ASSORTMENT OPTIMIZATION

Create customer-centric assortments and maximize profit through localized product selection and assigned shelf space

Assortment planning plays a key role in satisfying the complex needs and wants of your customers. However, it presents great challenges to retailers, because it involves millions of possible product and location combinations.

By leveraging consumer behavior data, our Assortment Optimization solution enables you to locally match **each store's product selection to customer preferences.** That delights your customers and helps you achieve greater **long-term profitability**.

This includes optimizing **local assortments** and **shelf space allocation** to match the product attributes most demanded by that store's customers. As a result, each store can offer the products that attract and retain customers with higher **customer lifetime value**.

Assortment, Reengineered.
A Robust Assortment Optimization

Optimizes product variety at each store

Helps make better localized assortments that match each store's customer preferences

Offers products that attract & retain customers with higher customer lifetime value at each store

Removes products that bring low incremental sales & long-term value

Balances profits with long-term customer attraction

Optimizes the shelf space to maximize availability

Minimizes excessive inventory

Enhances loyalty and growth

Why Use Assortment Optimization?

Don't React: Anticipate

- Identify growth opportunities by predicting product, brand, and category trends across **product attributes**

- Oversee local preferences and trends for each store

- Make efficient, **store level optimal assortments**

- **Add, delete and keep** products optimally to maximize profitability

- Keep products that bring **high incremental sales**, that have no similar products **(substitutes)** available and bring valuable customers into the store.
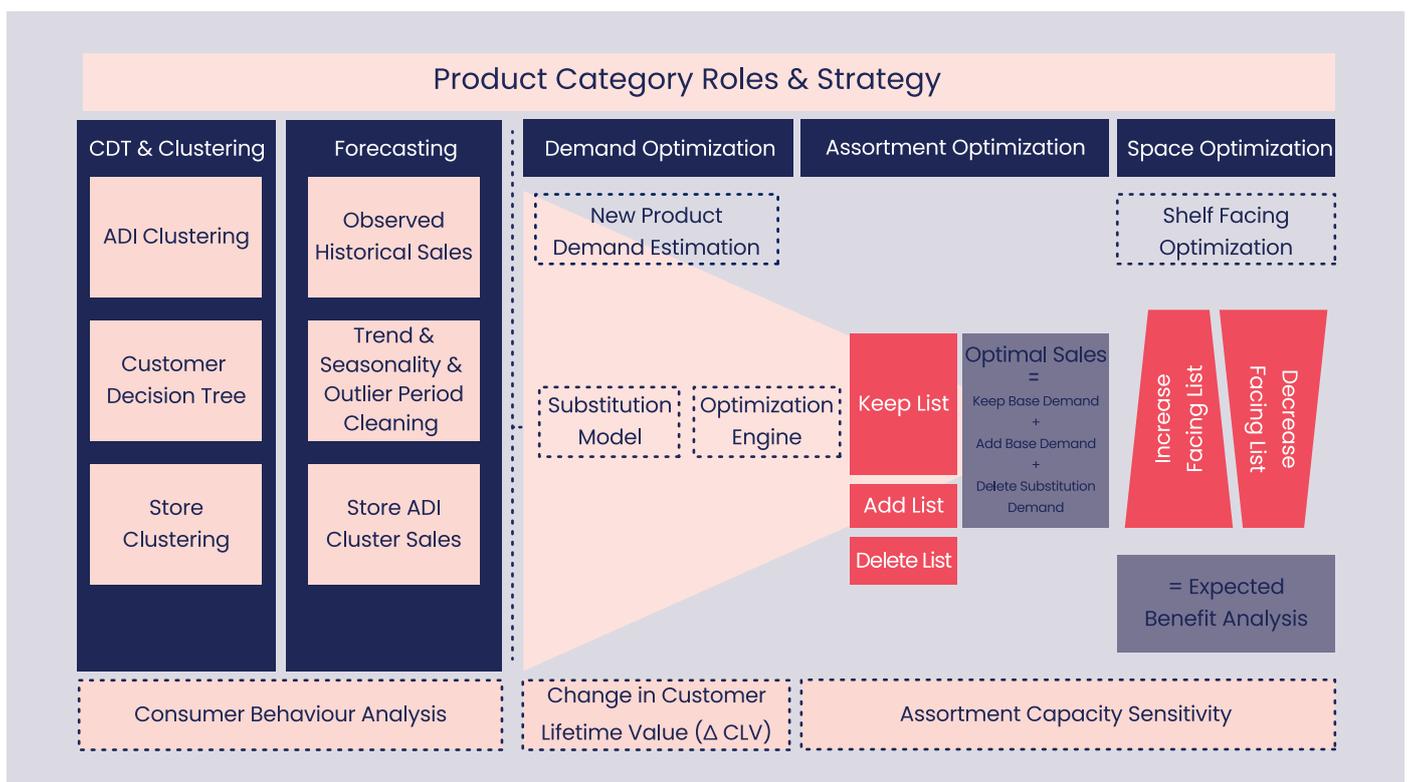
Turn Data into Value with Dynamic Store-SKU Clustering

- Create dynamic store-SKU clustering at a season, event, geography, and demography level to mark your **under or overrepresented SKUs** and use them for customer-centric assortment planning

- Meet **localized demand.**

Maximize Long-Term Customer Lifetime Value (CLV)

- Maximizing short-term profitability may lead you to dropping some products that are key products for customers with large baskets. As a result, you may lose those valuable customers. With Invent Analytics' Assortment Optimization, you can identify **traffic driving items** for your valuable customers by analyzing **customer baskets**

- Better understand and ultimately serve your customers while dynamically creating profitability opportunities with assortment changes.

Achieve the Highest Returns from Shelf Space

- Optimize total category profit by assigning the **right number of facings** to each product

- Increase availability of fast-selling products by taking into account popularity of the product, **shelf-space elasticity**, as well as the replenishment dynamics of each product.

Product Category Roles & Strategy

CDT & Clustering	Forecasting	Demand Optimization	Assortment Optimization	Space Optimization
ADI Clustering	Observed Historical Sales	New Product Demand Estimation		Shelf Facing Optimization
Customer Decision Tree	Trend & Seasonality & Outlier Period Cleaning	Substitution Model · Optimization Engine	Keep List · Optimal Sales = Keep Base Demand + Add Base Demand + Delete Substitution Demand	Increase Facing List · Decrease Facing List
Store Clustering	Store ADI Cluster Sales		Add List · Delete List	= Expected Benefit Analysis

Consumer Behaviour Analysis

Change in Customer Lifetime Value (Δ CLV)

Assortment Capacity Sensitivity

A/B Test Proven Client Results

1-5% ↑

Increase in Profits

5-10% ↑

Increase in Sales

4% ↑

Higher Inventory Turns

About Invent Analytics

Invent Analytics' Omni-AI **delivers significant financial improvement** by empowering retailers to **profit-optimize** their supply chain. It orchestrates a retailer's entire supply chain **by unifying network planning, inventory and price optimization, and fulfillment in one framework.**

Invent Analytics puts your **omni-customers at the heart of its tailor-fit solutions.** It **proves the financial benefits** with pre-go-live simulations and rigorous **A/B testing.** Invent Analytics' over 30 clients have experienced a **2-6% increase in profitability.**

Invent Analytics' Omni-AI SaaS solutions are:

- Omni-Network Design
- Omni-Plan Suite
  - Omni-Demand Forecasting
  - Omni-Store and DC Replenishment Optimization
  - Omni-Allocation Optimization
  - Omni-Transfer Optimization
  - Markdown Optimization
  - Assortment Optimization
  - Dynamic and Competitive Price Optimization
- Omni-Fulfillment

Invent Analytics has been selected as the **Top Supply Chain Technology Company by Retail Industry Leaders Association (RILA)** and **won the 2020 Innovation Awards for Supply Chain.**

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