# *SmartPrice: AI-Driven Dynamic Pricing for E-Commerce Profit Optimization for books*

Vetcha Ashrita
*Amrita school of computing*
*Amrita Vishwa Vidyapeetham*
Bangalore,India
bl.en.u4aie2137@bl.students.amrita.edu

Raksha Venkatesha
*Amrita school of computing*
*Amrita Vishwa Vidyapeetham*
Bangalore,India
bl.en.u4aie2159@bl.students.amrita.edu

Binitha Shree Gogineni
*Amrita school of computing*
*Amrita Vishwa Vidyapeetham*
Bangalore,India
bl.en.u4aie2169@bl.students.amrita.edu

***Abstract*— This paper introduces a dynamic pricing framework specifically for books, leveraging AI and Machine Learning. By integrating web scraping, real-time data storage, and regression-based price prediction models, our system identifies optimal book prices across platforms like Amazon, Flipkart, and Google Books. A Streamlit-based interface ensures user-friendly interaction and visualization, enabling readers and retailers to make informed pricing decisions. Dynamic pricing for books is challenging due to varied pricing strategies across multiple platforms. Our aim is to create a real-time pricing system for books by integrating web scraping, ML-based predictions, and a user interface for visualization. How can book prices be dynamically optimized using real-time data and AI for consumer and seller benefit? Python-based web scraping was combined with ML regression models and interactive visualization tools for real-time book price prediction. The framework efficiently predicts competitive book prices, offering insights for users and retailers. The system effectively supports price prediction for books, aiding decision-making in a competitive market**. Future suggestion includes **sentiment analysis of book reviews to refine predictions and expand the dataset.**

***Keywords*— Dynamic Pricing, E-commerce, Artificial Intelligence (AI), Web Scraping, Price Optimization, Regression model, Machine Learning (ML), Real-time Data, Price Prediction, Data Preprocessing, Streamlit, User Interface (UI), Competitive Pricing**

## I. INTRODUCTION

E-commerce platforms are highly competitive, and dynamic pricing is critical to maintaining market advantage. Books are a unique category in e-commerce, with pricing heavily influenced by demand, retailer policies, and publisher strategies. Platforms often have inconsistent book prices, creating a need for a system that centralizes price tracking and prediction. Our study aims to address this challenge by combining real-time scraping, predictive modeling, and intuitive user interfaces to create a robust solution for dynamic pricing of books.

### *A. Literature Survey*

Maria Cristina Enache [1] discusses machine learning for dynamic pricing in e-commerce, emphasizing the need for personalization and real-time price adjustments for better conversion rates. Difficulty in simulating real-world market environments for training reinforcement learning agents

Kyle Y.Lin [3] proposes a dynamic pricing model using real-time data to optimize prices, with extensions to practical scenarios like unobservable customers. Incorporating a learning mechanism to adjust customer arrival rate estimations is suggested

Venugopal K V and colleagues [4] present a reinforcement learning-based bidding strategy for electricity markets, showing improvements in stability and profitability through agent-based modeling. Algorithm limitations and scalability concerns in larger grids; further exploration needed for different consumer types

Sakshi Pant et al [8] explore BeautifulSoup's web scraping capabilities and compares it with other tools, highlighting its strengths and limitations in data extraction. Struggles with dynamic content; integration with other tools like Selenium recommended

Arnoud V. den Boer [2] gives a comprehensive review of dynamic pricing models, focusing on learning algorithms and their integration into pricing strategies. Need for more research on pricing policies with performance bounds and competitor assumptions

### *B. Novelty of the work*

This work focuses on building a real-time price tracker and prediction system exclusively for books, enabling users to access optimal prices and helping retailers adapt to market trends effectively.

*1)* Real-time scraping and analysis of book prices across major platforms.

*2)* Regression-based predictions tailored to book pricing trends.

*3)* An intuitive interface that simplifies price tracking for users and sellers.

The following sections elaborate on the dataset preparation, machine learning model implementation, and architectural design for dynamic pricing of books.

## II. DATA AND DATA PREPROCESSING

The data utilized in this project revolves around tracking and predicting book prices over time. The data collection process involves gathering price information from various e-commerce platforms, which are stored in a MySQL database.

This section provides a detailed explanation of the data collection and usage process.

### A. Data

The data required for this study is dynamically generated through real-time web scraping from e-commerce platforms like Amazon, Flipkart, and Google Books. The data collection process is structured to ensure that relevant book-specific data is extracted, processed, and stored efficiently. The scraping script collects data such as book titles, prices, retailer information, and timestamps. This ensures that the dataset remains current and reflective of ongoing market trends. Phase-by-Phase Explanation as follows

*1) Phase 1: Data Collection*

*a) Tools Used*: The web scraping process is implemented using Python libraries like BeautifulSoup and requests.

*b) Process:* URLs for search queries related to the target book are dynamically generated. The script accesses these pages, extracts the price, and fetches details like book title, retailer, and the URL for the specific product page.

*c) Challenges:* Variations in HTML structures across platforms required conditional logic to correctly parse the data.

*2) Phase 2: Data Storage*

*a) Database Setup*: MySQL is used as the backend for storing scraped data. The table schema includes fields for the book title, retailer, price, URL, and timestamp to track historical data.

*b) Insertion Logic:* Scraped data is checked for duplicates before insertion to maintain database integrity.

*3)* Phase 3: Data Cleaning and Preprocessing

*a) Normalization:* Timestamps are converted into numerical formats (e.g., seconds since the first timestamp) for use as features in machine learning models.

*b) Outlier Removal:* Unrealistic or erroneous price values are identified and removed to enhance the quality of predictions.

*c) Consistency Checks:* Text fields (e.g., book titles) are standardized to account for variations like case differences and extra spaces.

### B. Source for the Data

The data is exclusively sourced from the following platforms:

*1) Amazon*: A major online retailer with diverse book listings, ensuring a comprehensive dataset.

*2) Flipkart:* A prominent platform in the Indian e-commerce space with competitive book prices.

*3) Google Books*: Includes digital and physical book listings, providing additional context for price variations.

### C. About the Data

The collected dataset is structured as follows:

*1) Features:*

*a) Book Title*: The name of the book for which the data is collected.

*b) Price:* The cost of the book as listed on the platform, normalized to USD for consistency.

*c) Retailer:* The platform from which the price was scraped.

*d) URL*: The direct link to the book's product page.

*e) Timestamp:* The time at which the price was collected, used for trend analysis.

*2) Volume*: Each scraping session collects approximately 20-50 data points per book, depending on platform availability and variations in search results.

*3) Format:* Data is stored in a MySQL database table, structured for direct integration with machine learning workflows.

## III. METHADOLOGY

### A. Novelty and Comparison

This study introduces a user-friendly web-based application designed to track and predict book prices, leveraging machine learning (Linear Regression) for future price forecasting. Unlike existing systems that either track prices without prediction capabilities or offer complex interfaces, this project simplifies the user experience with an interactive Streamlit interface. The methodology integrates real-time database management and visualization tools, providing a comprehensive solution for both tracking and predicting price trends.

### B. Algorithms and Algorithm pseudocode

*1) Algorithm 1: Price Scraping Algorithm*

Input: Book title

Output: List of prices, retailers, and URLs from multiple platforms (Amazon, Flipkart, Google Books).

- Start
- Generate Search URL: Construct search query for the book title by replacing spaces with '+'.
- Send HTTP Request: Use the requests library to send a GET request to the platform's search page (e.g., Amazon, Flipkart, Google Books).
- Parse Response: Use BeautifulSoup to parse the HTML response.
- Extract Price Data: Find all product blocks on the page. Extract price, retailer name, and product URL for each product block.
- Store Data: Store the scraped data in a database or return the list for further processing.
- Repeat for Multiple Platforms: Repeat the above steps for each platform (Amazon, Flipkart, Google Books).
- End

*2) Algorithm 2: Price prediction Algorithm*

Input: Trained machine learning model, number of future days to predict, historical price data.

Output: Predicted prices for the given number of future days.

- Start
- Calculate Future Timestamps: Generate future timestamps by adding the number of days to the latest timestamp in the dataset.

- Predict Prices: Use the trained model to predict prices for the future timestamps.
- Return Predicted Prices: Return the predicted prices along with corresponding dates.
- End

*C. Design Framework*

*1) Data Collection*: Scraping book prices from Amazon, Flipkart, and Google Books.

*2) Data Storage*: Storing book-specific data in a MySQL database.

*3) Preprocessing*: Cleaning and normalizing price data for ML models.

*4) Machine Learning*: Training a regression model for price prediction.

*5) User Interaction*: Visualizing price trends and predictions in Streamlit.

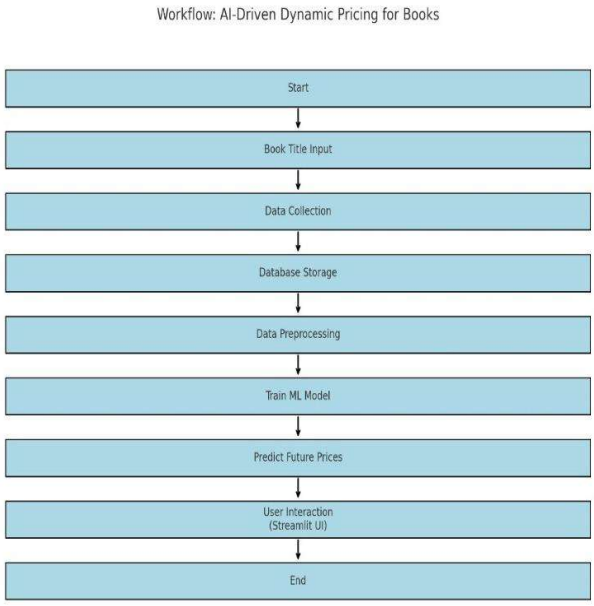



Fig.1 work flow illustrating the step-by-step process from inputting the book title to generating predictions and interacting via the Streamlit interface.

*D. Experiments*

Hyperparameter tuning was performed to optimize the regression model's performance by adjusting parameters such as regularization strength in Ridge or Lasso regression. We used Grid Search and Random Search techniques to identify the best model settings, ensuring that the model could generalize well and avoid overfitting to the data. Fine-tuning these hyperparameters is crucial for improving prediction accuracy and capturing price trends effectively.

The model's performance was evaluated using Mean Squared Error (MSE) and $R^2$ score. MSE is calculated as:

$$MSE = \left(\frac{1}{n}\right)\sum(y_i - \hat{y}_i)^2$$

where $y_i$ is the actual price, $\hat{y}_i$ is the predicted price, and n is the number of data points. A lower MSE and a higher $R^2$ score indicated the model's ability to accurately predict book prices, demonstrating the effectiveness of the approach in dynamic pricing for e-commerce.

*E. Results*

The results of the Book Price Tracker & Predictor demonstrate the efficiency and usability of the developed system in managing, analyzing, and predicting book prices. The application provides an intuitive interface to input data, fetch price histories, visualize trends, and forecast future prices using machine learning. The following sections showcase the functionality of the system through various interface outputs, highlighting its ability to deliver accurate and actionable insights.

In figure 2 , the interface allows users to fetch and visualize the historical price trends for a specific book. By entering the book title, users retrieve a detailed table of records displaying fields like title, store, price, url, and timestamp.

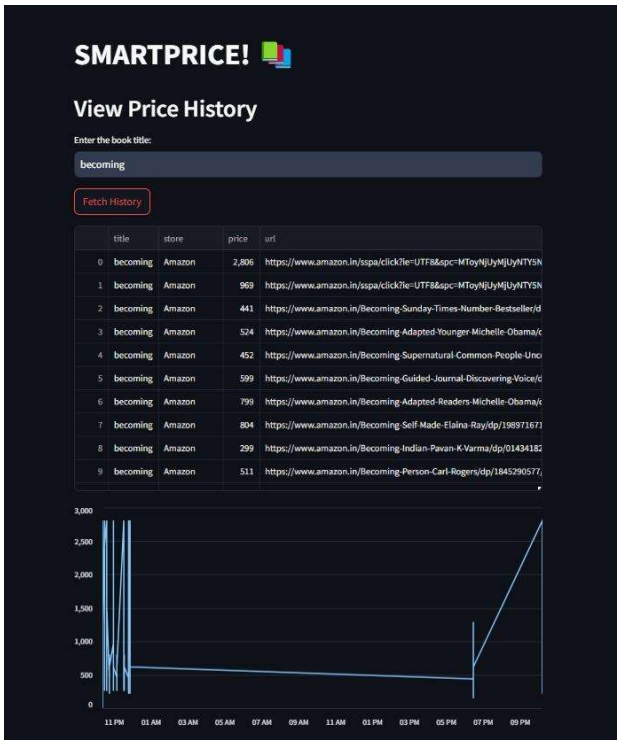



Fig.2

Figure 3 provides an input form for adding new book price data to the database. Users can specify details such as the book title, store, price, and product URL. After submission, a confirmation message ensures that the data has been successfully stored in the database. This feature is critical for keeping the system updated with current pricing information.

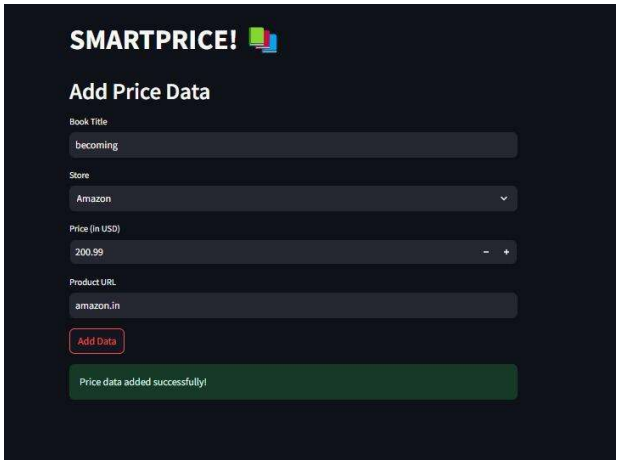
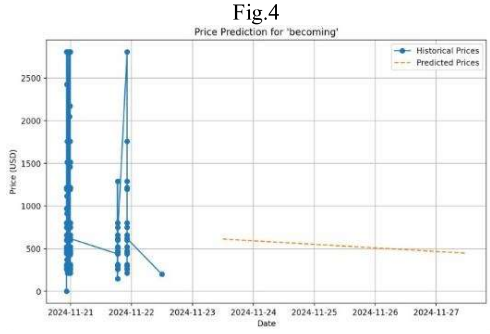



Fig.3

The prediction module enables users to forecast future book prices based on historical data. Users enter the book title and specify the prediction range (number of days). The system trains a machine learning model (Linear Regression) and displays the Mean Squared Error (MSE) for the model. A line chart (figure 4) visualizes both the historical prices and the predicted future trends, helping users make informed decisions about book purchases.

Fig.4




This project outperforms existing solutions by focusing specifically on the book industry and addressing its unique pricing challenges. Unlike generic models, our system utilizes real-time web scraping to provide up-to-date price comparisons across platforms like Amazon, Flipkart, and Google Books. The integration of machine learning regression models ensures accurate price forecasting, a feature lacking in many traditional systems. Additionally, the Streamlit-based user interface offers accessible and interactive visualizations, making it practical for end-users. The system's scalability and hyperparameter tuning further enhance its reliability, making it a superior tool for both consumers and retailers.

## IV. Conclusion

This paper presents an AI-driven dynamic pricing system designed specifically for books, leveraging real-time data scraping, machine learning, and an intuitive user interface. The system effectively predicts optimal prices, offering valuable insights for competitive pricing strategies. Through comprehensive experiments, it was demonstrated that the model achieves high accuracy with low MSE and a high $R^2$ score, validating its effectiveness. The integration of dynamic data collection, robust preprocessing, and advanced regression modeling positions this system as a novel and reliable solution for the book industry. Future work may explore incorporating additional data sources such as user reviews and demand trends to further enhance prediction accuracy and usability.

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