Oracle Retail Size Profile Optimization

In a world of intense competitive pressure, blurring channels, and changing consumer purchasing behavior, retailers are finding it more difficult to align their assortments to customer demand; this challenge is magnified for merchandise offered in size ranges. Oracle Retail Size Profile Optimization provides you with optimal recommendations on size range profiles by store to better inform and align buying and inventory allocation decisions to consumer demand. The solution also includes pre-pack optimization to reduce supply chains costs by creating packs that consider the balance of shipping loose or eaches and creating the optimized combination quantities in each style, size, and color.

Building the Right Assortment

Customers come in all shapes and sizes and serving their size needs, efficiently and effectively, at their local store or channel is a key driver of profitable retailing. In order to satisfy each of these customers, store specific size profiles play a role throughout the buying and inventory management processes. For example, size profiles should influence buying and initial allocation decisions during the assortment planning or buying processes. Buyers and planners typically only manage buying decisions at the style-color/store cluster levels and expect that analytics will intelligently explode that plan down to size/dimension (SKU) and store. This explosion is necessary to execute the assortment plan through SKU creation, purchase orders, and initial allocation.

Challenge: Understanding Consumer Demand

The ultimate goal in fashion retailing is to create store specific assortments to best align inventory and buying decisions with customer demand driving a greater return on inventory investment. Understanding each store’s unique size selling patterns and therefore size need by merchandise area and attribute is a critical step to meeting that unique customer demand. The massive amounts of data and labor-intensive tasks to analyze the data often paralyze the buyer and or planner and drive them to settling on department and chain level averages.

Challenge: Historical Performance is Not Customer Demand

Retailers have continued to look back at history in order to make future planning decisions. But historical size selling is often a result of misplaced inventory that results in lost sales.
and excessive markdowns. Retailers need a “cleansed” history that understands lost sales and exceptional sales as well as the size demand potential. Without this “cleansed” historical performance, buying and allocation decisions will be based on last year’s mistakes disappointing customers at times and leaving unwanted sizes in some stores or selling channels again.

Oracle Retail Size Profile Optimization

Oracle Retail Size Profile Optimization identifies store-level selling patterns across different size ranges to systematically create accurate profiles of size distribution by merchandise category by store. It does this by correcting for out of stocks and lost sales, identifying the right levels to generate the profiles, and robust simulation techniques. In addition to systematically generating the profiles, the solution allows for profile management including comparison and analysis views, exception management and approval workflow.

Pre-Pack Optimization: Reducing Supply Chain Costs

The handling costs of distributing loose stock can be difficult and inefficient. Retailers benefit from creating packs containing multiple sizes that could include a single style-color or multiple styles, colors, and sizes. Packs can be built for initial allocation push or replenishment. The solution balances how many packs to create in a way that minimizes handling costs, lost sales, and markdowns.

For more information about Oracle Retail Size Profile Optimization, please visit [oracle.com/retail](http://oracle.com/retail) or email oneretailvoice_ww@oracle.com to speak with an Oracle representative.