ORACLE RETAIL ASSORTMENT PLANNING

Combining today’s Commerce Anywhere empowered consumers with intense competitive pressure, channel blurring, and rapidly changing consumer purchasing behavior, retailers are finding it more difficult to align their assortments to customer demand. Oracle Retail Assortment Planning provides an end-to-end workflow to define and execute local market and micro-site assortments to improve conversion of traffic into sales/margin and to increase customer satisfaction.

Scenario: The Right Assortment

Remaining in touch with customers is a key challenge for retailers as their businesses have become significantly more complex with hundreds or even thousands of stores across multiple geographies and channels. The concept of creating frequently refreshed, local market and micro-site assortments has emerged as a way to more accurately tailor merchandise offerings to local market demand, ultimately maximizing ROI and growing top-line sales.

Buyers and planners today find it very difficult to keep up with the ever changing consumer. How should style and color choices vary by selling channel, micro-site and location? How should size ranges and depth by size vary? Do these customer preferences vary according to the time of the year?

For many retailers, assortment planning is the last decision point before merchandise is committed to as a customer choice. With every dollar spent needing to produce the highest ROI possible, retailers need ways to improve the quality of the decisions being made. For this reason, assortment planning processes are being revamped to drill to the lower levels of detail and be based on predictive customer insight.

Understanding Consumer Demand and Disparate Processes

The ultimate goal in fashion retailing is to create store or selling channel/ micro-site specific assortments to best align inventory and buy decisions with customer demand, driving a greater return on inventory investment. Understanding each store or micro-site’s unique customer mix, when refreshing the assortment, is difficult in most retail environments.

While many retailers have made strides in capturing historical performance, even market basket transactions, predictions for how that translates to future demand is not easy to conclude. Changing population demographics around store locations will impact future demand, as can variable seasonal influencers. New means of communicating the assortment to Customers via social media and mobile apps etc., raise Customer expectations for how frequent assortments should change and how soon fashion trends should move from the runway to the shop floor or the shopping app. Without access to information, the buyer and planner must draw conclusions based on previous selling experience.
Another key challenge retailers face is that not only is the information needed to develop an accurate local market/micro-site assortment not pulled together, the activities and tasks necessary to complete the assortment planning process are fragmented and broken. Each of the steps may be performed by different groups using different tools, resulting in planning decisions that are not shared or are lost along the way. The lack of integration puts planning organizations in a reactive mode (potentially missing the profitable phase of a trend) and making it difficult to bring decisions together to meet plan targets.

Additionally, most systems—typically a combination of legacy systems, spreadsheets, and paper-based procedures—lack flexibility and require you to follow complex, rigid hierarchies and rules that do not allow creation of plans focused on customer preferences. In this type of framework, planning tends to be a locked process that doesn’t allow dynamic management of attributes or the development of new ways of analyzing the business as it changes and grows.

### Aligning Merchandise Offering to Consumer Demand

Oracle Retail’s approach to supporting a retailer’s planning processes is to provide a framework that supports best practices (without inhibiting the art of the Merchant) while enabling the retailer to improve the precision and level of detail of planning decisions through analytics and science. Oracle’s Assortment Planning solution enables the definition and quantification of the assortment strategies, determination of the assortment and buy quantity by store or store cluster, creation of item lifecycle plans, and in-season management of the lifecycle plan. Embedded retail science, such as demand forecasting, demand transference, store clustering, optimization routines and size/pack profiles are embedded in the solution to help retailers make better low-level decisions and connect the central office to the customer.

**Focused on Consumer Demand.** Identifies store/micro-site level selling patterns across different assortment periods and varying seasonality

**Predictive.** Utilizes robust forecasting and demand transference techniques to accurately predict demand across the lifecycle of the assortment

**Flexible.** Allows for flexible product and location/micro-site attribute management and analysis across all the assortment planning steps including developing the assortment strategy, assortment creation and buy plan development

**Smart.** Initializes plan and makes change recommendations based on consumer preferences into assortment strategy decisions as well as assortment offering plans

**Embedded Optimization.** Buy plans have optional tie to Size Profile and Pack Optimization allowing precision of size and pack level purchasing based on store specific customer size preferences

**Easy to Use.** Role-based and flexible processes allow for tailored process for improved usability.
About Oracle Retail

Oracle provides retailers with a complete, open and integrated suite of business applications, server and storage solutions that are engineered to work together to optimize every aspect of their business. 20 of the top 20 retailers worldwide - including fashion, hardlines, grocery and specialty retailers - use Oracle solutions to drive performance, deliver critical insights and fuel growth across traditional, mobile and commerce channels.

Contact Us

For more information, visit oracle.com/retail, email oneretailvoice_ww@oracle.com, or call +1.800.ORACLE1 to speak to an Oracle representative.

Hardware and Software, Engineered to Work Together