

Oracle® Retail Category Management

Release Notes

Release 13.4

December 2012

The 13.4 release of Oracle Retail Category Management is a completely new solution that was developed independently of any previous release of the solution. This document provides an overview of this new version of Category Management. Oracle Retail Category Management Release 13.4 is available only using the Fusion User Interface.

Note: Since this release of Category Management is not based on the previous design or configuration, customers cannot upgrade a previous Category Management domain to this release. To move to this release, they need to build a new domain.

Functional Overview

Effective merchandising is the cornerstone of a successful retail business because it determines the variety and presentation of merchandise, which defines the customer's in-store experience. It is one of the most important aspects of a retailer's brand image. In recent years, retailers have experienced increased difficulty in achieving desired levels of same store sales growth, gross margin, and inventory productivity. This is due, in part, to smaller buying staffs, shorter product life cycles, increasingly savvy and demanding customers, and cutthroat competition.

In light of these issues, retailers are looking to service their customers, drive profitable growth, and further differentiate themselves from the competition by tailoring their product offerings to the needs of their local customers. In the past, managing micro-merchandising or local market assortments was extremely complex, labor-intensive, and yielded marginal results.

Category Management functionality addresses the crucial process of determining four primary merchandising dimensions:

- Categories of merchandise carried within a store
- Space allocated to each category of merchandise
- Assortment of items carried in each category
- Space allocated to each item in each category

Category Management targets several high-priority market needs. They span several key areas, which address the following:

- Category Planning:
 - Develop Category Business Plans
 - Determine Category Roles
 - Determine Category Strategies
 - Assign Category Tactics
 - Scorecard Development
 - Flow-Through to Assortment Planning and Rationalization
- Assortment Planning and Rationalization:
 - Alignment to Overall Category-Level Objectives
 - Consumer Centric Clustering
 - Consumer Decision Trees
 - Market Coverage Determination
 - Systematic Assortment Recommendations

In addition, core functional enhancements needed for competing in the marketplace are provided.

Category Planning enables the retailer to perform higher level category planning activities within the Oracle Retail Category Management RPAS solution. This solution supports the development of category business plans and follows the traditional eight-step Category Management business process to provide the following:

- Structured, measured set of activities designed to produce specified output, that is, the development and implementation of a written category business plan
- Emphasis on how work is done within and across retailer/distributor and supplier organizations
- Specific ordering of activities across time and place
- Blueprint for strategic and tactical action within a category
- Ability to analyze by consumer segments (sometimes called the ninth step in the Category Management business process)

Consumer insights are core to this application by utilizing external market and consumer data. Category Management includes the ability to view retailer-specific data versus the competition and market as a whole.

Consumer segment and store clustering can be utilized to tailor assortments to specific markets and consumer segments by providing a profile mix of who is shopping the store and trading area. Store clusters are typically created for each product category in a trading area based upon similarity in consumers, stores, product attributes, sales profiles, and demographics such that assortments can be generated at the store cluster level. Assortments can also be generated at the store level.

Visibility to category role, strategies, tactics and financial objectives ensure assortments align back to overall category-level objectives. The following are additional details on the new business process.

Category Planning

The Category Planning module enables retailers to set a retail strategy and perform higher level Category Planning activities within the RPAS solution. This process module is enhanced to provide the ability to view and analyze information from diverse data sources and use the information to analyze and refine target shoppers, trading area opportunities, and the competition.

Determine Category Roles

This enables the user to analyze and assign the role each category plays for a retailer by trading area based on different Category Management frameworks. This is done by providing insights into which categories are most strategic in the market, as well as for the retailer's target shoppers. This sets the foundation for understanding which categories should be assigned which roles within the retailer's portfolio.

Determine Category Strategies

This enables the evaluation of purchasing dynamics for each category and assignment of appropriate strategies to sub-category/brand.

Assign Category Tactics

This establishes and assigns category tactics, views historical tactics, and provides the ability to seed tactics from historical views. Tactics are assigned for each of the defined tactical areas - per category, per trading area, and per consumer segment. There are typically five tactical areas - assortment, pricing, promotion, space, and inventory.

Scorecard Development

This enables retailers to establish realistic performance targets for each category across store clusters within a trading area. This provides the ability to utilize different metrics to set milestones and align strategies and tactics for each category and set milestones by a user-defined time period.

Flow-Through to Assortment Planning and Rationalization

Finalizing and approving the Category Plans makes category roles, strategies, and tactics available to Assortment Rationalization and other downstream processes.

Assortment Planning and Rationalization

This workbook enables a retailer to analyze their current assortment, determine appropriate market coverage, and rationalize and quantify assortment decisions.

Alignment to Overall Category-Level Objectives

This leverages Category Planning data to make category role, strategies, tactics, and financial objectives visible to ensure assortments align back to overall category-level objectives.

Consumer Centric Clustering

Consumer segment/store clustering is utilized to tailor assortments to specific markets/consumer segments by providing a profile mix of who is shopping the store/trading area. Store clusters are typically created for each product category in a trading area based upon similarity in consumers, stores, product attributes, sales profiles, and demographics such that assortments can be generated at the store cluster level.

Consumer Decision Trees

A Consumer Decision Tree (CDT) is utilized to understand consumer shopping behavior and trade out points. CDTs, with their dynamic hierarchical structure, help retailers to get insights on the consumer decision process by analyzing and understanding the prioritization or importance of specific product attributes that determined the consumers purchase. The solution provides the ability to view the assortment list by CDT and also allows the user to edit the current CDT.

Market Coverage Determination

Consumer insights are core to this application by utilizing external market and consumer data. Category Management includes the ability to view retailer-specific data versus competition and/or the market as a whole. Examples of external market data providers include AC Nielsen and Axiom.

Systematic Assortment Recommendations Enabled by Item Performance Indexes (IPI)

The solution enables retailers to assign weights to product attributes and calculate an Item Performance score (ranking) that is systematically used to suggest additions and deletions to the assortment. The computation of each item's IPI is specific to each assortment/trading area.

Hardware and Software Requirements

See the *Oracle Retail Category Management Installation Guide* for the hardware and software requirements.

Known Issues

The following table contains known issues that have been identified for the current release:

Known Issue/Defect	Defect Number
An effort is currently in progress to simplify the flow of the Category Management solution. This will include changes made to the taskflow, worksheets, and measure labels among other possible changes. Overall, the functionality of the solution will not change.	NA
An error message is not displayed when processcdts.sh fails to run.	14261908
The position query is not visible in the add/delete/retention validation.	14378374
Assortment Rationalization: There are issues in add validation.	14550545
Category Planning: The hidden measure purchase size is missing in the hidden measures table.	14689456

Known Issue/Defect	Defect Number
Assortment Rationalization: The lowest level for the calendar is quarter instead of week in the category scorecard.	14709215
Category Planning: The Measure dimension is present in the workbook (z-axis), but not in the Analyze Buyer Conversion view.	14709985
Category Planning: The Location dimension is mentioned in the page edge instead of the csh dimension in the Analyze Market Share and Growth view.	14710296
Category Planning: The calculation for measure cp category units vary is not correct.	14712128
Category Planning: There are issues with measures for the Assign Category Roles step.	14712380
Category Planning: The Location dimension is mentioned in the page edge instead of the csh dimension in the Analyze Spend Vs. Frequency view.	14723909
Category Planning: Some measures are not editable in Analyze Category Scorecard.	14793076
The approved category role in Category Planning is not shown in Assortment Rationalization.	14803091
Assortment Rationalization: The wp strategy should show the label instead of the name in sub-category strategies.	15844987
CDT Editor: There is an issue when running accept xml.	15845841
Assortment Rationalization: There is an incorrect display of the measure in the Getting Started/Review Category Roles view.	15875884
Deleting nodes from the tree does not reflect in the dynamic hierarchy.	15890313
The data in measure cp sales contribution of dept vary is not correct.	15892767
Assortment Rationalization: An inappropriate error message occurs when no CDT is committed in CDT Administration.	15902151
Attribute values are not editable in the admin workbook.	15903554
Category Planning: The Market Share measure is displayed twice in the view.	15903703

Related Documentation

For more information, see the following documents in the Oracle Retail Category Management 13.4 documentation set:

- *Oracle Retail Batch Script Architecture Implementation Guide*
- *Oracle Retail Category Management Installation Guide*
- *Oracle Retail Category Management User Guide for the RPAS Fusion Client*
- Oracle Retail Predictive Application Server documentation

Documentation on My Oracle Support

The following document is available through My Oracle Support. Access My Oracle Support at the following URL:

<https://support.oracle.com>

Oracle Retail Category Management Implementation Guide (Doc ID 1508612.1)

This implementation guide includes information on building the domain, using the available batch scripts, and configuring the application.

Previous Releases

For additional information on previous Oracle Retail Category Management release enhancements and additional information, refer to the Release Notes and documentation that accompany the previous release.

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