**ORACLE RETAIL REGULAR PRICE OPTIMIZATION**

*Oracle Retail’s Regular Price Optimization (RPO) solution enables retailers to maximize revenue and margin through an insight-driven understanding of the most optimal everyday pricing. Oracle Retail offers this capability as part of an end-to-end retailing approach that aligns Oracle Regular Price Optimization to overall category planning and extends through downstream supply chain activities to in-store execution.*

**Overview**

Today’s retail environment is extremely competitive and complex. Merchants face the daunting task of maintaining their market position while maximizing profitability. One of the key tactics they often employ as a lever for differentiating against competitors is pricing. However, the downside is that uninformed pricing decisions can have significant negative impact on revenue, profitability and customer satisfaction. Adding to this challenge is the fact that individual merchants are often responsible for pricing tens of thousands of items with little understanding of demand or the impact of price changes on sales and margin. The volume of decisions alone is overwhelming, and without fact-based insight and automation, it becomes nearly impossible. These challenges can lead to significantly compromised financial performance.

Furthermore, pricing decisions are often made in silos, so the implications on overall financial metrics and downstream supply chain and execution activities are not well understood. Ideally, changes to item-level pricing should reflect overall category-level strategies and should inform the central forecast to ensure demand impacts are understood and accounted for throughout the supply chain.

**Introducing Oracle Retail Regular Price Optimization**

Retailers need intelligent tools to help them make the best decisions possible at the lowest-level possible. Oracle Retail Regular Price Optimization provides merchants with the science and processes to optimize everyday prices for long-lifecycle merchandise to maximize profitability. With Oracle Retail Regular Price Optimization, retailers can leverage detailed understanding of an item’s price elasticity and cross-item affinity in order to provide the framework that enables very granular pricing decisions based on a robust understanding of customer demand. This approach ensures overall category goals and pricing policies, such as competition-based and margin-based rules, are considered to ensure item-level prices align to category-level strategies and pricing objectives. Furthermore, this understanding of demand, when combined with category goals and all relevant pricing rules, yields item-level everyday price recommendations and demand function.
predictions. Importantly, this approach enables robust what-if scenario planning, merging the art of pricing with the science of demand analytics.

Additionally, by leveraging Oracle Retail Regular Price Optimization in the context of broader planning and supply chain management, retailers can deploy pricing strategies that are aligned with overall category goals and understood throughout the organization. Oracle Retail Regular Price Optimization integrates with overall broader retail forecast that provides the central demand foundation to drive all supply chain planning activities. This capability allows a retailer to ensure pricing decisions are based on the same “version of the truth” forecast that drives the rest of the organization. Furthermore, this approach communicates demand impacts due to price effects to downstream execution systems.

This insight-driven approach, enabled by robust demand intelligence, provides the depth of science required for optimal everyday pricing processes that are aligned to overall enterprise needs.

**Unique Features of Oracle Regular Price Optimization**

**Align everyday price activity to overall category strategies.** Drive overall category objectives with supporting item-level price recommendations that maximize revenue, margin or competitive strategy.

**Understand item and cross-item price elasticity.** Gain insight into the sku/store demand of an item as well as the halo and cannibalization effects of one item’s price changes on all other items in the category.

**Account for a multitude of business constraints.** Maximize financial results within a set of constraints needed to support a retailer’s strategies, including competitive strategies, brand constraints, price ranges, price holds, and inter-item constraints.

**Perform analysis using highly evolved “what if” capabilities.** Compare any number of pricing scenarios side-by-side and see the overall and item-level impact on demand and key financial metrics.

**Leverage a common forecast to drive all, tactical pricing and supply chain activities.** Ensure all decisions are driven by a single and shared version of the truth, allowing the entire organization to understand and adjust to potential impacts to demand due to price changes.

**Enable a flexible deployment approach aligned to organizational need.** Provide the flexibility to drive immediate value based on current pricing needs, such as price planning or rules management, while providing foundation to extend to more robust and elasticity-driven optimization.

**The Benefits of Oracle Retail Regular Price Optimization**

- Increase gross margin dollars by 3-5%.
- Drive localized, more profitable, and easier everyday pricing decisions.
- Respond intelligently to competitor pricing strategies.
• Ensure all pricing recommendations and approvals adhere to core business rules.

• Make pricing decisions in context of broader retail objectives and ensure that demand impacts are understood throughout the organization.

About Oracle Retail
Oracle is the number one provider of innovative and comprehensive industry software solutions for retailers - enabling organizations to serve their customers better by applying insight into daily business decisions for more profitable results. With software that provides supply chain, operations, merchandising, store systems, optimization as well as enterprise applications and infrastructure software, Oracle partners with the world's leading retail companies, including 20 of the top 20 retailers worldwide, to transform the economics of their businesses.

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