

# Oracle® Retail Regular Price Optimization

Release Notes

Release 13.3

January 2012

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Oracle Retail Regular Price Optimization (RPO) assists retail price managers in pricing hard-line and grocery items. It is suited for long lifecycle items with infrequent price changes. It recommends permanent prices based on initial estimates of an item's total sales volume over a planning period and on price-related sales of items and related items.

RPO includes grouping in its pricing analysis because it considers cross-item elasticities; that is, RPO considers how price changes for one item may affect the sales volume of other items. Users can input objective functions and pricing constraints that define the optimization problem. Once these inputs are defined, the pricing optimizer recommends prices. Multiple scenarios can be created and evaluated side by side, and what-if analysis can be performed within the context of a pricing scenario. After analyzing the what-if results and recommended prices, the user can make a final decision to submit the recommended prices for the given set of merchandise items and locations.

RPO integrates with an application called Oracle Retail Analytic Parameter Calculator for Regular Price Optimization (APC-RPO). APC-RPO calculates self and cross-item elasticities, which RPO uses to make price recommendations. APC-RPO is a separate application with its own installer, but it is available as an additional component in the RPO installation media pack.

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**Note:** Because RPO uses the Oracle Retail Predictive Application Server (RPAS) platform, Oracle Retail recommends that you review the *RPAS Release Notes* for fixed and known issues that may affect RPO. In addition, RPAS 13.3 has significant technical enhancements related to hierarchy management (such as integer indexing) that have an effect on the configuration and maintenance of RPO. You should closely review enhancements listed in the *RPAS Release Notes*.

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## Upgrade Notes

While not directly related to RPO, the Oracle Retail Predictive Application Server (RPAS) has undergone a major change to simplify hierarchy administration. Full details of these changes are outlined in the *Oracle Retail Predictive Application Server Release Notes*. Due to these changes, configuration updates have been made to RPO, and you will need to perform additional steps to upgrade your RPO domain, such as setting dimension sizes. The upgrade to RPAS 13.3 for this application includes a conversion process in addition to the normal upgrade process.

See the details provided in the "Patch Installation" chapter of the *RPO Installation Guide* and the "Upgrading and Patching Domains" section of the *Oracle Retail Predictive Application Server Administration Guide for the Classic Client* or the *Oracle Retail Predictive Application Server Administration Guide for the Fusion Client*.

Due to changes in the product hierarchy in RPO 13.2.2, RPO is not upgradeable from previous versions to 13.2.2 and later versions. You must perform a full installation of RPO in order to accommodate these changes. For information on performing a full installation, see the "Full Installation" chapter of the *RPO Installation Guide*.

If you are upgrading from RPO 13.2.3 to RPO 13.3, see the "Patch Installation" chapter of the *RPO Installation Guide* for upgrading instructions.

## Hardware and Software Requirements

See the *RPO Installation Guide* for information about the following:

- Hardware and software requirements
- Oracle Retail application software compatibility information

## Functional Enhancements

RPO 13.3 includes the following functional enhancements.

### New Default Minimum and Maximum Percent Price Change from APC-RPO

Prior to the 13.3 version, RPO had a default minimum and maximum percent price change of 30%. In the 13.3 version, RPO uses and displays the values calculated in APC-RPO as the default. This allows RPO users to better understand the price range for certain items. In general, the parameters that influence the price, such as price elasticity, are most accurate in the price range where they were estimated. Therefore, setting up constraints with more accurate price ranges yields more precise price recommendations.

These two measures, Max % Price Up and Max % Price Down, are displayed in the Item Level worksheet of the Price Analysis workbook. For more information, see the "Price Analysis" chapter in either the *RPO User Guide for the RPAS Classic Client* or the *RPO User Guide for the RPAS Fusion Client*.

### Item Group Labels Displayed by User

Prior to the 13.3 version, RPO displayed the same hardcoded label for an item group, independent of which user was logged into the domain. Now, RPO allows users to modify the label in the user interface, so that the same item group can display different labels, depending on the user. For instance, a user can manage an item group once labeled "New Yogurt Flavors," that now contains items that have become more established. Therefore, the user can change the item group label to "Yogurts - High Sellers."

In addition, an item group can be managed by more than one user. While one user can refer to an item group as "Produce," another user can refer to it as "Produce - High Margin."

These item group labels can be changed in the Item Group Label Override worksheet of the Price Analysis workbook. The new item group names appear in the Item Group Level worksheet of the Price Analysis workbook. For more information, see the "Price Analysis" chapter in either the *RPO User Guide for the RPAS Classic Client* or the *RPO User Guide for the RPAS Fusion Client*.

### Price Values for Items with No Forecast Now Displayed

Prior to the 13.3 version, RPO returned a recommended price of zero if an item had no forecast. This was confusing for RPO users. RPO now recommends the original price of the item if it has no forecast.

Recommended prices appear in the Recommended Price measure of the Detail Metrics worksheet in the Price Analysis workbook. For more information, see the "Price Analysis" chapter in either the *RPO User Guide for the RPAS Classic Client* or the *RPO User Guide for the RPAS Fusion Client*.

### Elasticity Value and Related Information Now Provided

Prior to the 13.3 version, RPO displayed elasticity values calculated in APC-RPO, but there was no additional information provided that could quantify the result. This was changed in RPO 13.3 so that now additional information such as standard error and t-statistics is included. Using these metrics, users can better assess the quality of the result.

These metrics are represented by the Self Elasticity Standard Error and Self Elasticity T-Statistics measures in the Item Self Elasticity Information worksheet and the Item Level worksheet in the Price Analysis workbook. For more information, see the "Price Analysis" chapter in either the *RPO User Guide for the RPAS Classic Client* or the *RPO User Guide for the RPAS Fusion Client*.

### Integration Enhancement

RPO 13.3 includes the following integration enhancement.

#### New Measures Exported from APC-RPO

APC-RPO now exports four new measures to RPO. These measures are exported through integration scripts, but not through the Retail Enabled Oracle Data Integrator Integration package. The new measures and the corresponding APC-RPO measures are shown in the table below.

RPO Measure Label	RPO Measure Name	APC-RPO Measure Label	APC-RPO Measure Name
Default Max Price % Up	ol1smxupprct	Max Price % Up	maxprcuppcnt
Default Max Price % Down	ol1smxdmpct	Max Price % Down	maxprcdwnpct
Self Elasticity Standard Error	ol1sstderr	Standard Error	finstderr
Self Elasticity T-Statistic	ol1ststat	T-Statistic	fintstat

RPO uses the maximum price increase and decrease percentage measures to set up the default minimum and maximum price percentage change. RPO users can refer to the self-item elasticity standard error and t-statistics to adjust the price constraint. These four measures appear in the Item Level worksheet of the Price Analysis workbook. The standard error and t-statistic measures also appear in the Item Self Elasticity Information worksheet. For more information, see the "Price Analysis" chapter in either the *RPO User Guide for the RPAS Classic Client* or the *RPO User Guide for the RPAS Fusion Client*.

For more information about integration script measures, see the "Script Integration" chapter of the *RPO Implementation Guide*.

## Noteworthy Defect Fixes

The following noteworthy defect fixes and enhancements are included in RPO 13.3.

Fixed Issue/Defect	Defect Number
Self-elasticity and cross-elasticity data was not copied correctly for new items when utilizing the Copy Elasticity functionality in the Item Management workbook. This issue has been corrected.	12723958
When more than one merchandise category was mapped to one scenario group, the Price Analysis wizard listed the Scenario Group repeatedly based on the number of mappings. This issue has been corrected, and the Scenario Group now appears only once in the workbook wizard.	12649598
The price ladder generator did not respect the ladder parameters, such as step, and allowed for a price of \$0.00. This issue has been corrected.	12769601
The price ladder generator did not allow prices without decimals, such as integer numbers. This issue has been corrected.	12765580
The price ladder generator generated prices even if the high price was lower than the low price. This issue has been corrected so that now the user receives a message in the Business Administration workbook if the high or low prices are not set up correctly.	12652921

## Known Issues

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

Known Issue/Defect	Defect Number
The new exported measures listed in the <a href="#">New Measures Exported from APC-RPO</a> section do not use the Retail Enabled Oracle Data Integrator Integration. These measures can only be exported to RPO using Integration scripts.	13492059
When using the installer in text mode and installing the Fusion Client configuration, stdout may be hidden during the installation progress output phase after reaching the [sshexec] step. The installer appears to fail to respond for a period of time, but returns to prompt upon completion. To see the full output of the installation process, view the installation log file. The graphical user interface (GUI) mode is not affected.	12732394

## Related Documentation

For more information, see the following documents in the Oracle Retail Regular Price Optimization 13.3 documentation set:

- *Oracle Retail Regular Price Optimization Installation Guide*
- *Oracle Retail Regular Price Optimization User Guide for the RPAS Classic Client*
- *Oracle Retail Regular Price Optimization User Guide for the RPAS Fusion Client*
- *Oracle Retail Regular Price Optimization Implementation Guide*

For more information about the Analytic Parameter Calculator for Regular Price Optimization (APC-RPO) application, see the Oracle Retail Analytic Parameter Calculator for Regular Price Optimization documentation set.

For more information about the RPAS Fusion Client, see the Oracle Retail Predictive Application Server documentation set.

For more information about RPAS and the ODI Enabled Integration, see the following documentation sets:

- Oracle Retail Enabled ODI Integration documentation
- Oracle Data Integrator documentation
- Oracle Retail Predictive Application Server documentation

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