

Price Optimization: Maximizing Profit

CASE STUDY

CUSTOMER PROFILE

A c-store operator with private equity ownership and operates 450 stores no the west coast.

CHALLENGES

- Profit & Revenue Goals
- Competitive Positioning
- Operational Complexities
- Limited Data & Analytics

SOLUTIONS



Analyzed 109M transactions over two years to build a Predictive Consumer Demand Model for 7 high-margin subcategories.



Conducted a 12-week field rollout, adjusting 171 SKUs in 85 test stores: 86 price increases, 85 price decreases.



Added business and competitive rules.

BENEFITS

1

ANNUAL GROSS PROFIT INCREASE

\$74,140 annual gross profit increase from 7 subcategories (only 5% of total merchandise revenue). 3.4% average gross profit increase per store per week.

2

REVENUE LIFT

1.9% average revenue lift per store per week. Maintained units with a slight 0.20% increase.

3

RETURN ON INVESTMENT

Achieved 10X ROI with multi-million dollar profit gains.



10X

RETURN ON INVESTMENT



\$74,140

ANNUAL GROSS PROFIT INCREASE



1.9%

AVERAGE REVENUE LIFT PER STORE PER WEEK