Oracle Retail Assortment Planning

Combining today’s 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 a highly visual, 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. Retailing has become significantly more complex with hundreds or even thousands of stores, micro-sites, micro-apps and commerce networks across multiple geographies with a customer that expects to buy anywhere, be fulfilled anywhere and be able to return anywhere. The concept of creating frequently refreshed, local market and e-commerce aware assortments has emerged as a way to more accurately tailor merchandise offerings to market demand. Ultimately, the right merchandise assortment results in maximizing ROI and growing top-line sales.

For many retailers, assortment planning is the last decision point before merchandise is committed to being purchased and presented as a customer choice. With every inventory investment 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 specific assortments to best align inventory and buy decisions with customer demand, driving a greater return on inventory investment. Understanding each store (wholly owned or wholesale/franchise), micro-site or micro-app’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 those translate into future assortments are not easy to conclude. Changing demographics of store vs. micro-site/app vs. commerce network customers will impact future demand, as can variable seasonal influences. New means of communicating the assortment to customers via social commerce networks, mobile apps, etc. raise customer expectations for how frequent assortments should change and how soon fashion trends should move from the run way to the shop floor or the shopping site.
app. Without access to information, the buyer and planner must draw conclusions based on previous selling experience.

Another key challenge retailers face is the information needed to develop profitable local market and micro-site assortments is not assembled all in one place, the activities and tasks necessary to complete the assortment planning process are often times fragmented or broken. 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 does not 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’s approach to planning provides 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.

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

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

**Flexible.** Enables ﬂexible product and location attribute management and analysis across all assortment planning steps

**Smart.** Initializes plan and makes assortment recommendations based on the assortment strategy and consumer attribute preferences

**Embedded Optimization.** Recommends each cluster’s assortment and allocates size/pre-pack receipts by fulﬁlling location based on each location’s speciﬁc customer driven size preferences

**Easy to Use.** Highly visual, persona/role-based, and ﬂexible/formattable/conﬁgurable processes allow for a tailored approach and improved usability.

For more information about Oracle Retail Assortment Planning, please visit oracle.com/retail or email oneretailvoice_ww@oracle.com to speak with an Oracle representative.