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Oracle Retail Lifecycle Pricing Optimization Cloud Service

Research shows consumers want to be understood and engaged with relevant, personalized, and special offers. Oracle Retail's consumer research found that 39% of consumers move from just browsing to buying when presented with a special offer or discount, and 47% of consumers believe that a 'great price' compels them to purchase. Pricing plays a critical role in driving business performance. With the fast-changing retail environment, pricing needs greater granularity, requiring more time and effort from retailers. Oracle Retail Lifecycle Pricing Optimization Cloud Service empowers retailers to make informed pricing decisions with AI and machine learning analytics that can help attract consumers, drive profitability, increase average spending, and build customer loyalty.

MAXIMIZING INVENTORY PRODUCTIVITY & OPTIMIZING WORKING CAPITAL

Oracle Retail Lifecycle Pricing Optimization Cloud Service pairs with the **Oracle Retail AI Foundation Cloud Service**, which provides analytical insights to drive planning, buying, moving, and selling decisions. These capabilities enable retailers to drive profit and remain flexible in the changing retail environment.

Engaging omnichannel customers with personalized offers while increasing profits requires modern planning and retail analytics applications. Oracle Retail provides a common connection and a single view of the enterprise, enabling retailers to innovate with speed and scale. With Oracle Retail Lifecycle Pricing Optimization Cloud Service, retailers can win over customers with the right pricing, promotions, targeted offers, and markdowns while maximizing results.

Lifecycle Pricing Optimization Cloud provides the ability to manage different aspects of lifecycle pricing. It offers the evolution of price optimization capabilities into a lifecycle optimization solution that recommends promotions, targeted offers, and markdowns. It optimizes promotions and markdowns to drive higher in-season sell-through as well as potentially increasing revenue and/or gross margin throughout the end of life.

Additionally, it drives engagement and revenue from key customers and segments through the optimization of customer targeted offers. Lifecycle Pricing Optimization Cloud can accomplish this by enabling retailers to forecast the demand of their customer segments as well as understand which customer segment has the highest probability of redemption for marketing offers.

Key Features

- *Leverages advanced AI/ML models that can be applied to help retailers maximize profit margins, inventory sell-through, and shape demand.*
- *Automatically evaluates the trade-off between temporary promotions and permanent markdowns.*
- *Ensures consistency from markdown budgets and promotional campaigns to projected receipts and forecasted returns.*
- *Simplifies decision-making through high-automation, exception-driven processes.*
- *Maximizes accuracy and scale using artificial intelligence, machine learning, and decision sciences.*
- *Embedded Retail AI Foundation with:*
  - *Forecasting Engine*
  - *Customer Segmentation*
  - *Advanced Clustering*
  - *Profile Science*
  - *Attribute Extraction & Binning*
  - *Customer Decision Trees*
  - *Demand Transference*
  - *Affinity Analysis*
  - *Innovation Workbench*

OPTIMIZE THE ITEM LIFECYCLE

Lifecycle Pricing Optimization Cloud is the only solution in the marketplace that provides lifecycle promotion, markdown, and targeted offer recommendations in conjunction with planned business initiatives, such as time-bound marketing campaigns. It empowers retailers to drive better profit margins, inventory sell-through, and meet forecast expectations with the power of exception-based retailing and advanced machine learning models.

Further extensibility with:

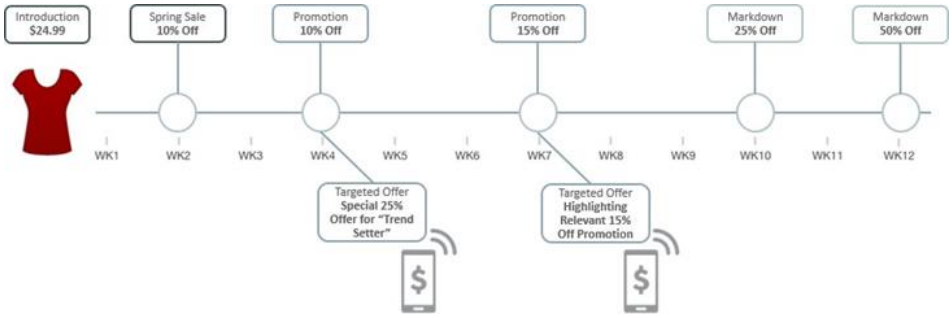
- *Oracle Retail Home*
- *Oracle Analytics*
- *Oracle Application Express*
- *Oracle REST Data Services*
- *Oracle Machine Learning*

POWER OF A SINGLE VIEW

Delivering an effective pricing strategy that engages the customer in an omnichannel environment requires a single view of the customer, inventory, order, demand, and pricing/promotions. When optimized results are presented appropriately across the enterprise - directly as a promotion or indirectly as a forecast - retailers can maximize the value of a unified pricing, promotion, and markdown optimization strategy.

LIFECYCLE PRICING OPTIMIZATION USE CASE EXAMPLE

Retailer Goal: Maximize profit over the product lifecycle of women's t-shirts with promotions, targeted offers, and markdowns with baseline conditions: Initial Price of $24.99, with a 10% off brand-wide spring sale in week two.



This example shows that targeted offers that reflect both the deal type (e.g., 25% and BOGO) and channel (e.g., text message and email) are recommended throughout the lifecycle (e.g., weeks four and seven) with the objective of driving customer redemption.

Lifecycle Pricing Optimization intelligently recommends the best channel per segment based on historically effective redemptions and continues to learn and adjust recommendations based on embedded machine learning. Of the hundreds of promotions that a retailer may be running, only a handful are relevant to each customer.

The solution easily identifies the best offers and the appropriate promotional delivery method. In both targeted offers displayed above, the optimization solution recommends engaging these customers through mobile text messaging. The text message channel is chosen because past redemption information from each customer shows it's most effective.

Overall, the solution provides contextual insight into the estimated impact of promotions, offers, and markdowns, which includes the impacts on sales, margin, and inventory. It forecasts what will happen if you take the system recommendations versus doing nothing. It facilitates decision-making based on recent data, including new sales, price points, planned promotions, and other relevant data. This helps retailers deliver the most relevant and effective offers, which is critical to today's consumers.

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

Oracle Retail AI Foundation Cloud Service consolidates the massive volumes of data generated by Oracle Retail applications across planning, buying, moving, and selling. It exploits the analytical value of that data for senior executives, buyers, planners, marketers, omnichannel managers, inventory analysts, and data scientists alike. It serves as a standalone foundation for analytics and the foundation for the Oracle Retail Analytics and Planning cloud services with its AI and machine learning (ML) capabilities. It offers:

- **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 your customers based on attributes, behaviors, and transactions to tailor offers, pricing, and assortments, incorporating previously hidden patterns in your data.
- **Advanced Clustering** - Cluster your stores based on traditional approaches of volume, square footage, region, etc., or leverage machine learning techniques to cluster stores based upon similar selling patterns, 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.
- **Customer Decision Trees** - Understand how your customers are shopping your assortments to drive attribute-based alternate hierarchies and effectively plan your assortment based on how your customers shop.
- **Demand Transference** - Understand your items' uniqueness and the incremental revenue that item brings to determine an optimal assortment.
- **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.

The Oracle Retail Analytics and Planning family of cloud services includes:

- *Oracle Retail AI Foundation*
- *Oracle Retail Insights*
- *Oracle Retail Lifecycle Pricing Optimization*
- *Oracle Retail Merchandise Financial Planning*
- *Oracle Retail Assortment Planning*
- *Oracle Retail Inventory Planning Optimization*
- *Oracle Retail Assortment and Space Optimization*

Request a 1:1 Demo

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