

The background features several abstract blue watercolor shapes. In the top left, there are two overlapping, soft-edged shapes. In the bottom left, there is a cluster of small, dark blue dots. On the right side, there is a large, light blue shape and a series of thin, dark blue curved lines that sweep upwards.

Etsy Candle Pricing

A Value-Based Model

Overview

- **Business Context**
- **Data Used**
- **Price Model**
- **Recommendations**



Value-based pricing model

Data Understanding

6040 candles

Available to buy on Etsy in July 2023

Seller information (ratings / reviews, measures of popularity)

Item information (estimated arrival, returns, etc.)

Data Understanding

75% of candles sell for **between \$14 and \$21** dollars

Min price: \$1.02

Max price: \$350

More expensive listings tend to be sets or personalized

Price Model

Exclude outliers: less than \$3.47 or more than \$31.52

Root mean squared error (kind of like an average error):

\$1.56

Price Model

Using the model as a first-time seller:

0 admirers

4.8 average item rating (almost all are between 4.8 and 5) *

0 review count

0 years on Etsy (0)

Typical response time (try different ones, but not very important)

0 item favorites

Estimated arrival time (try different ones)

Days since listed (try different ones, and plot over time)

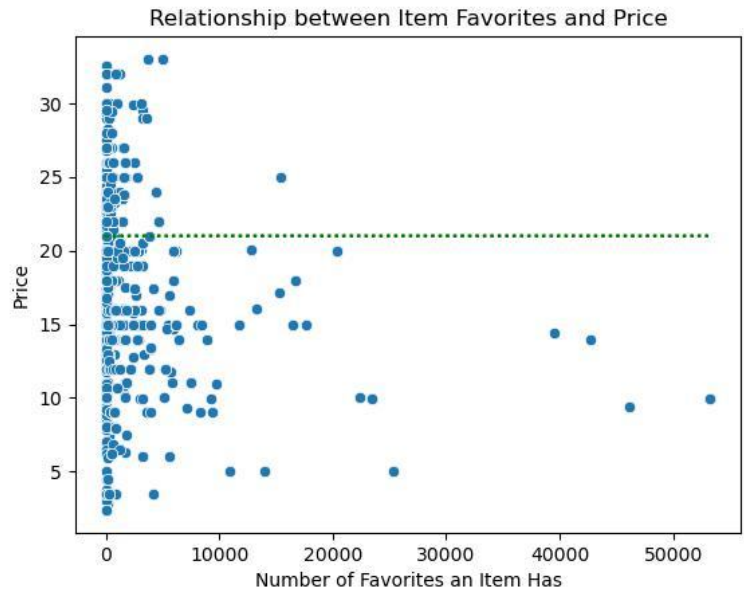
Return and exchange policy (try different ones, but not very important)

Predicted price: \$____

Is this enough to make your expected profit margin? Re-price over time.

Recommendations

- Some evidence that candles less than \$20 tend to be more popular; consider going the “scale” route.



- Re-price when you have a higher review count and more shop admirers. (Can also set a target.)
- Consider exploring higher-priced sets and personalized candles as well.

Thank you!



Any questions?



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