

SELLING YOUR DESIGNS...WHAT ABOUT PRICING?

At Canada Beading Supply, we get a lot of questions about how to price jewellery that is being made from our merchandise. There is no single formula for establishing a price but here are some factors to consider.

1. **What are your costs?** Most people think about the cost of materials and the time it has taken to produce the end piece. Think also about the time it has taken for you to develop your skills to make “saleable products”, the time it has taken to drive around to get your input materials, the car and gas expenses, and the costs for your studio costs, travel, advertising, shows, credit cards, insurance and web site. For this list, you might be able to come up with a figure you can use as a multiplier with the direct cost of the materials and time for each piece.
2. **What is your competition?** If your work is truly unique and something that an art gallery might carry, then your price will probably be high. You are competing with art work. Your production time is probably longer as you would be making one of a kind pieces. Your carrying costs are probably going to be higher as there is likely to be a lower turnover given that the pool of customers is likely to be smaller. If you are making something that is easily copied or similar to inexpensive imports or the design and instructions are in a book or on the internet, then you will have to price accordingly. Potential customers may think that they could do it themselves and at a better price. Their trade-off would then be “is it worth my time to search for the materials or is it better just to pay the price on the item before me?” Then there is a range of products in between.
3. **What selling venues do you have access to and what type of clientele do they attract?** You may want to have different product lines for each of the venues. If you are selling through a store or a gallery, they will apply a mark-up to cover their costs and the opportunity they are giving you to present your designs to their clientele. If you are selling at a farmer’s market, people attending are there to buy food so may not be predisposed to spending money on jewellery. It may be that the market has a tradition of selling other merchandise as well as food in which case check out the price ranges of the “other merchandise” to see if your prices are in the ballpark. If you are selling at a craft show, do some market research beforehand. Some shows have a strict screening process and get more experienced and better known designers and then set out to attract more upscale customers. Others might attract merchandise considered as “home crafts” selling in a lower price range. No matter what market you are in, have a range of price points but devote more space to the products which seem to match the expected market. When you are starting out, and after you have an idea of what you think the price should be, try to get several opinions from people who are “shoppers” to see if your prices are reasonable for the market you want to be in. Also do some comparison shopping yourself.

Here is an example that might clarify the pricing dilemma. Many years ago when we had completed a buying trip, we went comparison shopping at an upscale department store in Beverley Hills. There was a simple necklace of purple jade similar to what we had just bought for the first time. The only design element was a little silver Buddha pendant added slightly off centre. The beads were not knotted and no bead tips or French wire were used to attach the beads to the clasp. We calculated that the Canadian retail cost of materials was under \$300 whereas the selling price was about \$1350 Canadian. It seemed like a high price to charge for no design, unprofessional technique and a fancy box from a well-known department store but someone figured that the clientele they attracted would be willing to pay.

The bottom line is: after considering all of the above, develop what you think is a fair price for your products and then do some comparison shopping. Then try to get some honest feedback from people who shop in your target market to determine whether your idea of fair price is reasonable. Artists rarely feel they are getting a fair price for their effort so it may be that you decide to settle for less of a financial reward so that you can do what you really enjoy. Remember that it is easier to lower your prices than it is to raise them.