



## **Manufacturer-Distributor Research Study**

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Product Data Challenges are Critical and Costly;  
Damaging Relationships and Undermining Sales

**Enhance**  
**Quality**

**Product Data**

Pipes, Valves and Fittings

**Communication**

**Cost**

**Partnership**

Power Transmission/  
Motion Control

**Prioritization**

General Industrial

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# The disconnect:



*“We do the best we can to work with manufacturers on the format and type of product data we are looking for but sometimes enough is enough and we just have to move on.”*

— Product Marketing Manager  
Market: General Industrial



## Executive Summary

Manufacturers and distributors count on each other to support and grow their respective businesses. It is a relationship based on a single, mutual objective: Sales. As long as the monthly numbers are in line with expectations, no one questions how the relationship is going. But what the monthly figures don't tell you are the sales that didn't happen. Or worse, those that went to another manufacturer. Why? Because of a breakdown — a critical disconnect — in the product data flow between manufacturer and distributor.

As a pioneer and leading provider of syndicated product data services, Thomas' Enterprise Solutions Group is all too familiar with the product data flow challenges between manufacturers and distributors. Recently, Thomas commissioned a research study to help validate and provide a more detailed understanding of the problems and their impact on the manufacturer/distributor relationship.

The study, conducted by a third-party research firm, confirmed that the product data disconnect runs deep and costs manufacturers and distributors tens of thousands of dollars every year in unnecessary labor expense. Sales are lost when distributors don't have the information they need to effectively represent a product line. And underneath it all is smoldering frustration that negatively impacts the distributor and manufacturer relationship.

However, while both manufacturers and distributors acknowledge there is a problem, they see no way out of it. This and a prevailing “it's always been this way” attitude are all the excuses they need to continue to ignore the product data disconnect and resign themselves to the status quo.

Specifically, the research revealed that manufacturers and distributors alike acknowledge that their product data systems/file formats are not synergistic and that the consequences of having no standardized format for storing, labeling and sharing product information are an unnecessary amount of costly manual work and follow-up communication.

Because of the level of manual effort typically required to populate distributors' data templates, many manufacturers openly admit that they are not sharing all of the technical information captured in their systems for any given product. Thus, regardless of how important they may perceive it to be for selling a product, potentially vital pieces of product data ultimately “slip through the cracks” without ever making it accessible to the end customer.

On the distributor's side, large amounts of time are being spent manually reformatting/scrubbing product data so it can be uploaded into their catalogs or sales systems. Still more hours are wasted going back to the manufacturers to request missing information.

Many manufacturers do the best they can to accommodate distributors in fear of being fined or dropped. Additionally, most manufacturers assume that the vast majority of the technical product information they supply to distributors makes it to their distributors' catalogs or sales systems. However, according to distributors, as long as they feel they have the minimum amount of technical information necessary to list a product, they won't go back to the manufacturers for clarification on unclear or missing product data.



*"Many manufacturers do the best they can...in fear of being fined or dropped."*



Despite the fact that neither manufacturers nor distributors are satisfied with the effectiveness and efficiency of their current product data exchange processes, most simply rationalize the problem as "the way it has always been done" and they grudgingly continue to tolerate its faults and weaknesses.

That said, manufacturers and distributors both agree that if they were able to achieve the following it would dramatically improve the effectiveness and efficiency of the product data preparation/sharing process:

- Establishing a standardized file format for storing and labeling technical product information
- Automating the process of uploading (manufacturers) and downloading (distributors) technical product information

This confirms that there is a significant need for a product data collection and sharing solution that would streamline the exchange of product data and technical information between manufacturers and distributors.

Once in place, both would benefit from:

- Significant **savings** on manual labor costs now associated with collecting, uploading and correcting product data
- Improved **productivity** levels from those responsible for managing data flow
- More **cohesive** and **consistent** representation of product details across partner channels
- Stronger, more **cooperative relationships** between manufacturers and distributors, enabled by the right information

# Manufacturers say:



*“With no central platform for pulling information a ton of time is wasted asking each other where something is or how many different places an asset is stored.”*

— Director of Global Marketing  
Market: Pipe, Valves and Fittings

*“I would estimate that we spend at least 40% of our time just looking for product data.”*

— Manager of Marketing  
Market: Power Transmission/  
Motion Control



## Detailed Findings: Manufacturers

The qualitative research method allowed interviewers to probe for more details on the critical gap between manufacturers and distributors and how it affects their productivity and business relationships.

### Current product data collection process is difficult and costly

- The process of maintaining and updating technical product information is typically done on an ad hoc basis. The work, frequently done manually, consumes a fairly substantial amount of time each week—anywhere from 1 to 16+ hours per employee depending on the structure and size of the company—but is rarely the only job performed by those involved and can require substantial training.
- Very few manufacturers reported having a single, centralized information database. Instead the total data on a given product — including financial information, product specs, certifications, usage applications, digital imagery and CAD/CAM drawings – may be spread out across multiple paper (sell sheets, catalogs, brochures) and digital locations.

From a business standpoint, these findings help frame the costly impact of the product data disconnect on productivity. Not only are large quantities of time wasted searching all of the various product data locations and/or waiting to hear back from a colleague about where something can be found, but often changes or updates are “missed” — requiring someone to correct them at a later date.

Meanwhile, the overall loss at the company level is less time spent generating collateral, performing website updates, maintaining customer relationships, following up on sales leads, conducting quality control tests, designing new products, creating digital imagery, etc.

### After product data is collected, manufacturers struggle to share it effectively across distribution channels

- Although manufacturers report selling a large percentage of their products through distributors, very few report their data systems and file formats as “synergistic” with those of their distributors.



*“I’d like to believe it’s all being used but it’s not like there is a whole lot we can do to make them (distributors) list more than what they ask for regardless of how beneficial we think it would be.”*

— Product Database Administrator  
Market: Power Transmission/  
Motion Control

*“Very rarely do we find a distributor whose system is similar to ours, which creates a ton of extra work for us.”*

— Marketing Manager  
Market: Pipe, Valves & Fitting

*“I’ve just accepted the fact that it’s impossible to tweak our system so that it matches all of them (distributors). So, we just do the best we can to keep them happy and avoid being fined.”*

— Director of Product Marketing  
Market: Power Transmission/  
Motion Control



- The product data dissemination process often requires the population of distributor “templates” that are then shared through email or by uploading them to a website/system. However, each distributor has its own unique requirements and needs and it is nearly impossible for manufacturers to “match” the format of their internal data systems with those of their distributors.
- As a result, the vast majority of this work ends up being done manually which burns a lot of costly hours. Moreover, it doesn’t always work. Manufacturers report having to frequently field requests or complaints from distributors about product data from initial exchanges that was either missing, incomplete, and/or unusable.

The following were cited as being the biggest barriers to changing either their internal processes or systems:

- **Prioritization** of time and resources
- Senior/executive **leadership** slow to approve or resistant to change
- **Cost**

Because of the amount of manual effort typically required to populate distributors’ templates, some manufacturers openly admit that they are not sharing all of the technical information captured in their systems for a given product with distributors in the first place. They only share what they understand to be the most important information to each respective distributor. That said, manufacturers generally feel that the vast majority of the technical product information they supply to distributors makes it to their distributors’ catalogs or sales systems.

### **Status quo mentality prevents the product data disconnect issue from being taken seriously**

- Despite the numerous issues identified by manufacturers, driven by the belief that distributors are fairly comfortable with the current “status-quo,” many of them simply report doing the best they can to accommodate distributors in fear of being fined or dropped.

# Distributors say:



*“This is probably the biggest problem we have with most of our manufacturers. We are constantly wasting time reformatting things manually or going back and forth with them figuring something out.”*

— Director of Marketing  
Market: Pipe, Valves and Fittings

*“Our templates are constantly being interrupted in different ways by manufacturers causing us to waste a ton of time scrubbing the product data before uploading it.”*

—VP of Inventory  
Market: Power Transmission/  
Motion Control

*There aren't too many manufacturers who keep information in the same format we do, but the reality is they have to conform to the way we do things or get dropped.”*

— VP of Inventory  
Market: Power Transmission/  
Motion Control



## Detailed Findings: Distributors

In-depth interviews with distributors also surfaced specific issues regarding the product data disconnect with manufacturers and its impact on their processes and productivity.

- Similar to manufacturers, the process of maintaining and updating technical product information is typically done on an ad hoc basis. The work is done manually and consumes a fairly substantial amount of time each week—anywhere from 1 to 10+ hours per employee depending on the structure and size of the company—but is rarely the only job performed by those involved and can require substantial training.
- Distributors report that manufacturers frequently misinterpret or misunderstand the templates and that this creates not only a large amount of manual product data reformatting/scrubbing on their end but often requires them to go back to the manufacturers and request missing information.

For distributors, the manual labor involved with chasing down missing product information and details or reformatting information erroneously entered into their templates costs time and money. Implied in the responses is a sense that manufacturers are to blame which causes undue friction and frustration between the two.

### Poor product data dissemination compromises manufacturer/distributor relationships

- Distributors are not totally satisfied with the amount of technical product information received and the speed in which they get it.
- Because of difficulties encountered by distributors when uploading manufacturers' information into their catalogs or sales systems, not all of it is being listed. Rather, as long as distributors feel they have the minimum amount of technical information necessary to list a product they won't go back to the manufacturers for clarification on unclear or missing product data.
- Several distributors said that product data issues do in fact affect the manufacturers they are willing to do business with or how much business they conduct with them.



*“We do the best we can to work with manufacturers on the format and type of product data we are looking for but sometimes enough is enough and we just have to move on.”*

— Product Marketing Manager  
Market: General Industrial

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*“If they (manufacturers) could upload all of their information, not just what they think we need... so we can decide what we do and don't need and don't have to go back to them for it.”*

— Operations and Sales Manager  
Market: General Industrial

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*“We really need to figure out a way to make the process more electronic.”*

— Marketing/Construction Coordinator  
Market: Pipe Valves and Fittings

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*“If everyone could agree on a single standardized format for storing and sharing product data we would all be better off.”*

— IT Administrator  
Market: Pipe, Valves and Fittings



## Is there interest in a solution? Manufacturers and Distributors agree:

# Absolutely.

Distributors and manufacturers alike agreed that if they were able to achieve the following it would dramatically improve the effectiveness and efficiency of the data preparation/sharing process:

- Establish a standardized file format for storing and labeling technical product information.
- Automate the process of uploading (manufacturers) and downloading (distributors) technical product information.

## In Conclusion

The research confirmed that there is a significant disconnect between manufacturers and distributors. Equally important, they concurred that if there were a way to resolve the problem it would:

- **Improve** manufacturers' and distributors' bottom lines by eliminating the cost of hundreds of labor hours spent manually collecting, formatting and uploading product data and tracking down missing data
- **Enhance** the sales process by giving distributors the information they need to effectively and accurately represent the manufacturers' products
- Enhance the **quality** of the manufacturer/distributor relationship and enable a more cooperative **partnership** focused on mutual sales strategies and business goals

Above all, the research proves that this disconnect is a very real and significant problem that merits the attention of manufacturers and distributors. Until now there has been no viable solution and therefore the issue has gone largely ignored. The introduction of syndicated product data services now shines a much needed light on the product data disconnect and gives manufacturers and distributors alike a way to resolve their data collection and dissemination issues so that they can focus their attention on their common goal:

# ... more sales.

## Research Methodology

The research consisted of qualitative, in-depth interviews (IDIs) with senior representatives among manufacturers and distributors in each of three target markets. An IDI methodology was utilized because it allows for deep investigation of manufacturer issues related to inventory, product lines/specifications and distribution networks as well as distributor issues related to product data.

The following target markets were explored as key areas of interest: for this investigation:

- General Industrial
- Power Transmission/Motion Control
- Pipes, Valves and Fittings

To qualify, participants had to be directly involved with or manage staff that was responsible for the sharing of technical product information and capable/comfortable with having a detailed discussion about the process. To encourage cooperation, respondents who completed interviews received an incentive for their participation in the form of \$100 Amazon electronic gift cards.

**Solution**  
**Standardized Format**  
**Product Data Syndication**  
**Improve Process**  
**Better Communication**  
**More Sales**



ThomasNet is part of Thomas Industrial Network, Inc., an information and technology company that connects manufacturing and industrial buyers and sellers.

Our **Enterprise Solutions Group** works closely with manufacturers and distributors to effectively manage digital product data across a variety of enterprise-wide systems and sales channels to meet their strategic business needs. Leveraging ThomasNet's proprietary Navigator Platform technology, services include webCAD publishing and product configurator technology. Also, we help syndicate manufacturers' product data and CAD drawings directly to their large distributors and OEM channel partners as well as integrating content into design and sourcing platforms that are part of an organization's daily workflow, from Intergraph SmartPlant 3D for the power, process and marine industries, to Building Information Modeling (BIM) systems for construction of buildings and bridges.

ThomasNet also offers a suite of Internet and digital media solutions, from websites with product catalogs, to SEO/SEM services, to social media. Buyers and engineers worldwide rely on ThomasNet.com®, industry's leading free platform for industrial/commercial product sourcing and supplier discovery. ThomasNet News® delivers industrial news and trends via a family of online publications and newsletters. For more information, go to [www.thomasenterprisesolutions.com](http://www.thomasenterprisesolutions.com).

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