

# 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.

## 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 key initiatives are tracking as planned.

## ASSORTMENT PLANNING AND OPTIMIZATION

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 provides fact-based 'smart' assortment recommendations unique to the respective point of commerce providing the ability to maximize customer satisfaction and overall category profitability.



### 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 market, customers, competitors, and vendors

## LEVERAGE SCIENCE TO MAXIMIZE CUSTOMER SATISFACTION

Oracle Retail Category Management Planning and Optimization provides the ability to take advantage of purpose-built retail-specific science exclusively available with the Oracle Retail Cloud software-as-a-service offerings.

**Oracle Retail Advanced Clustering Cloud Service:** Enabling a highly flexible and dynamic clustering process, the Oracle Retail Advanced Clustering Cloud Service provides Assortment Planning and Optimization with category-specific clusters to create very targeted and localized assortments.

**Oracle Retail Customer Decision Tree and Demand Transference Science Cloud Service:** The Oracle Retail Customer Decision Tree and Demand Transference Science Cloud Service provides retailers with the ability to move beyond the traditional assortment planning processes. Leveraging key inputs based on sophisticated data mining capabilities, gaining insights on customer behavior patterns and product preferences, retailers can improve the assortment planning process with:

- **Customer Decision Trees Science** – Eliminate national influence and vendor bias by creating and using Customer Decision Trees (CDTs) leveraging your own customer data.
- **Demand Transference Science** – Identify the incremental and substitutable sales associated with each item within an assortment, optimizing the breadth of an assortment as experienced by customer purchase preferences.
- **What-if Optimization** – Execute multiple assortment simulations (add, remove, swap) against current or planned assortments to determine the most profitable and customer-centric assortment.

**Oracle Retail Assortment and Space Optimization:** The solution maximizes sales, revenue, and profits while improving customer satisfaction by optimizing assortments and facings to available space (to maximize total return on space). Leveraging inputs like optimization goals, demand transference science, visual guidelines, and inventory/ replenishment factors, retailers are presented with recommended shelf fixture layouts.

### 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'

## FLEXIBILITY IN ADOPTION AND DEPLOYMENT

The Oracle Retail Category Management Planning and Optimization solution provides the ability to take advantage of the most relevant planning features, leveraging the configurable and upgradeable **Oracle Retail Planning** solution. Retailers are able to define a clear approach to a successful implementation while having the ability to apply additional functionality as business processes and trends dictate a change.

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

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