

Oracle® Retail Regular Price Optimization

Release Notes

Release 15.0.2

January 2017

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.

Upgrade Note

While not directly related to RPO, the 13.3 Release of Oracle Retail Predictive Application Server (RPAS) has undergone a major change to simplify hierarchy administration. Full details of these changes are outlined in the 13.3 *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 or later for this application includes a conversion process in addition to the normal upgrade process. Details are provided in the chapter, "Patch Installation" in the Oracle Retail Predictive Application Server Installation Guide.

Note: To enable Near Real Time execution of prices during the day between RPO and Oracle Retail Price Management (RPM), or another price execution solution, refer to the Hybrid Storage Architecture chapter in the 15.0 *Oracle Retail Predictive Application Server (RPAS) Administration Guide for the Fusion Client*.

Hardware and Software Requirements

See the *Oracle Retail Regular Price Optimization Installation Guide* for information about the following:

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

Functional Enhancements

RPO 15.0.2 includes the following functional enhancements.

Pre-range Mask for Competitors

A scenario is the combination of item, locations, time frame, and business rules that RPO considers when making price recommendations. Sometimes the business rules involve competitor prices and users are prompted to select a competitor.

However, there can be multiple competitors and ranging down their number is immensely useful.

Moreover, a retailer may compete with certain retailers in some categories, and with others in totally different business areas.

To address this fact, RPO allows users to select certain competitors at the scenario level using the Scenario Management workbook. Here users can select the competitors that are relevant for the items and locations in the scenario. After committing the workbook, every time a user works with the scenario with the narrowed list of competitors, the user only sees the relevant competitors.

For example, a user builds the Price Analysis workbook and in the Competition Constraints tab there are two worksheets. In the Item Group Level view, when the user selects the Competitor drop-down list only shows the competitors selected in Scenario Management. Also, the Competition Item Metrics only shows information for the selected competitors.

Note: In addition to the selected competitors, RPO always displays the min, max, and average prices of the selected competitors.

For additional information, refer to either the *Oracle Retail Regular Price Optimization User Guide for the RPAS Classic Client* or the *Oracle Retail Regular Price Optimization User Guide for the RPAS Fusion Client*.

Loading Price Family Constraint

RPO recommends price by considering a goal and the business rules that are translated into constraints. One type of business rule is that all items in a group should have the same price. For example, all yogurts that are the same size and brand, and only differ by flavor. The way to achieve this in RPO is by declaring the item group to be a price family. This can be done manually in the Item Management or in the Price Analysis workbooks. The relationship can also be maintained in a different system, and can easily be loaded in RPO.

For additional information, refer to either the *Oracle Retail Regular Price Optimization User Guide for the RPAS Classic Client* or the *Oracle Retail Regular Price Optimization User Guide for the RPAS Fusion Client*.

Item Linkage

To be able to set constraints among items, at the item or item group level, it is necessary to link them. Previously, the linkage would only work one way— when item AA was linked to item BB, then item BB was automatically linked to item AA. RPO is now enhanced to allow the linkage to be unidirectional. Users can specify the desired behavior in the Linkage Mode measure.

For additional information, refer to either the *Oracle Retail Regular Price Optimization User Guide for the RPAS Classic Client* or the *Oracle Retail Regular Price Optimization User Guide for the RPAS Fusion Client*.

Note: The Linkage Mode measure may be hidden.

Noteworthy Defect Fixes

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

Affected Component	Fixed Issue/Defect	Defect Number
Configuration	Aggregation of a few measures is wrong. For example, the VAT had an agg type of total. This was changed to average-pop.	25241102
Configuration	Constraints for Item Linkage feature were enhanced. Refer to " Item Linkage ".	25144071

Known Issues

The following table contains known issues that have been identified in this release:

Affected Component	Description	Defect Number
Optimization	Run time for the Price Optimization batch is longer than expected.	18328807

Related Documentation

For more information, see the following documents in the Oracle Retail Regular Price Optimization Release 15.0.2 documentation set:

- [Oracle Retail Regular Price Optimization Installation Guide](#)
- [Oracle Retail Regular Price Optimization Release Notes](#)
- [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 Predictive Application Server documentation

The following documentation may also be needed when implementing RPO:

- *Oracle Retail Planning Batch Script Architecture 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.

Supplemental Training on My Oracle Support

The following document is available on the My Oracle Support Web site. Access My Oracle Support at the following URL:

<https://support.oracle.com>

Transfer of Information (TOI) Material (ID 732026.1)

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Value-Added Reseller (VAR) Language

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