



Optimize Planning and Merchandising Decisions

Retailers need to make smart and quick decisions to stock the products that customers want every time they shop, and in the channel most convenient to them. Oracle's Retail solutions provide you with critical insights for merchandising decisions to drive profits and increase customer loyalty.

The key to successful merchandising is knowing who your customers are, which items they buy, how much they buy and which promotions they respond to. You need to set the right price, select the right products, and place those assortments in the best locations, to best meet effective turns and strong margins. Traditionally merchants have leveraged historical data and their knowledge of customers and the business to make merchandising decisions. In today's arena, solutions are required to enable better decisions for the merchants, who have multiple assortments, categories, thousands of SKUs and numerous stores and channels to manage. Oracle's Retail Merchandising and Optimization solution enhances those time tested traditional methods with better process management capabilities and powerful analytics that empower even more profitable decision making. It enables you to:

- Develop better merchandise assortment plans at Store/SKU level
- Increase store promotion profitability and increase turns
- Make better pricing decisions for improved margins

Develop better Store/SKU level Merchandising plans

Retailers need accurate information at an item level to plan and execute merchandising decisions to eliminate out-of-stock situations-one of the leading issues many retailers face.

Oracle Retail Merchandise Operations Management solution provides you with the visibility into customer demand and helps you make accurate buying plans, and deliver on merchandising execution. It is flexible and scalable to execute a broad range of core merchandising activities, including inventory replenishment, purchasing, and vendor management. By the use of sophisticated mathematical models and optimization routines, the solution creates intelligent estimates of future business opportunities. It provides a common demand-planning engine that works across enterprise execution systems. The advanced financial and merchandising planning capability provides the complete cycle of planning tools from pre-season to clearance. You can bring many plans together for quick and easy reconciliation and approval through consistent, disciplined processes. The solution is specifically designed to manage complex merchandising activities in a global environment and across multiple sales channels.

"Oracle Retail is a key component in making our business customer-centric by providing store personnel with easier access to information that enables them to immediately respond to the needs of our customers. We look to Oracle Retail Store Inventory Management to help ensure that the merchandise our customers want is in stock so we can increase customer conversions and boost sales."

Richard Garza, CIO, NEXCOM

Increase store promotion profitability

Let's face it, a majority of revenues these days come from promotion activity. The ability to increase store promotion profitability is critical to improve the overall bottom line. However with a number of variables involved, simply understanding the lifts from advertising and promotions continues to remain a primary challenge. This makes it difficult for retailers to quantify the Return on Investment (ROI) on promotions. Oracle offers integrated planning, forecasting and analytic components to successfully predict and achieve the highest possible returns on advertising/promotion.

Oracle Retail Promotional Planning & Optimization - helps you gain meaningful insights into promotional offers and their impact on sales and margins. The centralized platform supports intradepartmental collaborative promotion planning processes. Your ability to execute promotions is enhanced manifold as the solution streamlines business, analytic and process complexities in a single day-to-day working environment. The application disaggregates demand to understand the factors that truly drive purchases such as price points, halo or cannibalization effects, or vehicle type and placement. This granular understanding is critical to key activities such as measuring response levels, ROI, as well as identifying how layered promotions interact to determine the overall impact on sales.

Make better pricing decisions

Making decisions on markdown is a constant challenge. It requires acquiring relevant factual data and understanding how that information bears to affect markdown decisions at hand. Oracle helps you make the right decisions on pricing and placing the right product in the right store, thereby optimizing your retail pricing and minimizing markdowns.

Oracle Retail solutions include optimization-based tools for choosing replenishment strategies, and - setting clearance price trajectories. The price optimization solution provides you with customer demand insight to enhance the pricing process- It enables you to provide the right products at the right prices, promote them to drive sales, and clear them profitably, while providing more space for fresh, full-price merchandise. Oracle Merchandise planning provides in-season merchandise management tool for increasing sell-through, maximizing revenues and gross profit dollars. It recommends optimal markdown strategies each week using a dynamic forward looking forecast. It also provides insight into decisions such as canceling on-order merchandise, determining need for promotional events, and fully optimizing margins on clearance products. You can also change shelf prices in response to marketplace to maximize profitability.

Conclusion

Oracle is committed to the retail industry. Look to Oracle to help you better optimize and plan merchandise to increase profits and improve customer satisfaction.

CONTACT US

To learn more, call +1.800.ORACLE1 to speak to an Oracle representative or visit <http://www.oracle.com/industries/retail/index.html>

Outside North America, visit oracle.com/corporate/contact to find the phone number for your local Oracle office.

"Perhaps the system that had done the most to boost Nordstrom's performance is a perpetual inventory system the retailer put into place in the first quarter of 2003. The solution from Oracle gave us a level of visibility into location-specific SKU data that was unprecedented. Additionally the solution brought new markdown-management and replenishment capabilities to Nordstrom. The rollout kicked off 32 consecutive months of same store sales growth and expanded our gross margin by 300 base points."

Michael Koppel, CFO, Nordstrom

Did You Know?

- **20 of the top 20** global retailers depend on Oracle retail Applications & Technology
- **9 of the top 10** North American retailers use Oracle Applications to run their business
- **15 of the top 16** food and drug retailers rely on Oracle Applications

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