

Oracle® Retail Regular Price Optimization

Release Notes

Release 15.0.3

E90634-02

September 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*.

Functional Enhancements

RPO 15.0.3 includes the following functional enhancement.

Value Added Tax - Enabled Price Optimization

In many countries, retail prices include a value added tax (VAT). The VAT is one of the inputs to the calculation of gross margin, a key performance indicator for any retailer, so calculating it correctly is crucial.

The VAT can differ by geography and also by type of merchandise. For instance, countries have different VAT rates, and alcohol and tobacco may be taxed differently than food.

This is why it is implemented as a measure at the item/price zone intersection, with values representing the portion of the retail price that is the tax.

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

Noteworthy Defect Fixes

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

Affected Component	Fixed Issue/Defect	Defect Number
Configuration	The rule in the configuration running the forecast is referencing the incorrect forecast start date measure. This issue has been resolved by using FRCSTSTART instead of STARTDATEMEAS	25764730

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 15.0.3 documentation set:

- *Oracle Retail Regular Price Optimization Installation Guide*
- *Oracle Retail Regular Price Optimization Release Notes*
- 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.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at

<http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc>.

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Value-Added Reseller (VAR) Language

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