

ORACLE RETAIL SIZE PROFILE OPTIMIZATION



UNDERSTAND CUSTOMER
DEMAND TO MAXIMIZE
SALES AND CUSTOMER
SATISFACTION

BENEFITS

Financial

- 2-5% increase sales
- .5-3% reduction in inventory

Merchandising

- Store assortments that reflect the vision of the assortment strategy
- Cleaner seasonal transitions and fresher merchandise in the stores
- Simplified order processing
- Easier tie from planning to execution

In the world of intense competitive pressure, blurring channels and changing consumer purchasing behavior, retailers are finding it more difficult align their assortment 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.

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.

Another example where size profiles play a critical role is the re-allocation decisions that may be done throughout the merchandise life. Here the expectation is that the most current size profiles determine size/dimension need by store which drives the inventory allocation decisions.

Challenge: Understanding Consumer Demand

The ultimate goal in fashion retailing is to create store specific assortments to best align inventory and buy 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 true need can be better captured through the computation of size profiles by store, time, and merchandise area and attributes, but this challenging as the data can be overwhelming and hard to make sense of in an efficient way. 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.

Size Profile Optimization: Predicting Size Level Consumer Demand

To improve the quality of decisions being made in the buying and allocating processes, Oracle Retail offers 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.

Benefits of Oracle Retail Size Profile Optimization

Financial

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- .5-3% reduction in inventory

Merchandising

- Store assortments that reflect the vision of the assortment strategy
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Features of Size Profile Optimization

Focused on Consumer Demand. Identifies store-level selling patterns across different size ranges to systematically create accurate profiles of size distribution by merchandise category by store

Predictive. Corrects for out of stocks and lost sales

Flexible. Optimizes size profiles by customer and merchandise attributes

Smart. Identifies the right levels to generate the profiles based on merchandise and store performance

Embedded Optimization. Robust simulation techniques and data mining to produce optimal recommendations

Easy to Use. Allows for profile management including comparison and analysis views, exception management and approval workflow.

RELATED PRODUCTS

- Oracle Retail Assortment Planning
- Oracle Retail Allocation
- Oracle Retail Merchandise Financial Planning
- Oracle Retail Item Planning
- Oracle Retail Markdown Optimization

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.

Contact Us

For more information about Oracle Retail Size Profile Optimization, please visit oracle.com/retail, email oneretailvoice_ww@oracle.com, or call +1.800.ORACLE1 to speak to an Oracle representative.



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