DATASHEET

Oracle Retail Advanced Clustering

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Today's consumers are becoming more demanding as they shop multiple retailers and expect a unique shopping experience in their channel of choice. Retailers must provide profitable and relevant assortments, promotions, and prices to compete in an evolving landscape of pure play, general merchants, and traditional competitors. Consumers speak to retailers with their purchase patterns, shopping preferences, and buying behaviors. With a view across stores, geographies, and markets, retailers can improve store performance and drive market share with a loyal customer base by understanding and catering to the unique needs of their customers.

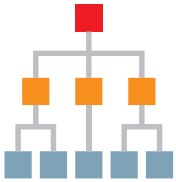
Centralized Enterprise Solution

Oracle Retail Advanced Clustering is an enterprise specific clustering solution that leverages data mining capabilities to create store and customer groupings at various product, customer, and location levels using multiple inputs. These inputs can include performance data, category purchase data, product attributes, store attributes, and third party data such as demographic and/or market information, as well as consumer or customer segments.

Using embedded retail science and automation capabilities, retailers will be able to easily identify unique patterns within available data. This allows retailers to create customer-centric and targeted clusters to be utilized by downstream assortment planning, forecasting, allocation/replenishment, pricing, and promotions planning processes.

The science of Oracle Retail Advanced Clustering acknowledges retail specific scenarios and complexity when building the modeling approach and applying algorithms. The retail specific science builds confidence in the recommended actions and ability solve issues relevant to the complexity of our industry.

A centralized and streamlined approach to the creation of clusters helps to support and align the business strategy across assortment, pricing, promotion, replenishment / allocation, marketing, and space specific processes. Integration with other Oracle Retail applications reduces complexity in creating this centralized view. The solution offers a range of distance metrics suitable for real-valued attributes, categorical attributes, profile based measurements, as well as time-based performance metrics.



KEY BENEFITS

- Leverage customer insights through analytics to drive a notable increase in sales
- Enable the creation of customer-centric, targeted clusters
- Increase financial performance and inventory productivity when leveraged in key planning processes
- Improve store operations
- Accommodate dynamic business priorities with a flexible solution
- Fully productized optimization science available exclusively on the Oracle Cloud without a heavy capital investment

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Fit for Purpose

The Oracle Retail Advanced Clustering provides retailers with multiple approaches and methods when generating clusters. The system is highly flexible and dynamic to support a number of different cluster algorithms, depending on your clustering needs. This comprises of the creation of simple, nested and/or mixed attribute clusters using multiple methods which support discrete / non-discrete attributes:

- Performance based clusters (Sales Revenue, Sales Units, Gross Profit %, etc.)
- Product attribute based clusters (Brand, Color Family, Price Band, etc.)
- Location attribute based clusters (Store Size, Climate, Population Size, etc.)
- Consumer profile based clusters (Customer Demographics, Category Purchase behavior, Customer Purchase Behavior, etc.)
- Combination of one or more of above

The clustering process focuses around a very quick and intuitive 3-step process to create, review, and approve store clusters for downstream solution use. This includes providing the ability to define and use clustering templates which can be specific to given product / location combinations and easy drag/drop of stores into clusters for overrides. System generated rankings and importance factors help users understand complex statistical concepts. Users are also able to access and use rich contextual reporting analysis to review and drive key decisions related to the clustering process. This includes:

- Assisting retailers to determine what categories or merchandise classifications benefit most from clustering, what level of customer data, product or location hierarchy to cluster at as well as what attributes should be leveraged
- Review key details related to the available cluster recommendations; assessing areas such as cluster composition, performance, attributes as well as store level scores (in relation to total cluster)
- Cluster scenario comparison; enabling users to visually assess differences between the respective cluster details

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

KEY FEATURES

- Ability to cluster at multiple levels within the available hierarchies
- Dynamic nesting/mixing of product attributes, location attributes, consumer segments, as well as performance data
- Available scoring logic provides the ability to easily identify outliers or areas of opportunity
- Pre-defined templates to drive a quick & efficient clustering process
- Embedded and automated data cleansing

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