

Oracle® Retail AI Foundation Cloud Services

Release Readiness Guide



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The Oracle logo, consisting of a solid red square with the word "ORACLE" in white, uppercase, sans-serif font centered within it.

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Preface

This guide outlines the information you need to know about Oracle Retail AI Foundation Cloud Services new or improved functionality in this update, and describes any tasks you might need to perform for the update. Each section includes a brief description of the feature, the steps you need to take to enable or begin using the feature, any tips or considerations that you should keep in mind, and the resources available to help you.

Audience

This document is intended for the users and administrators of Oracle Retail AI Foundation Cloud Services.

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- Product version and program/module name
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- Exact error message received
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Oracle Help Center (docs.oracle.com)

Oracle Retail product documentation is available on the Oracle Help Center at <https://docs.oracle.com/en/industries/retail/index.html>.

(Data Model documents can be obtained through My Oracle Support.)

Comments and Suggestions

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Oracle Retail Cloud Services and Business Agility

Oracle Retail AI Foundation Cloud Services is hosted in the Oracle Cloud with the security features inherent to Oracle technology and a robust data center classification, providing significant uptime. The Oracle Cloud team is responsible for installing, monitoring, patching, and upgrading retail software.

Included in the service is continuous technical support, access to software feature enhancements, hardware upgrades, and disaster recovery. The Cloud Service model helps to free customer IT resources from the need to perform these tasks, giving retailers greater business agility to respond to changing technologies and to perform more value-added tasks focused on business processes and innovation.

Oracle Retail Software Cloud Service is acquired exclusively through a subscription service (SaaS) model. This shifts funding from a capital investment in software to an operational expense. Subscription-based pricing for retail applications offers flexibility and cost effectiveness.

1

Introduction

This chapter describes the feature enhancements in this release.

Overview

The Oracle Retail AI Foundation Cloud Service combines AI, machine learning, and decision science with data captured from Oracle Retail SaaS applications and third-party data. The unique property of these learning-enabled applications is that they detect trends, learn from results, and increase their accuracy the more they are used, adding massive amounts of contextual data to obtain a clearer picture on what motivates outcomes.

The Oracle Retail AI Foundation Cloud Services are composed of the following Cloud Services:

- Oracle Retail AI Foundation Cloud Service
- Oracle Retail Assortment and Space Optimization Cloud Service
- Oracle Retail Promotion and Markdown Optimization Cloud Service
- Oracle Retail Offer Optimization Cloud Service
- Oracle Retail Inventory Optimization Cloud Service

Oracle Retail AI Foundation Cloud Service

The Oracle Retail AI Foundation Cloud Service provides retailers with a data science toolkit that supports specific use cases in planning, operations, and execution and can be expanded to support broader retail uses. This includes Advanced Clustering, Customer Segmentation, Demand Transference, and Customer Decision Tree, Affinity Analysis, Attribute Extraction/Binning and Innovation Workbench capabilities, and Profile Science.

The new Strategy and Policy Management dashboard is the central place for admin users and implementers to manage configurations, rules, and policies for different applications. In this new dashboard, Manage Forecast Configurations can be used for setting up and configuring the forecast runs. The user can set up batch runs, create and submit what-if runs, and manage the configuration parameters that are used by the forecasting method.

Oracle Retail Inventory Optimization Cloud Service

The Oracle Retail Inventory Optimization Cloud Service provides insights into trade-offs between service level and inventory cost and helps retailers set replenishment strategies in terms of safety stock or service level. These data-driven strategies are translated into item-location replenishment policies that are pushed to replenishment systems, such as Oracle Retail Merchandising System (RMS), or any external system to generate and execute orders. To provide full visibility, the replenishment policies are also leveraged within Inventory Optimization to calculate the optimal transfers and purchase orders.

To support strategic inventory optimization throughout the life cycle, Inventory Optimization recommends optimal rebalancing transfers between stores to increase sell-through and avoid

markdowns. This type of strategy can be turned off when not applicable (for example, for grocery categories).

Inventory optimization leverages historical sales and inventory, business requirements such as lead time and review schedule, and the demand forecast to generate optimal recommendations throughout the life cycle. The demand forecast takes into account different factors such as demand transference, variation across customer segments, holidays and promotions, and returns (primarily for fashion and hardline categories). Alternatively, demand forecasting can be provided through an interface by an external forecasting system.

Oracle Retail Assortment and Space Optimization Cloud Service

The Oracle Retail Assortment and Space Optimization Cloud Service is used to determine the optimal selection and arrangement of products within stores by optimizing the product assortment and product placement on a virtual planogram.

Oracle Retail Promotion and Markdown Optimization Cloud Service and Oracle Retail Offer Optimization Cloud Service

The Oracle Retail Promotion and Markdown Optimization Cloud Service and Oracle Retail Offer Optimization Cloud Service reflect the evolution of our price and promotion optimization capabilities into an integrated life-cycle price optimization offering that enables retailers to engage their customers in an omnichannel environment while maximizing profits. The modular approach to offering life cycle pricing for promotions and markdowns separate from targeted offers enables retailers to innovate at the speed of their customers, while also accounting for the maturity of loyalty data necessary for targeted offers. The combined capabilities provide the following benefits to retailers:

- Drive optimal promotion and pricing decisions for the entire product life cycle
- Engage customers with targeted and contextual offers
- Execute consistently, incorporating price and promotion plans, projected receipts, and returns.
- Simplify decision-making through high-automation, exception-driven processes and what-if optimizations
- Maximize accuracy and scale using artificial intelligence, machine learning, and optimization on Oracle Retail's data science infrastructure

2

Feature Summary

This chapter describes the feature enhancements in this release.

Noteworthy Enhancements

This guide outlines the information you need to know about new or improved functionality in the Oracle Retail AI Foundation Cloud Service update and describes any tasks you might need to perform for the update. Each section includes a brief description of the feature, the steps you need to take to enable or begin using the feature, any tips or considerations that you should keep in mind, and the resources available to help you.

Column Definitions

- **Feature:** Provides a description of the feature being delivered.
- **Module Impacted:** Identifies the module impacted associated with the feature, if any.
- **Scale:** Identifies the size of the feature. Options are:
 - **Small:** These UI or process-based features are typically comprised of minor field, validation, or program changes. Therefore, the potential impact to users is minimal.
 - **Large:** These UI or process-based features have more complex designs. Therefore, the potential impact to users is higher.
- **Delivered:** Is the new feature available for use immediately after upgrade or must the feature be enabled or configured? If no, the feature is non-disruptive to end users and action is required (detailed steps below) to make the feature ready to use.
- **Customer Action Required:** You must take action before these features can be used. These features are delivered disabled and you choose if and when to enable them.

Table 2-1 Noteworthy Enhancements

Feature	Module Impacted	Scale	Delivered	Customer Action Required?
Database to Consume Promotional Inventory Model Start Date	Promotion Markdown Optimization & Offer Optimization	Small	Yes	No
First Min/Max Markdown Constraint Enhancement	Promotion Markdown Optimization	Small	Yes	No
Price Ladder Interface	Promotion Markdown Optimization	Small	Yes	No

Table 2-1 (Cont.) Noteworthy Enhancements

Feature	Module Impacted	Scale	Delivered	Customer Action Required?
Forced Markdown Post-Processing	Promotion Markdown Optimization	Small	Yes	No
No Touch Periods are now based off of different reference dates	Promotion Markdown Optimization	Small	Yes	No
Salvage Value to be Calculated as a % of Cost	Promotion Markdown Optimization	Small	Yes	No

New Feature Description

This section describes the new features.

Promotion Markdown Optimization and Offer Optimization

Database to Consume Promotional Inventory Model Start Date

The database has been changed to consume promotional inventory and model start dates to create more efficiencies and automation for retailers.

Promotion Markdown Optimization

First Min/Max Markdown Constraint Enhancement

This enhancement will utilize the last regular price to adjust the min/max constraints.

Price Ladder Interface

Now retailers can interface their price ladders through the backend versus setting them up in the UI.

Forced Markdown Post-Processing

General enhancements around forced markdown post-processing.

No Touch Periods are now based off of different reference dates

Oracle Retail has adjusted the no-touch periods to utilize different reference date types.

Salvage Value to be Calculated as a % of Cost

Retailers now have the ability to calculate the salvage value based on a % of cost.

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Browser Requirements



Note:

Oracle Retail assumes that the retailer has ensured its Operating System has been patched with all applicable Windows updates.

The following browsers are supported:

- Mozilla Firefox
- Microsoft Edge
- Google Chrome (Desktop)

Microsoft has deprecated Internet Explorer 11 in Windows 10 and recommends using Edge as the default browser. Refer to the [Oracle Software Web Browser Support Policy](#) for additional information.