

Every maker has bitter experience of pricing their work too high or too low. Pricing formulas range from the scientific, to the gut, to sheer guesswork. Put the creative stuff to one side and gather your receipts for this essential exercise.

Find the base price of your work

Calculate the time it takes to make the object. Be generous. Think of this as if you had to replace the object or had a re-order for a similar piece.

Think of this as the price if you had to replace the object.

A 'per hour' average industrial wage is a good starting point for, say, a teacher (currently £100 -150 per day depending on years in service).

Add to this fixed hourly rate the cost for power, heating, insurance and other operating costs. Just get the bills and be realistic, this may be an additional 5 percent. If you are not the bill payer, make your best estimate based on the price that you would pay if you had to run a workshop independently.

Other overheads you will have to consider include expenses that are not a part of making the item you sell. They may include promotion or advertising, the services of a lawyer or accountant, a craft or trade show fee.

Finally add the current market value of your raw material. Consider the cost if you have to replace the piece, therefore, do not charge less if the material was discount or free, use the real trade cost. Estimate shipping, packing materials and packaging.

Now you have the 'base price' for your work. This is the price at which your most aggressive competitors will sell. You can increase this price based on your reputation or profile and based on quality of work, design and technical skill.

“How much extra you decide to charge is between you and your ego.” says Richard Raffan, a professional woodturner living in Australia.

Recommended Retail Price (RRP)

The retail price that you have established for your item should be the same for all buyers. This is the price paid by a customer to purchase a single item.

Setting a price for your work and keeping to it through any channel you sell is very important. It means that when you sell to a wholesale customer you are making a very

small profit on a large quantity and when you are selling direct to a customer at a craft fair or from your workshop or studio, you are making a better margin.

Undercutting a shop's price and selling at wholesale prices direct to customers, simply undervalues your own work and can send your wholesale buyer packing.

Proven price points

Talk to your buyers, friends and family and go shopping yourself. There are price points that are universal for certain gifting occasions and you are well advised to think about your products in terms of these prices.

When researching shops, don't limit yourself to craft shops and galleries. Look in homeware outlets, pharmacies, bookshops, beauticians, good delis and boutiques. £150-200 seems to be the going rate for a wedding present.

There are price points that are universal for certain gifting occasions.

Remember the customer may be considering a choice of items that include restaurant vouchers, a trip to a spa, electronic equipment as well as a handwoven throw, wooden bowl or brooch.

Packaging is vital if you are thinking about the giftware and corporate gift market. Once someone is buying for a third party the presentation can seal the deal. Talk to your wholesale customer if you are considering packaging as they will have good advice.

Selling to shops

Some buyers will want to place a wholesale order for your work. This means purchasing more than one item. Wholesale buyers need to buy at less than retail price because they need to cover their selling costs such as rent (normally on a high street), cost of sales personnel, supplies, taxes etc.

The percentage of markup for wholesale is negotiable between you and the buyer but set your price to allow you a profit.

Some outlets have higher mark ups, few have lower. Established retail mark-ups are normally double plus VAT.

- For example you sell your item at a wholesale price of £50, the shop doubles it to £100 then adds on VAT (currently at 20 percent) so the recommended retail price is £120.
- If you choose to make a product that is, for example, £150, this will mean £125 excluding VAT, therefore £62.50 wholesale to you.
- Just under £20 is the magic number for a birthday gift, about £8.33 to you.

Selling direct

This is where you sell directly to the client, perhaps from the workshop or studio, at trade shows where you are personally present or via the Internet.

Use these opportunities to listen and gain valuable feedback on your work and its price.

Sale or return ('on consignment')

Selling through the gallery market is an investment for both parties. The gallery's reputation promotes you and your work stocks their, normally well-located, space. This relationship needs to be worked on by both parties on a regular basis.

If the price to you is £200, their mark up at 30 percent is £260, plus VAT at 20 percent is £312.

Because the gallery does not buy your work – you basically lend it to them – they rarely take the full retail mark up.

Galleries can take anything from 30 percent upwards, depending on their reputation and the price they think their customer will pay.

Remember, when they get paid, you get paid, so work with the gallery to get sales. Give them your best work and send enquires about your work to them.

Pricing for a commission

When a client orders a commission or a prototype, they are asking for something that has not existed to date. You will still need to consider your base price, but there are other factors:

- **Time**
People aren't just paying for your actual time, they are paying for your experience, expertise, skills and artistic talents.
- **Competition**
If there is a similar item in the market, what is its price?
- **How much is this job worth to you?**
If it's an interesting challenge or an interesting company or group of people are you willing to charge less for the glory?
- **Duration**
To be as accurate as possible, ask questions of the client and get a good idea of the real scope of the project. Both need to be specific about what you will provide and how they sign off on the stages - you don't want to be stuck making changes indefinitely.
- **Brief**
Write down the details you agree in your quote and in a brief or letter of

agreement. If the project changes, you will have this document to prove what you agreed and you can adjust your rate upwards accordingly. Some people quote an hourly rate for work above and beyond what was initially agreed.

Other considerations, more specific to visual arts and craft-making, include:

- **Design fee**
Do you or do you not charge a design fee for the proposal? Discuss this with the client – you can waive the fee if the project is confirmed.
- **Maquettes**
Is a maquette, model or sample required?
- **Referral fee**
When you get the job, is there a referral fee that you have to pay to a gallery or agent who brought you the work in the first place?
- **Unit cost**
If this is a first order and it is repeated, agree a unit cost for future orders
- **Presentation**
If presentation packaging is needed for the work, allow the time to research this early on. You may need special die-cuts and tooling up costs for boxes or special screens for printing logos.
- **Reinvesting what you have learned into new projects**
Can you incorporate elements you have solved on this project into a new part of your range? If so, the time you invest can be ongoing product development.

As a craft-maker, what process of marketing is going to suit your work? Check out five pieces of advice on how, and where, you can market your craft.

1. You are the brand

The quality of your work, and your personal manner with people, brings lasting value to the experience of buying your work.

Make a coherent message that runs from your finished work to how you deliver it in person, online, in the printed form, in packaging and on your well-designed stand.

- Appropriate gift packaging, simple care instructions and a brief artist's statement will help enormously.
- Get used to writing short press releases on significant developments in your business. Have you won an award or prize? Has your work been given as a gift to

- an important visitor, celebrity or dignitary? Send a short snappy press release with an image or a photograph to relevant art, general or trade media.
- If you are promoting a product for Christmas, find out the lead times of the glossy magazines and weekend paper supplements and get your text and a good image into the editorial team in good time.
 - This marketing material should also appear on your website – blog packages are free and easy to use – and update your own posts regularly.

2. Nurture your customers

The process of marketing starts, not with your product, but with your customer. You must understand their needs, and satisfy that need at a profit to you.

The quality of your work, and your personal manner with people, brings lasting value.

Look at your own customer base, capture their details at events and from your website. Develop and maintain a mailing/email list and use it to make regular contact.

For example, to announce a product launch or show you are attending. This is the most valuable marketing tool you can use.

When selling at craft fairs or from your studio, use the opportunity to learn from your customers. Listen carefully to feedback and watch their behaviour in your space.

- Are they freezing, afraid they'll break something and keen to go quickly as they feel pressured to buy now that they have 'disturbed' you?
- Or do they like the environment you have created to sell your work and are eager to hear about your process of working?
- Are they spoiled for choice of gorgeous work, happy that you accept credit cards and have they picked up your brochures to give to their friends?

3. Understand the different routes to market

Some of the best places to show your work will be craft and trade fairs, craft shops and galleries.

Craft fairs

There are numerous craft events in the UK, and at all times of the year. Origin, run by [The Crafts Council](#), is the traditional fair where the stand is run by the craftsperson. It is one of the most prestigious craft fairs and attracts great media attention, a very loyal collecting customer, a savvy trade buyer as well as a large audience of craftspeople.

[Collect](#), run by The Crafts Council, and Sculptural Object Functional Art (SOFA) New York, Chicago and Sante Fe are unusual fairs in that galleries select their brightest and

best. They promote them to the media and a craft-aware public who do not expect to see work for less than £200 (usually a lot more).

Also think about other events that your customer visits: The Chelsea Flower Show has all manner of goods other than wellies and plants. Gardeners like interesting plant pots for their valuable orchids, framed prints and fancy napkins with floral patterns. Handmade jewellery can do very well at bridal fairs as gifts for the bridal party.

Trade fairs

People who buy in quantity (for shops or online distribution) go to trade gift fairs. These buyers read trade magazines and get ezines on trends from periodicals and from fair organisers.

If you want wholesale orders, the buyers will not know you exist unless you are at an event they attend. It may take 3-5 years of seeing you regularly at the event and reading about you, before they order.

Shops and galleries

Selling your work through a gallery has many advantages. The gallery has built up a loyal customer base over time who trust them. They may promote you with a catalogue or solo show with good PR.

This will increase your profile, increase their footfall and increase the likelihood of a return on their investment through sales.

Your part in this relationship is very important. If you decide to give work to the gallery, make sure it is your best work. You are investing in their space and they in you, even though it is on a sale or return basis.

4. Choose the right place for your work

Before committing to an event, fair or shop, try and check it out beforehand:

- **Establish if it is busy**
Are people carrying bags? Is money changing hands? Is your work the right fit?
- **Gather ideas about display**
What clever promotional tools can you adapt to your business?
- **Talk to makers or sales staff**
Many are generous with information and will be happy to help (when they are not busy with a customer).

Also, you should decide what kind of outlet best suits your work and attracts your target buyers.

A textile designer was not selling well through craft outlets, so she repackaged her silk scarves to suit boutiques and fashion counters of department stores. She showed at fashion and accessories fairs and did very well in this gift market.

Handmade wooden and ceramic salad bowls take on a new quality when presented in a high end food outlet alongside aged balsamic vinegar and organic olive oil.

The buyer for these shops may only go to healthy living and gourmet food fairs. Think creatively about positioning yourself at the right fair for your end user.

5. Ensure good quality marketing assets

Photography

Good photography is essential. Select carefully from product and lifestyle shots of your work. Use a professional for the latter, preferably someone with lots of styling experience.

Website

Your website is an extension of you and should reflect your work and also act as your virtual shop window. You should spend as much time considering the user as you would when setting up your stand at a trade fair or choosing your packaging.

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Most craftspeople start with a brochure site, which encourages existing customers to find out more about you and where your work is available. Keep the site current, visually strong, fast and easy to use.

If you wish to add online shopping, do your homework fully. Credit card processing may be expensive to set up and many customers need to touch and feel the work before they buy. Make sure your website address is on everything you print or that is printed about you.

Excellent customer service

Be professional at all times. Keep to your agreements and deadlines and communicate clearly and regularly to all your customers.

Commissions allow you to get your creative juices flowing. If your client is interested in stretching the creative boundaries there is no limit to what can be achieved.

Put simply, a commission is an order for a piece of work. A client orders the work and gives the job to you to make it.

In the craft field this can mean large or small-scale work, a one-off or multiples. This can range from public art to corporate gifts and awards, to private commissions like a stained-glass window for a home or a piece of jewellery.

Getting a commission

Find out all you can about the client's needs and their expectations.

There are two main routes to getting a commission: direct and indirect.

A **direct** route means face to face interaction with your client or end-user.

An **indirect** route means working through an intermediary such as a gallery or agent – they act as a middleman between the client and you.

Direct commission

The client may have found you through your website, a craft fair, a visit to your studio or workshop, word of mouth or perhaps they saw your work in an outlet.

There are four useful things to ask if you get a commission enquiry:

1. **Deadline**
Find out when your client needs the finished piece. Can you do it in the time that the client needs it delivered? What if the deadline is tight or you cannot make the volume in time?
2. **Budget**
Agree the budget the client has in mind inclusive of VAT, packaging and delivery costs to them.
3. **Presentation**
Is special packaging required? Once the piece is being handed over to another person, a well-considered presentation box (including your short biography or artist's statement and brief care instructions) can give you a great advantage.
4. **Inscription**
Get the wording as soon as possible and integrate this into the overall design.

Indirect commission

For a public commission, the client is usually a local authority such as a city, district or town council. Crafts Councils and artists' associations run an advisory service for those looking to commission craft and such enquiries are given the best current practice in the industry.

Public authorities often use an intermediary such as an arts agency, a public art service or a gallery. This intermediary takes a fee for this work. They may run an open competition which is advertised in arts, or crafts press as well as in the local or national papers.

If there is an intermediary, make sure they understand your business enough to act as an advocate for you.

Sometimes the client or their agent will approach a short-list of makers and request tenders from them. In this case there is often a design fee paid to you for your proposal.

In both instances the winner of the competition receives the commission and works closely with the project manager until completion. There is normally a schedule of payment over the agreed period of construction and delivery.

In a corporate commission it is highly unlikely that you will deal directly with the client. Their representative handling the commission will be an identity or graphic designer, an architect or interior designer.

Depending on their experience of working with craftspeople they may deal with you directly or through your commissioning agent or gallery. The middleman will agree a percentage of the fee from the client or from you.

Understand the client's vision

It may sound obvious but find out all you can about the client's needs and their expectations. How open are they to a new idea or do they want another Angel of the North?

If there is no brief between you and your client, write one.

Will they want to have the gift you make in a velvet box with a hinge and a satin lining with their logo emblazoned on a shiny object or sparkly piece of cut glass?

Promote your professionalism in a way that gives confidence to the client. If there is an intermediary, make sure they understand your business enough to act as an advocate for you.

You can do this by having a clear and up-to-date website or give the client and your agent a hard-copy portfolio with good images with captions of your best and most relevant

work. List any relevant awards and press that cement your strong reputation and show that you are, for instance, a recognised rising star.

A key question that you should ask is: what is the purpose of the object being commissioned? This will help you conceive a design that will successfully answer the brief. For example:

- Public work needs to add status to the building or park, but must also be vandal-proof.
- Furniture must be functional and well as creating a strong presence in a lobby or boardroom.
- Corporate gifts may need to communicate that the company associates itself with talented and unique craftsmanship and has a responsibility to support businesses in the region.
- Awards must be easy to hand over, have a stable base, incorporate an inscription and look good in a photograph in the hands of the chairman.

Some clients enjoy being involved in the creative approach to their commission and relish putting on the hard hat and going on site or visiting you in your workshop to see the work develop. This may or may not suit you. A great deal of client involvement can lead to changes to the project that can work to your favour.

Other clients want less involvement in the creative process and look forward to their special piece arriving on time and with no alteration from the original order.

Answering the brief

Every commission should have a brief. The quality of the brief affects the quality of the artists' submissions. A clear, researched and unambiguous brief creates a clear framework for artists to respond to. If there is no brief between you and your client, write one.

Never compromise your artistic signature in a piece.

It is essential to have a letter of agreement with a description of the commission, the time-scale, the responsibility or role of client and maker and the fees agreed.

After you have requested a brief from the client or their agent, or agreed your own brief with the client, you should:

- Read the brief.
- Research the project thoroughly, its deadlines and its costs.
If you have to work as part of a team, understand your role in the team and outline this in your proposal. Be relevant in the experience you outline for your fit with the job – don't list your life's work
- Read the brief again.

- Create your proposal and communicate it in the context of the end user. It is best to get into a project early, which helps to get your pitch onto the main materials budget rather than the art budget – the latter can be cut when projects overrun.
- Re-read the brief.
- Complete your submission, be professional and on time with it.

When you get the commission, continue to communicate clearly and regularly and keep to the deadlines.

Never compromise your artistic signature in a piece. Try to make sure that your skill and unique vision is articulated in the work. This is your résumé and your legacy and will form part of the portfolio of work for future projects.
