Oracle Retail Category Management Planning and Optimization

Consumers are becoming more demanding as they shop retailers using multiple channels. They expect a seamless shopping experience from all buying channels, including buying online for delivery, curbside, or in-store pick-up, and they want to engage with retailers on their own terms.

In order to respond to this challenge, many retailers are building a variety of store sizes and formats to take advantage of high traffic and opportunistic locations, driving the need to deliver customer-centric targeted assortments while maintaining the appropriate inventory to meet demand. To achieve this, retailers are looking for the most effective ways to empower their teams by leveraging the latest purpose-built analytical capabilities while minimizing the total cost of ownership.

ENABLING RETAILERS TO DRIVE PROFIT

Paired with Oracle Retail AI Foundation Cloud Service, Oracle Retail Category Management Planning and Optimization employs extensible analytics and AI to drive optimal planning decisions. Retailers can:

- **Maximize performance and increase customer satisfaction** - Consolidate multiple data sources into an easy-to-consume format, gaining actionable insights and recommendations to drive customer-centric and targeted assortments.
- **Operate from one version of the truth** - Recommend formal category roles, strategies, and tactics based on consumer insights and product performance for use in downstream assortment, pricing, promotion, inventory, and space processes.
- **Review and analyze pre-season and in-season category performance** - Monitor performance and validate key initiatives are tracking as planned with scorecards related to promotions, private label products, and inventory.

Key Benefits

- Utilizes a combination of purpose-built retail science and automation to drive out customer-centric and targeted assortments
- Provides a fact-based smart-starting point, enabling users to refine based on category/store base knowledge
- Integrates and aligns category and assortment decisions with financial and space targets/constraints
- Leverages retail-focused science-based inputs, exclusively available via the Oracle Cloud, to maximize profit while increasing customer satisfaction
- Enables a 360-degree view of the market, customers, competitors, and vendors

INDUSTRY BEST-PRACTICE METHODOLOGIES

The Oracle Retail Category Management Planning and Optimization solution uses industry best practices to efficiently consolidate a vast amount of internal/external data sources into an easy-to-consume format. This provides retailers with actionable insights and recommendations managed at the national cluster, customer, vendor (or brand), and store-specific level. This is accomplished by leveraging two distinct and modular capabilities; Category Planning and Assortment Planning and Optimization.
CATEGORY PLANNING

Leveraging industry best practices, Category Planning combines data points from multiple sources (transaction data, loyalty data, syndicated market data, consumer panels, demographics, forecasts, consumer segment data, and competitive data) and recommends formal category roles, strategies, and tactics. Recommendations are based on consumer insights and/or product performance and provide retailers with one version of the truth to be used in downstream assortment, pricing, promotion, inventory, and space processes. Scorecards related to promotions, private label products, and inventory effectively monitor performance and validate that key initiatives are tracking as planned.

ASSORTMENT PLANNING AND OPTIMIZATION

Assortment Planning and Optimization is where the top-down plan comes to life, incorporating the financial direction to drive all the way down to optimally placing the right product at the right place.

Providing multiple industry common approaches, Assortment Planning and Optimization enables retailers to leverage multiple data inputs (internal/external 3rd party) to create optimized customer-centric and targeted assortments. User-defined objectives combined with embedded science and automation provide fact-based ‘smart’ assortment recommendations unique to the respective channel providing the ability to maximize customer satisfaction and overall category profitability. The extensibility of the solution will support and drive your specific business process, leveraging all of the uniqueness of your attributes, products, scale, store space, and data needs.

ORACLE CLOUD INFRASTRUCTURE

All Oracle Retail Analytics and Planning cloud services are deployed as cloud-native Software-as-a-Service solutions within Oracle Cloud Infrastructure (OCI) upon Oracle's Autonomous Data Warehouse and are based upon an architecture and technology stack that is optimally engineered for rapid, low-cost deployments and exceptional performance and scalability, and the highest levels of system availability and security - from storage to scorecard.

ORACLE RETAIL AI FOUNDATION

Core retail AI and machine learning (ML) power all Oracle Retail Analytics and Planning cloud services. For example:

**Forecasting Engine** - Provide an intelligent starting point for your planners, increasing automation and accuracy. Move to a more touchless and exception management planning process.

**Customer Segmentation** - Group customers based on attributes, behaviors, and transactions to tailor offers, pricing, and assortments accordingly, incorporating previously hidden patterns in your data.

**Advanced Clustering** - Cluster your stores based upon traditional approaches of volume, square footage, region, etc., or leverage machine learning techniques to cluster stores based upon similar selling patterns, truly creating a customer-centric assortment.

**Profile Science** - Determine the best size ratio for your buys by understanding the true demand of your sizes while considering stock-outs.

**Attribute Extraction and Binning** - Extract item attributes from free-form descriptions, correcting short forms, misspellings, and other inconsistencies, and apply them to Demand Transference, Customer Decision Trees, Advanced Clustering, and more.

Key Features

- Provides a best practice methodology for category management
- Efficient consolidation of internal/external data sources, providing actionable insights for a customer, channel, and competitive analysis
- Define and communicate category roles, strategies, and tactics
- Create and manage optimized assortments at the national, cluster, vendor/brand, and store level
- Seamlessly integrated with macro and micro space optimization solutions, maximizing return on space while reconciling with strategic plans
- Leverage science-based approaches to create local customer-centric assortments
- Use Customer and Consumer Decision Trees within the assortment process for validation
- Application of SKU-level Demand Transference Models to predict SKU interaction, enabling the creation of the optimal assortment
- Conduct ‘What-if Optimization’
**Customer Decision Trees** - Understand how your customers are shopping your assortments to drive attribute-based alternate hierarchies and effectively plan your assortment the way your customer shops.

**Demand Transference** - Understand how unique your items are and the incremental revenue that item brings to determine the most optimal assortment for your customer.

**Affinity Analysis** - Determine how items interact with each other to drive a more effective promotional strategy within your financial planning process.

**Innovation Workbench** - Leverage open source along with your data science team to create your own AI and ML models. Utilize the language of your choice with Jupyter/Zeppelin notebooks.

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**ORACLE RETAIL HOME**

Oracle Retail Home is a single access point to simplify users' interactions with the data and applications that are most relevant to their roles, better empower them to anticipate informed actions, and inspire engagement.

Based on a robust and flexible portal framework, Retail Home is intended first to provide timely and role-specific high-level insights and second to enable selectively drilling into relevant applications for more details.

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**ORACLE ANALYTICS**

Oracle Analytics can be used to generate and consume analytics from Oracle Retail AI Foundation data and can also surface dashboards to Oracle Retail Home.

Oracle Analytics is a comprehensive platform that parleys data into information to provide business insights, federating a broad array of features to suit business users, power users, and data scientists:

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<tbody>
<tr>
<td>• Corporate Dashboards</td>
<td>• Data Preparation</td>
<td>• Natural Language Processing</td>
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<td>• Pixel Perfect Report</td>
<td>• Data Visualization</td>
<td>• Voice and Chatbot</td>
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<td>• Storytelling</td>
<td>• Data Enrichment</td>
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<td>• Sharing and Collaboration</td>
<td>• One-Click &quot;Explain&quot;</td>
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Beyond the extensibility afforded by the Oracle Retail AI Foundation’s Innovation Workbench, Oracle Analytics, and Oracle Retail Home, also included are Oracle Data Store, Oracle APEX, and Oracle REST Data Services.

**ORACLE DATA STORE AND APPLICATION EXPRESS**

Oracle Retail Data Store can supply data for Oracle Application Express (APEX) apps and Oracle REST Data Services, which are both included. APEX is a low-code development platform that enables you to build scalable, secure enterprise apps with world-class features that can be deployed anywhere.

Developers can quickly develop and deploy compelling apps that solve real problems and provide immediate value using APEX. You won’t need to be an expert in a vast array of technologies to deliver sophisticated solutions. Focus on solving the problem and let APEX take care of the rest.

**ORACLE REST DATA SERVICES**

Oracle REST Data Services bridges HTTPS and your Oracle Database, providing, among other things, a REST API, SQL Developer Web, a PL/SQL Gateway, SODA for REST, and the ability to publish RESTful Web Services for interacting with the data and stored procedures in your Oracle Database.

**ORACLE MACHINE LEARNING**


By keeping data inside the database, organizations can simplify their overall architecture and maintain data synchronization and security. It enables data scientists and other data professionals to build models quickly by simplifying and automating key elements of the machine learning lifecycle.

*Learn more or request a 1:1 demo.*

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