

ORACLE RETAIL PROMOTION PLANNING AND OPTIMIZATION



KEY BENEFITS

- Centralized calendar and ad plan
- Performance history and measurement
- Key item sales drivers
- Store level forecasts
- Space allocation considerations
- What-If scenario capabilities

RELATED PRODUCTS AND SERVICES

- Oracle Retail Merchandise Financial Planning
- Oracle Retail Item Planning
- Oracle Retail Merchandising System

The right formula for success varies by retailer; however, no one will argue with this fact - providing customers with value-oriented merchandise combined with shoppability, a great mix of the right assortments, at compelling prices, will drive customers to bring out their wallets. As customers get savvier on comparing prices across multiple channels, there is an increased need for retailers to further optimize planning and promotions to maximize operating margins.

Overview

One of the challenges in retail is to better understand what drives customer demand and the effectiveness of past advertising and promotional events. There is no doubt that promotional activity continues to be a significant driver to attract customers to not only buy now, but to buy more, based on having a compelling offer. Intended to stimulate sales and capture share of wallet, promotional activity -- when managed effectively -- can have a significant and rewarding impact on the operating margin. However, when promotional planning and execution is done with limited visibility, results can vary, and in many situations, damage margins.

Introducing Oracle Retail Promotion Planning and Optimization

Oracle Retail Promotion Planning and Optimization is a market-leading solution made for retailers who develop, plan, and price assortments for promotional activities. This advanced and innovative solution provides merchants with the ability to effectively develop promotional plans using highly analytical what-if scenarios on product pricing and placement to maximize gross margins. The solution helps retailers improve promotion effectiveness and understand customer demand, providing full historical view of past ads and promotional events.

Unique Features of Oracle Retail Promotion Planning and Optimization

Smart Analytics. Its design allows merchants to perform what-if analysis to better understand and evaluate the results of a planned offer based on entry level price point strategies, the offer, or the marketing vehicle. Embedded item and market basket analysis ensures users have a combined view of the forecast in one solution. In addition, the solution provides a *collaborative*, centralized platform, which gives sharing capability between marketing and merchandising departments –enabling better and faster planning between internal teams. Merchants and designers also have the ability to *graphically view* ad space to determine best usage of content, and layouts to maximize profits per page. *Forecasting* the overall impact to department goals provides operational teams with a better upfront investment plan, to ensure all organizations are aligned before the promotional campaign is approved.

Understanding Customer Demand

Addressing effectiveness of a promotion directly affects how retailers can better understand their customers. Not surprisingly, retailers' top three promotional activities revolve around customer affinity -- specifically repeat purchase incentives at the point of sale, advance notification of sales and promotions, and special customer promotions, as reported in The Economist Intelligence Unit. Oracle's solutions help retailers by better understanding the customer. A sampling of demand drivers our solutions help answer and analyze:

BUSINESS BENEFITS

- Improves operating margins
 - Improves internal communication
 - Increases service levels
 - Minimizes inventory carrying costs
 - Improves ad space usage
- What is the impact of the promotion across multiple items in the shopping cart?
 - How does a specific promotional vehicle impact the results of the campaign?
 - How does the customer respond to a specific price point?

Understanding the impact of past promotions enables retailers to make better upfront decisions with the right information. Oracle Retail Promotion Planning and Optimization enables the retailer to execute by streamlining business with better analytics, which improves business performance.

Measuring Effectiveness

The real results of a promotion can be measured accurately. Oracle's solutions help retailers determine the *Ad ROI*. These metrics can be calculated by an event, and by store location, in addition to net profit per ad page. Promotional effectiveness can also be measured on each product, or category by each market basket, or the entire event. This ability to measure value improves the ability to better plan for future activities, and repeats successes in the future.

Creating the Perfect Promotional Plan

While all retailers continue to strive to create the most effective ad plan, the key to success is to continue to improve on time-tested reality of advertising programs. It is truly a combination of art with the most innovative analytical capabilities to better determine the right mix of products at the right price. As the industry continues the trend of promotional activity, retailers are looking to transform how they develop, plan and execute on their plans, to drive better business performance.

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