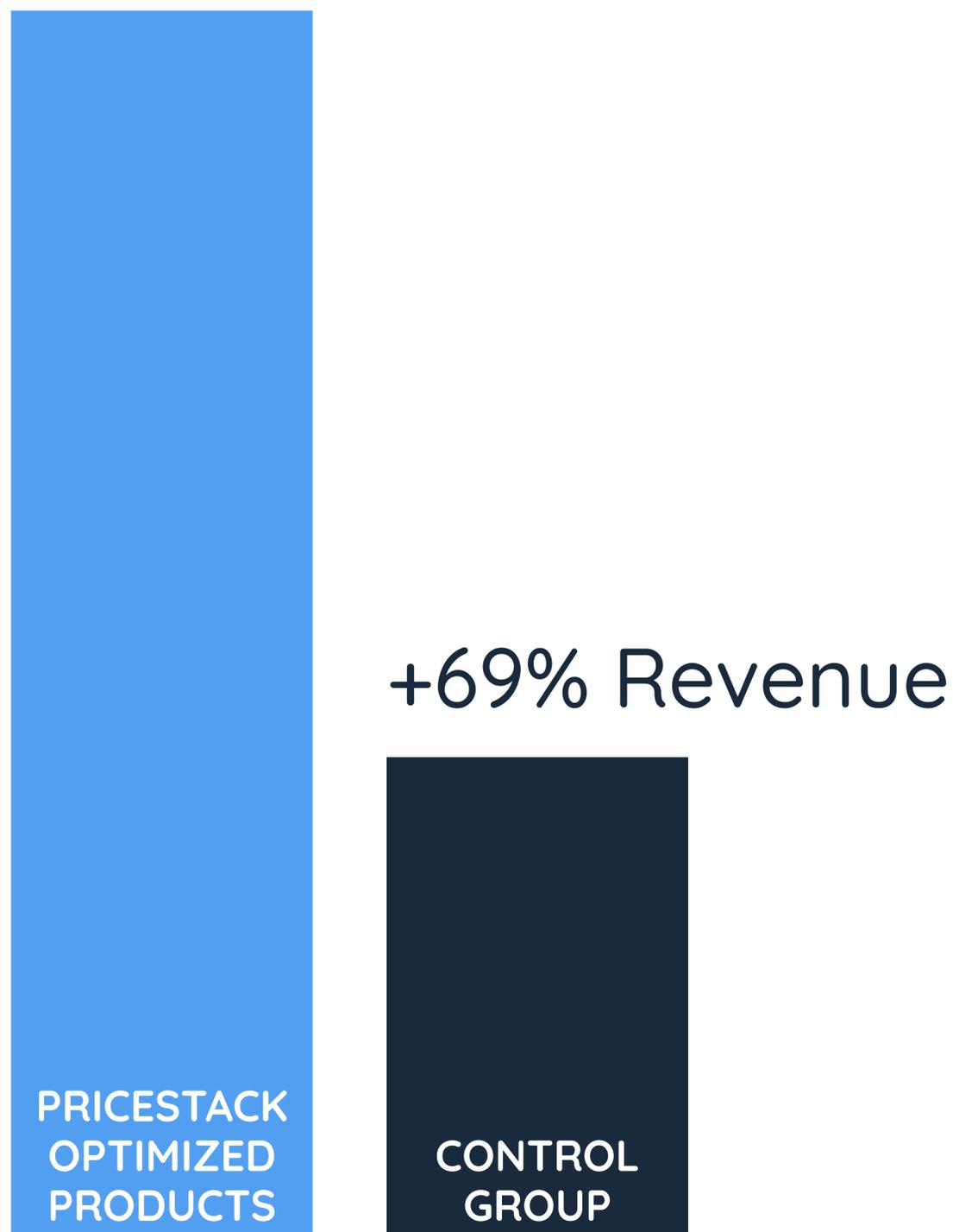# Smoke Cartel Uses Pricestack to Grow Revenue With Optimal Prices

Price-optimized products grow revenue per product view at 2.5x the rate of non-optimized control group equivalents

+175% Revenue

+69% Revenue

PRICESTACK OPTIMIZED PRODUCTS
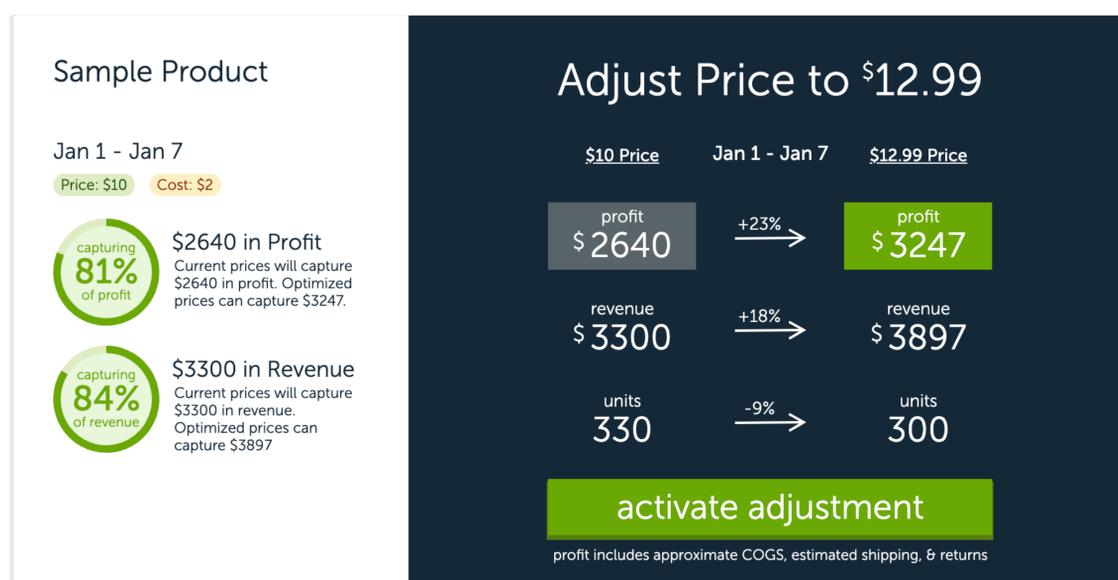
CONTROL GROUP

PROBLEM & SOLUTION

Smoke Cartel sells handmade products without UPCs. These unique products cannot be analyzed against competitors. Rather, Smoke Cartel needed to use their onsite data to set prices that maximize revenue. Pricestack enabled this.

OPTIMIZATION

Smoke Cartel installed Pricestack's Shopify app and connected Google Analytics. Our A.I. then automatically analyzed their order and visitor data. We examined patterns in price history, promotional code usage, and sales, using them to suggest prices that maximize revenue.

Smoke Cartel reviewed and activated these price change suggestions in **our interface** →

This case study analyzes the results of merchant-activated price change suggestions.

Sample Product

Jan 1 - Jan 7
Price: $10   Cost: $2

capturing **81%** of profit

$2640 in Profit
Current prices will capture $2640 in profit. Optimized prices can capture $3247.

capturing **84%** of revenue

$3300 in Revenue
Current prices will capture $3300 in revenue. Optimized prices can capture $3897

Adjust Price to $12.99

$10 Price   Jan 1 - Jan 7 $12.99 Price

profit $2640   +23% →   profit $3247

revenue $3300   +18% →   revenue $3897

units 330   -9% →   units 300

activate adjustment

profit includes approximate COGS, estimated shipping, & returns
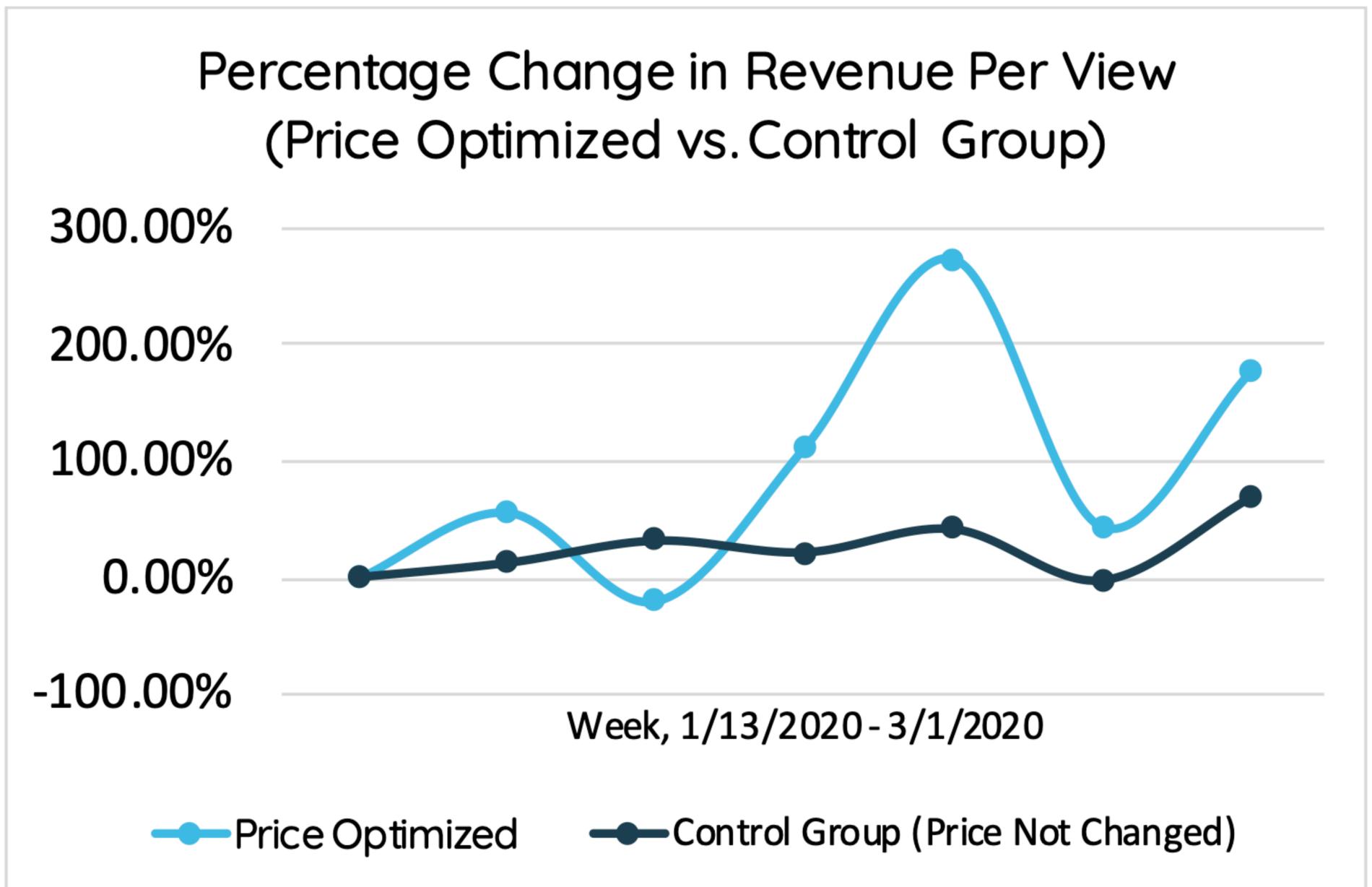
METHODOLOGY

We compare **price-optimized products** against **control group products** to prove Pricestack's effects. We share relative changes in per-product-view revenue from each group to account for differences in traffic volume.

Price-optimized products are products for which Smoke Cartel approved Pricestack-suggested optimal price changes.

Control group products are all comparable products of the same type as any price-optimized product. As an example, one of the price-optimized products is a tray. Thus, all non-price-optimized trays are included in the control group. In contrast, none of the price-optimized products are t-shirts. So, no t-shirts are included in the control group.

Across both groups, we exclude all sales of extended warranties, gift cards, products that were first shown for sale during the study, hidden products, discontinued products, and products lacking cost data.

THE RESULTS

Percentage Change in Revenue Per View (Price Optimized vs. Control Group)

2.5x REVENUE GROWTH

From week one to week seven, control group revenue rose 69% per view. Price-optimized products grew at 2.5x that rate, achieving **175% revenue growth** per product view in just seven weeks.

DATA-FIRST → SUCCESS

Pricestack is a powerful tool, but make no mistake: Smoke Cartel deserves the credit. They leverage data throughout their marketing and marketplace, and now – with Pricestack – their prices. Smoke Cartel uses industry-leading tools consistently and effectively to achieve success. They're crushing it.

Cheers to Sean Geng, CEO of Smoke Cartel

THE VERDICT

Smoke Cartel installed Pricestack's Shopify app and set a goal of maximizing revenue. Pricestack suggested optimal prices, and Smoke Cartel approved a number of these suggestions. **Products with approved price suggestions grew revenue per page view by 175%** – that's more than double the revenue growth of the comparable not-optimized group, which grew by 69%.

How does Pricestack do it? Our A.I. understands the effects of a variety of pricing factors, including but not limited to the following:

Shopper Factors

- alternatives
- discount codes
- shipping charges
- trust in merchant
- ability to pay

Merchant Factors

- marginal costs
- average discount
- shipping costs
- admin costs
- brand image

Pricestack analyzes visitor and order data to model demand while implicitly accounting for Shopper Factors

Pricestack accepts merchant cost data and goals to optimize and account for Merchant Factors

Pricestack analyzes all of this data for you. Simply install our Shopify app (contact us for other integrations), and we will suggest revenue and profit-maximizing prices for your one-click approval.

LEARN MORE & INSTALL TODAY AT PRICESTACK.COM