New realities in consumerism are dramatically changing the business of retail. Empowered, mobile, cross-channel customers have upped the competitive ante, forcing retailers to refine their formats, assortments, and pricing strategies just to maintain relevance and differentiation.

Let’s look at a few of the dynamics shaping the retail merchandise planning and optimization landscape today.

• **Cross channel**—Today, retailers must define their offer in a way that transcends individual channels and is relevant to consumers. According to a June 2012 report from Retail Systems Research (RSR), *Omni-Channel 2012: Cross-Channel Comes of Age*, “while 100% of responding retailers believe that the customer shopping experience should be consolidated across all channels—including mobile—for a consistent experience, only 32% have achieved that goal.”

• **Customer centricity**—Customer centricity is about more than localized assortments, it’s about understanding the business side of how and why customers interact with you. That includes gaining a deep understanding of the impact of prices, promotions, and assortments on customer response and interaction.

• **Product proliferation**—Carrying the right assortments in the right channels and store locations is more critical than ever. It’s commonly accepted that more than 90% of new consumer product launches fail. This reality requires assortment intelligence and planning agility. Intelligence and agility is achieved through accurate localization and store clustering to target assortments and offers in a customer-centric way.

• **Analytics optimization**—To maintain and build market position, retailers have to leverage analytics and optimization. Fashion retailers must take advantage of analytics to optimize size, assortment, allocation, and price planning, for instance. Grocers, on the other hand, can leverage analytics to exploit their own volumes of sales data, as well as that gleaned from syndicated market level data providers like Nielsen/IRI. The exploitation of this data is imperative to gaining accurate insight into the relationships between customers and assortments.

To provide a truly superior customer experience, retailers must get a handle on all of their data, and leverage it when making price, planning, and assortment decisions that impact the customer experience. It then becomes a matter of connecting process improvements in each of these areas with execution initiatives on a common, intelligent platform.

### Creating Your Experience Platform

Our perspective is that all operations should be aligned and all redundant silos of information eliminated to achieve a thoroughly connected experience for business users and customers alike. In order to do that, you need to:

• **Connect interactions** by creating a unified experience across the store, Web, mobile, and call center channels.

• **Gain actionable insight** to make smarter decisions across your business.

• **Optimize operations** to automate end-to-end processes, take advantage of economies of scale, and align the business around strategic customer-centric KPI’s.

It takes all three working in unison to create the desired experience; focusing on just the connected customer experience will only provide limited benefits if insight and operations are not aligned.
Planning, Pricing, Promotions and Optimization in a Changing Market

You need to create an experience platform that is tuned to your specific business strategy, so that it truly becomes your experience platform.

Putting the Pieces Together
Your data holds an incredible wealth of information that, when accessed and analyzed, can dramatically add value to your planning process. This data provides insight into macro and micro trends that reveal what specific consumers purchased over a long period of time. Aggregating this data into one common platform enables collaboration among processes across your assortment, planning, and pricing teams, among others.

For grocers and hardlines retailers, accessing and processing this data is key to:

- **Merchandise financial planning**, allowing full, cross channel pre- and in-season planning, which helps retailers plan and manage the sales, margin and inventory turns across the business.

For fashion and softlines retailers, accessing and processing this data is key to:

- **Merchandise financial planning**, allowing full, cross channel planning, which helps retailers plan and manage the sales, margin and inventory turns across all categories.

- **Category management**, a collaborative process of strategic management of categories using roles, strategies, and tactics to differentiate your stores while maximizing sales and profit by satisfying more customer needs.

- **Assortment rationalization and space planning** identifying the products to best serve each store’s targeted customer needs and assigning those products the space that optimizes the inventory turns and staying in-stock.

- **Pricing and promotion**, whereby combining competitive surveys, business rules, and elasticity science, you can optimize both your price image and your sales and profit goals.

Conclusion: Benefits of Insight-Driven Planning, Assortment, Pricing, Promotions and Optimization

To truly optimize planning, assortment, pricing and promotions in an ever-changing retail market, retailers need to leverage processes to utilize a single, common platform that facilitates understanding across channels and across disciplines. Your Experience Platform is a tightly integrated series of retail systems that allow high-level decisions to be connected directly to low-level execution. For merchandisers, that means making price, sales, and space-aware assortment decisions and driving those decisions to the supply chain.

Empowered by optimized decision-making and automated execution on a common platform comprised of your people, your processes, and our software, Oracle helps you achieve improvements in gross margin and incremental unit sales improvements. That’s the power of actionable insight, through connected interactions and optimized operations.

CONTACT US
To learn more about Oracle Retail Merchandise Planning and Optimization, please visit oracle.com/retail or email oneretailvoice_ww@oracle.com to connect with an Oracle representative.

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