



Size Optimization for Retail

The Size Optimization that is Needed Now

Size Optimization has been around for years, yet the fundamentals of how to "optimize" have changed. That change was occurring at an accelerated pace over the years, but then change came hurtling in – making prior approaches obsolete in an instant. In short, you cannot optimize size profiles using techniques from the past. They don't work.

Compared to traditional techniques, size optimization now requires improving several pieces in tandem. Some of these are discussed below.

- **Demand:** If you start with sales forecasts, you have already failed. You must understand the actual demand of items and incorporate influencing factors such as weather, events, promotions, traffic influencers, halo, cannibalization, stock-outs, and demand substitution. Before, much of this was dismissed as noise. Today it can be deciphered and quantified.
- **Size Profile Extrapolation:** When size sets change, such as from S, M, L to 2, 4, 6, 8, 10, 12, all small demand does not move to 2 & 4, and medium demand to 6 & 8. It's clean to visualize it that way, but not accurate. Retailers need intelligent, automated demand mapping of historical size sets to new size sets.
- **Clustering & Omnichannel:** Assigning size profiles to store clusters was always flawed. Large stores dominate clusters and stores vary within the same market. The explosion of omnichannel means that retailers must consider demand from different fulfillment options such as curbside and ship from store in creation of store and channel level profiles.
- **Alternative & Attribute Hierarchies:** Fixed hierarchies are great for organizing, yet they do not reflect customer behavior. Guided hierarchical clustering based on sales over time improves accuracy and gives retailers flexibility in their profile selection when ordering, allocating, or replenishing for specific regions at specific times.
- **Speed, Integration, & Control:** Size profiles must easily integrate to solutions used throughout planning and in-season management. While users need better automation and better results, they also need better control over what profiles are assigned, where they are used, and improved editing capabilities of the profiles.

Features

- **True Demand** — Identifies outliers, demand stimuli and dampening effects to provide a clear picture of what demand should be for size selling.
- **Disaggregated Profiles** — Generates store and channel level size profiles and create cluster level profiles when necessary.
- **Automated Size Extrapolation** — Intelligently automates the mapping of historical size level demand to new size sets.
- **Guided Hierarchical Clustering** — Supports alternative & attribute hierarchies through analysis over time that provides better predictability and size profile application over time.
- **Fine-tuned Control** — Additional control provided for retailers for creation, editing, and usage of size profiles over many traditional systems.

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Antuit.ai has been a great partner to work with bringing strong resources to the project who demonstrated innovation and agility.”

Julie Rankin

VP Enterprise Applications,
Neiman Marcus Group

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