# BJ's Wholesale Club added $19M in revenue by optimizing pricing decisions with PriceSmart

OPPORTUNITY

BJ's Wholesale Club is one of America's largest membership-only warehouse club chains with over $16B in revenue, operating predominantly in the eastern region of the United States. BJ's Wholesale Club carries a wide variety of products from groceries and fresh produce to electronic appliances. Additionally, many of BJ's clubs offer special member services that vary by location, such as car rentals, gas stations, an optical department, and vacation packages.

BJ's loyal members are generally on the lookout for attractive deals to maximize their membership. This makes promotional optimization very important for the wholesale retailer to optimize promotional performance. Historically, there was no scientific methodology in place to make effective pricing & promo decisions, which ultimately led to poor pricing decisions as they would typically run the same margin-eroding campaigns repeatedly. Rather than continuing down this path, BJ's realized they needed to start at the source with accurate data-driven forecasting and AI-based promotional recommendations.
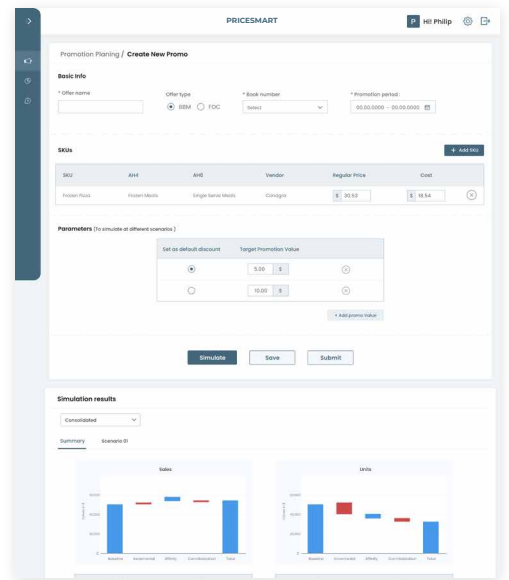
ACTION

Impact Analytics (IA) partnered with BJ's to implement PriceSmart, a unified lifecycle pricing solution powered by IA's AI-driven forecasting engine that isolates various factors impacting sales. Price response models were developed using a set of key rules to define pricing boundaries per BJ's specific business needs. The AI-backed promotion solution allowed BJ's to create optimized promotion campaigns, tweak recommended discount depths, and simulate alternate scenarios before choosing the best one for a particular business case. PriceSmart's promotion calendar enabled the planners to see details of past/ongoing/future events, and compare performance of promotional campaigns.

OUTCOME

With the implementation of PriceSmart, BJ's was able to improve forecasting, optimize promotions while minimizing negative secondary effects, improve negotiation power with partner vendors, and increase sales through better pricing strategies across categories.

$ 19M

Incremental Value

WHAT'S NEXT?

Impact Analytics continued to work closely with the team at BJ's to expand the AI-powered platform and suite of products to provide actionable recommendations to more business verticals.
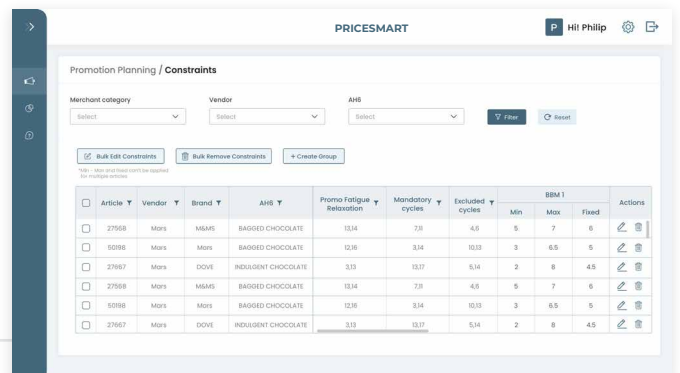
About Impact Analytics

Impact Analytics is a proven leader in enterprise AI SaaS solutions, that combines the art and science of merchandising and supply chain optimization. Our cloud-native integrated platform's planning, pricing & promotions, inventory management, and intelligence suites, are built on the foundation of an innovative AI & ML-guided forecasting engine to provide quick visibility into your business, based on real time information to enable smarter data-driven decisions, while optimizing costs and adding millions back to the bottom line. To learn more, visit www.impactanalytics.co