Oracle Retail Demand Forecasting

In today’s commerce anywhere environment, the importance of having an accurate forecast has increased significantly. Consumers are less tolerant of an empty shelf when they have virtually instant access to pricing and product availability from an increasing number of competitors. In addition, it has become significantly more difficult to accurately forecast demand due to:

- The impact of fast paced social media on consumer demand
- Rapidly changing product and assortment changes
- Increased complexity, number and importance of promotions
- Constantly evolving points of customer delivery

Overview

Accurately predicting consumer demand is one of the most difficult challenges facing retailers today—for several reasons:

- Different departments often use disparate and misaligned forecasting systems.
- The volume of data required to generate accurate forecast projections is cumbersome and often resides in disparate systems and databases.
- Retailers often introduce new items or open new locations, but have no sales history on which to base a forecast.
- Retailers struggle to reconcile the short-term forecasts needed to support replenishment with the long-term forecasts required for supply chain management and financial planning.

Oracle Retail Demand Forecasting

Oracle Retail Demand Forecasting streamlines forecasting processes and provides actionable insight by highlighting potential problem situations that require intervention or opportunities that can be pursued proactively. Customer priorities that are reflected in one enterprise forecast drive planning and optimize operations via integration with financial merchandise planning, pricing, promotions, purchasing, allocation and replenishment.

Oracle Retail Demand Forecasting allows retailers to maintain a single projection of forecasted demand across all commerce anywhere operations efficiently and accurately. The results they achieve include increased revenue and profitability while reducing inventory:

- Translate detailed and summarized data efficiently into forward-looking actionable insight to guide more profitable decisions.
KEY BENEFITS

• Single forecast. Provides all departments with a common composite operational forecast
• Reduce inventory. Ensures accurate forecast is driving stock levels in order to avoid lost sales, reduce excess inventory, and minimize markdowns
• Improve efficiency. Streamlines the forecasting process by allowing you to treat groups of locations and products as one. Processes large amounts of data quickly and highlights potential problems
• Automate data management and cleansing of historical anomalies, with manual updates by exception.
• Maximize forecast accuracy by applying the appropriate forecasting method to observed or predicted selling patterns.
• Adjust forecast to correct for out of stock, seasonality, recent trends and other causal factors.
• Increase revenues due to improvements in forecast accuracy for promotional and non-promotional items, as well as reduction in out of stocks.
• Reduce safety stock inventory and improve the flow of orders and inventory to meet predicted demand and actual sales.

RELATED PRODUCTS

• Oracle Retail Merchandising System
• Oracle Retail Merchandise Financial Planning
• Oracle Retail Item Planning
• Oracle Retail Assortment Planning
• Oracle Retail Category Management
• Oracle Retail Regular Price Optimization
• Oracle Retail Warehouse Management System
• Oracle Retail Replenishment Optimization
• Oracle Retail Advanced Inventory Planning

Key Messages of Oracle Retail Demand Forecasting

A Single Forecast Connecting Planning and Execution. Oracle Retail Demand Forecasting utilizes decisions made across the business when deriving a composite operational forecast to drive purchasing, replenishment, and allocation execution. The tool incorporates pricing changes, promotional tactics, and assortment updates to accurately project consumer responses across the products and fulfillment locations a retailer offers. By connecting the impact of decisions to execution plans, retailers can be sure they are purchasing and placing the right amount of inventory in the right location to satisfy their commerce anywhere customers in the most efficient manner possible.

Advanced Science With The Art of Retail. Oracle Retail Demand Forecasting offers numerous scientific algorithms, along with advanced data mining capabilities, to ensure business variables are accounted for properly when deriving the composite operational forecast. The application will systematically select the best forecasting method based upon the demand shaping characteristics of the business, allowing users of the tool to focus on the art of driving the business efficiently. Oracle Retail Demand Forecasting continuously analyzes historical performance in conjunction with causal factors to accurately project the impact a pricing, promotion, or assortment decision may have on the forward looking composite operational forecast for a product or category. By leveraging the systematic processes of the application in real time, users of the tool are empowered to run simulations or ‘what-if’ models to verify their business decisions will correlate to execution plans that deliver the business strategy profitably.

CONTACT US

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