Oracle Retail Assortment and Space Optimization Cloud Service

Today’s consumers are becoming more demanding as they shop multiple retailers and expect unique and tailored shopping experiences. However, retailers are struggling to keep up with the changing needs of their core customer base as well as meeting the needs of new strategic customer base and markets, as they look to preserve and expand their market share. The result is customers not finding items in their shopping list translating to lost sales and demand shifting to competition as well as low on-shelf inventory productivity.

Some retailers are responding to this challenge with localized assortments; however the reality of varying store formats and store sizes makes it challenging to execute these localized assortments in an efficient and profitable manner. Planogram automation tools help reduce the operational complexity, but do not optimize the planograms to meet customer specific demand for each store or cluster.

Improve Customer Satisfaction While Optimizing Return on Space

Oracle Retail’s Assortment and Space Optimization Cloud Service allows retailers to optimize their assortments to store and cluster specific needs to maximize return on space, sales, and gross profit while maintaining visual merchandising standards and supply chain considerations. The solution enables retailers to improve customer satisfaction by optimizing assortment, placement, and facings for the available space.

By leveraging key inputs including optimization goals, demand transference science, visual guidelines, and inventory/replenishment factors, retailers are presented with recommended optimized shelf display that can be leveraged in downstream execution processes.

Ability to Leverage Demand Transference Science

When paired with the Oracle Retail Customer Decision Tree Science and Demand Transference Science Cloud Service, retailers are able to use item-level demand transference in their calculations and planning. This ensures the right assortment mix for each planogram size, removing duplication in assortments where necessary while offering variety in inventory where needed.

Key Benefits

- Optimize assortments to available space to maximize planogram performance, return-on-space, sales, revenue and profits while improving customer satisfaction
- Deliver the right assortment for each store
- Eliminate excess on-shelf inventory, minimize stock out rates
- Creation of assortment and facing recommendations to maximize profits while balancing supply chain constraints, business rules and visual merchandising standards
- Fully productized optimization science available exclusively on the Oracle Cloud
Dynamic Creation of ‘Space Clusters’

Leveraging available fixture data, the Oracle Retail Assortment and Space Optimization Cloud Service dynamically creates store clusters (space clusters) with common fixture dimensions. This enables the retailer to optimize assortments for all stores with similar space for the category or assortment-mix.

Conduct Macro-Space Optimization ‘What-if’ Analysis

Dynamically manage and assess the impacts of adding and/or removing fixture space from a particular store or store group. The Oracle Retail Assortment and Space Optimization Cloud Service provides the retailer with the ability to conduct ‘what-if’ analysis by adjusting fixture lengths during an optimization run to visually review, compare and validate results. This scientific insight is extremely effective as teams plan and conduct store projects to re-allocate space to the planograms for maximum profit. Prior to approving optimization results for downstream execution, retailers are able to review shelf previews; assessing variation from current or historical planograms as well as confirm recommended results align with expectations. Updates to the respective shelf preview may be made real-time with forecasted results being updated in a real-time manner.

Lower Total Cost of Ownership with Cloud Services

Oracle Retail Assortment and Space Optimization Cloud Service is hosted in the Oracle Cloud and acquired exclusively through a subscription service (SaaS) model. This shifts funding from a potential capital investment in software and IT infrastructure to an operational expense. Retailers benefit from world-class capabilities that drive marketing, service, and operations to meet and exceed customer expectations. From an IT perspective, the Oracle Cloud team takes on the burden and responsibility of providing retailers with the highest levels of system availability, scalability, performance, and data security. Included in the service is: continuous technical support, access to valuable software feature enhancements, hardware upgrades, and disaster recovery. Lastly, retailers will have peace of mind knowing that their data is managed and protected by Oracle, the company that leads the world in database technology.

Oracle Cloud Solutions take care of the software installation, monitoring, patching and upgrading; freeing IT resources to perform more value-added tasks and allowing retailers to focus on business processes and innovation.

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