customers already know. The product content does not meet expectations and is returning low conversion rates, higher return rates and frustrated customers who may never return. A review of customer feedback will also confirm data pool “content” has a negative impact on the retail brand. How?

If a retailer’s brand promise implies it can help customers select the right products for the job, the expectation is the information offered about those products is accurate. A further expectation is the information is relevant. In the offline channel, the

brand promise can be supported with knowledgeable in-store associates. In the online channel, there is no sales associate, only the product information displayed at the detail page. When that product information is inaccurate, incomplete and confusing, it fails to support the brand promise.

At the product-detail page level, there is a big difference between *data* and *content*. Retailers need *data* to communicate logistics with suppliers. They need *content* to communicate product value to online customers.

Classic paper-based catalogers have known for years that content must accurately describe the product, drive value and influence purchase behavior. They also realize that content must support the brand. Successfully meeting all content requirements supports higher response rates, lower return rates and overall higher profits. Why would those catalog fundamentals be any different for an online catalog? The fact is they are not.

This paper describes Virtucom’s thoughts and observations about the gap between manufacturer-authored data and content that is required to influence online purchase behavior. We welcome your comments and questions.



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What Is GDSN?

“GS1 GDSN™ (Global Data Synchronization Network) is an automated, standards-based global environment that enables secure and continuous data synchronization, allowing all partners to have consistent item data in their systems at the same time. The Global Data Synchronization Network (GDSN) connects retailers and suppliers, via their selected data pools, to the GS1 Global Registry™.” (Source: www.gs1.org)

Retailers and manufacturers use the GDSN for a limited set of *attributes or specifications* such as color, size and weight. Trading partners can pool product data in a central repository that is automatically maintained and updated.

GDSN is all about supply chain data and does not address the marketing content or full product attributes needed to effectively sell products online. Put another way, without the supply chain data a transaction cannot be fulfilled. Without product content, there is no purchase and thus no transaction to fulfill.

GDSN Data vs. Content

Another way to describe the difference between GDSN data and content is to understand the audience each is intended to support. GDSN data is logistics/item set-up data for communication between *retailers and suppliers*. At the most basic level, content is information from the *retailer to consumer* that communicates product value and facts. Content includes compelling descriptions and feature/benefit statements; product names; lead-in sentences; images; specifications and more. Because content drives parametric filtering, taxonomy and search, at a minimum it must be normalized, complete and accurate. Optimally content builds on these basics and supports the retail brand and its promise.

Some GDSN-compliant data services companies offer to bridge the gap between GDSN data and the presentation layer of

product content for retail web sites. Their solution is a data warehouse of “marketing content” authored by manufacturers that has no relationship to GDSN standards.

These data warehouses lead with the presumption that consumer-facing product content requirements can be met by data. Outside of GDSN trading data, this “content” is characterized by incomplete, inaccurate and inconsistent information. It is also characterized by unsubstantiated or ambiguous claims, misspellings and poor grammar.

Retailers who measure return know manufacturer-authored content delivers lower conversion rates and increased product return rates. Retailers who don’t know this may engage the marketing data pools because they are “low cost” and appear to have legitimacy simply because a part of their offering is associated with GDSN. In fact, GDSN certification simply means the data services provider has the mechanisms in place to deliver GS1 registry information, nothing more.

When the lower cost of manufacturer-authored content is compared with lower sales, increased return rates and lost brand equity, the picture becomes very clear. The information these marketing pools offer is not compatible with what retailers need to meet their online objectives for profitability or brand extension and certainly does not meet customer expectations.

In time, retailers who subscribe to these data pools analyze online metrics and confirm what their customers already know... the content is inferior.

Data is not content. Content includes data but goes far beyond to include brand extension in descriptions, features that articulate relevant benefits, product specifications that can be compared and images that speak volumes.

Product Content Strategy

At the most basic level, a product content strategy defines *what* you intend to say, and *how* you will say it.

Virtucom serves multi-channel retailers across all product categories by defining content strategy and developing guidelines that articulate *what* content will be supported and *how* that content will be structured. These category guidelines are used to ensure accuracy, completeness and consistency in each product detail page.

Retailers who embrace this approach are achieving higher return on investment from the online channel and more satisfied customers.

Conclusion

GDSN delivers an incredible opportunity for retailers and suppliers to increase the accuracy of the supply chain data that they exchange. But it has no relevance to the marketing content retailers need to influence purchase behavior online.

GDSN data originates with manufacturers and is critical to the supply chain. Today, the supply chain is where that value ends.

Successful retailers know they must have an online content capability that reflects high standards for accuracy, completeness and consistency. They understand the value that GDSN delivers and the limitations of that value in influencing consumer purchase behavior.

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