



# What you need to know about pricing and selling

Kurt Hertzog considers different ways of earning money from your turning

**A**t the risk of opening a can of worms, I thought that the subjects of pricing and selling should be included in this series. These are topics that often touch a nerve yet most of us have a stake in them. There are several questions that you must ask yourself before you can tackle these subjects. I'm assuming that most of us are 'amateurs', i.e. we don't count on our earnings from woodturning to pay the mortgage and feed the family. If you do, you probably already know more about pricing and selling than I'll be able to share with you. For the rest of us, you really need to decide which category you currently best fit in to. There is a group that is content to recover some of their costs to help support their hobby. Others want to make some money from their turning and use it for expenses. As such, they'll be content to make what they can provided it shows a profit but they aren't in it for the ego thing. The third group is the artist types who often equate the price of a turning as

a sign of accomplishment. Their market is usually limited to the collector or wood art aficionado. Let's explore further.

## Which category do you currently fall into?

Let me preface the entire discussion with these caveats. There is no judgement intended regardless of which group you place yourself in. Also, be aware that there is a blurry line with folks sometimes residing in more than one group either intentionally or accidentally. The last comment is that often turners progress through the groups.

If you are only hoping to recover some of your costs, your pricing issues are pretty simple. You can price your work based on whatever the market will bear. If you are cranking out pens, bottle stoppers, seam rippers, bowls, ornaments or whatever, you are going to price your stuff to sell. Often you won't even cover your material costs, much less your true overhead. It really doesn't matter to you. You're just getting the stuff

sold to make room for the new and other monies subsidising your hobby are accepted. Selling prices may fluctuate depending on whether you are selling at work, in the church bazaar or at a craft fair.

If you are turning to make some money but don't rely on it for your income, you have flexibility in your pricing but your goal is to make your hobby pay for itself. As such, you aren't willing to sell things at a loss. You want a fair price for your work and are willing to wait until you can get it. The people in this category are often the craft fair turners in the juried shows and they turn items based on the shows that they choose to do. There will always be another show after the current one, anything that doesn't sell now can be used as stock for the next show. Since it is pin money, the sale can wait until it brings what you feel it is worth. The 'worth' definition is the tricky part but more on that later.

The last category is the most intriguing. The artist turner has their ego in the mix. They believe their accomplishments as an artist are measured by how much their turnings sell for. That, coupled with the margins that a gallery or other sales agent needs to handle the work, means there needs to be a healthy markup to provide everyone with their percentages. As the artist measures their rise within the woodturning sphere, the prices must go up appropriately as a measure of their ascension.

## KEY POINTS ABOUT ASSESSING YOUR CATEGORY

1. Decide which category or categories you currently fall into
2. You can belong to more than one depending on your reach
3. Your growth as a turner will usually mean you progress but this is not mandatory
4. Do not be ashamed of your current work! It is a journey
5. Selling 10 £100 items each with a profit might trump a single £1,000 sale

## WHO IS YOUR AUDIENCE?

Regardless of which and how many categories you fall into, you should have a pricing and sales plan for each of them. The first order of business for any discussion is your audience. Who is your audience? That will drive your

plans. Let's explore the different audiences and what keys you need to use in your pricing. Not to be simplistic but we need to contain the subject so I'll lump the audiences into a few categories. Let's say there are the

bargain hunters, the less price sensitive and the collectors. With these three audiences, there are the venues of non-contact sales, the hands-on sales and the third person sales. I believe all six of these interact and overlap.

## FOR THE BARGAIN HUNTERS

This is by no means derogatory. It is a fact that many people shop based on price with far less or no regard for materials, workmanship or uniqueness. To cater to this category of shopper, you'll need to be ruthless in your pricing lest you lose sales to the turner with a slightly lower price. With the popularity of woodturning and the cost of equipment and consumables, the newly smitten often fall into this category. Their need to make a pen, bottle stopper, seam ripper or whatever out of every possible species available begins to dig into their wallet. That, along with the available space for turnings, drives their sales efforts.

The sales venues are often 'out of the shirt pocket' to co-workers, friends and family. Other venues for reaching their markets can be online through their own website or online marketplaces such as Etsy. Many

of these shoppers don't have any knowledge of woodturning. Their judgements are not based on much more than pricing. Whether you are shirt pocket selling or have a table at the church bazaar, your turning will be a spur-of-the-moment purchase for the buyer. It will help fund your future expenditures although usually your pricing will rarely cover more than a fraction of your true costs. Price as you feel appropriate. You'll want the turnings to sell but don't leave money on the table. One of the mistakes often made here is that the number of sales is confused with success. If you get many of your co-workers to buy your turnings, it may be down to goodwill rather than your prowess as a turner or salesperson. The same applies to sales to relatives, neighbours and friends. When you run out of co-workers, relatives and friends to sell to, where will you look next?

### KEY POINTS FOR BARGAIN SELLING

1. Price is usually the only purchasing decision criteria
2. At venues with competition, you'll need to be comparable or less expensive
3. Explaining the finer points of materials and workmanship is nice but...
4. A great method for helping to fund your learning process
5. Can be a 'loss leader' for more upscale turnings
6. You often need to be prepared to bargain on price
7. Do not confuse quantity of sales with success, you're usually selling at a loss
8. Don't present too much material in your display. It causes 'bargain bin' pawing



At the unjuried or bargain festival events, you'll be mixed in with all sorts of other merchandise. Your buyer is often only concerned with price



While you may get plenty of traffic, many are there for a pastime rather than shopping. The ratio of lookers to buyers is usually high

## THE LESS PRICE SENSITIVE MARKET

This market is where the largest percentage of us fit. We try our best to make our turnings attractive and to make the workmanship as accomplished as possible. The target market now becomes someone who is willing to shop and purchase based on uniqueness, workmanship, materials and your turning accomplishments. This market can still be the same sales venues as before. You can sell to co-workers, family and friends but your pricing will be more in line with the real costs and perhaps a greater value. The shows that you might participate in will usually be juried to set a threshold for vendors. Usually these shows have an entrance fee. This ensures that

those attending have an interest in the show rather than just killing time on a pleasant weekend day. Your pricing will still need to be competitive with your contemporaries who are in the same show but you'll learn over time which shows you'll want to participate in. For those selling via their website and/or Etsy-style sales venues, you'll be marketing your work with more of a flair towards the workmanship and materials.

For pricing simplicity, most turners will take a simple multiplier of their raw materials costs to arrive at a sales price. To that they may add a fixed markup to cover other incidentals. The goal is to at least break even

or make a profit. Forgetting your hourly wage at this point, the things that you may want to quantify are: equipment and tool costs, utilities and space costs, consumables such as abrasives, finishes, etc., marketing costs, shipping, taxes, insurance and other real costs. For most, these are lumped into the multiplier. You are free to pick a number that suits you but you certainly will not be long on the show circuit if your booth costs, travel, accommodations, meals, parking and other out of pocket costs aren't covered along with your product costs.

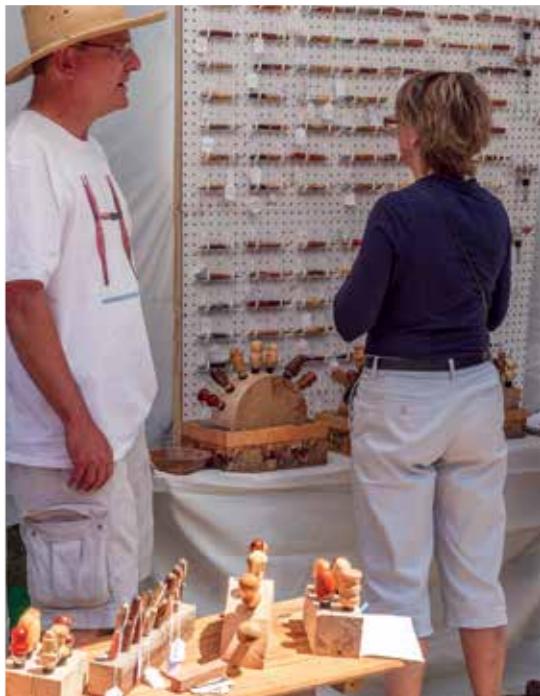
When selecting your shows, timing is key. Being in the right venue at the right time

before gift-giving holidays and events such as graduations, weddings and the like will pay big dividends. Your shopper is more likely to be freer with the cash when it is a gift for someone special. If you aren't a show marketer, you'll still be aware of the costs of your marketing such as advertising, web costs or other monies spent on reaching your customer. This can include your commissions should you be selling through galleries, craft stores and souvenir shops. For those selling direct, you can still shirt pocket market. Pick your market for their upscale needs. Your customer is far less price sensitive if they are a physician rather than a stock clerk. Their quality and workmanship demands will be higher but there is certainly more upside profit potential. For those envisioning an internet sales bonanza, remember with worldwide marketing comes worldwide competition. Everyone in the world is capable of being a competitor in product, quality and price. Not only are the customers in different parts of the world different in their buying habits but also in their value judgements. What sells well in

your vicinity may never sell at all somewhere else. Your view of the acceptable world pricing may be a surprise when you get a dose of reality.

### KEY POINTS FOR MORE UPSCALE SELLING

1. Pick your venues carefully. Your inclusion there speaks of your work
2. There may be added costs but your clientele should be worth it
3. Be aware of the costs of your partners such as galleries and shops
4. You will do well to not undercut or compete with your partners
5. You can still sell direct but be aware of your relationships
6. Pricing can be 'what the market will bear'
7. Don't kid yourself about your real costs. Understand them all
8. Your remote customers will only be buying on the image. Make it good
9. Having multiple price point products will offer choice to your customer



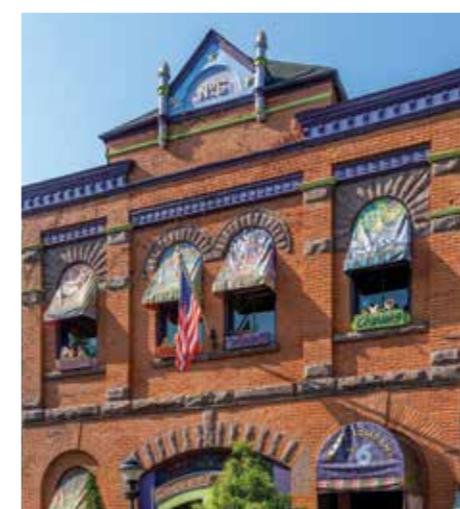
Having sufficient inventory to offer a good selection is important. Being present to answer questions and sell is always helpful



There is an art to being attentive yet not overbearing. The presentation of your booth is also key to bringing the customer in



Whether generalist or specialist, the show and your location within the show are very important. Upscale shows with few direct competitors work well



Craft stores and galleries are valued outlets for your work, but bear in mind the payment delays and added costs of commissions



Presentation is extremely important. The platters and bowls in the back aren't likely to sell but the spoons and ladles might fare much better



In a woodturning gallery or craft outlet, your customer is more likely focused on turnings but you are among other competitors for sales

## SELLING TO THE COLLECTORS

While there are many different categories of collectors from fellow turners to international art galleries, they have a lot in common. Other than the craft and souvenir shop sales, the customer is usually collecting the artist first and the piece second. As such, you'll have already needed to prove your prowess as a turner and artist. The work you present will need to be unique, flawless and representative of your style. Most of the pricing you'll use when in this arena is suggested by the gallery or retail shop. Part of the value that they bring to you is their feel for the marketplace. Knowing the current state of the collector or their retail customer is important to bringing the buyer and seller together. In good times, the purses are a bit looser and in tougher times they are tighter. Not necessarily because the collectors are having a tough go of it. It is usually because when times are tougher, the market is softer with more

bargains to be had. Don't lose sight of the fact that everyone from the tourist attraction gift shop to the highest end wood art gallery are collectively included in this.

For the most part, the turner partners with the gallery to be their sales agent. As such, the value to the turner is they can focus on creation rather than sales and marketing, especially as you ascend through the steps from early days to being collected. Your knowledge of the collectors is likely to be limited and the chances of them being introduced to your work are far greater through a gallery. That said, you'll be paying for that service. Gallery and other shop commissions range from 40 to 60% of the sale price. In the souvenir shop and the like, prices are 'keystoned', i.e. doubled. You get half and they get half. Remember what that does to the retail customer and what impact it will have on your net. The turnings are on consignment to the gallery. That means that

you get paid after the sale is made and often with some additional delay as well. There are also other costs that the artist will bear so plan accordingly.

Other than the craft and souvenir shops, this market is not for kit parts, easily reproduced identical multiples or flawed parts. As the artist – notice the change from turner – you are welcome to sell directly as well. You will do well to not undercut your galleries since it is a recipe for hard feelings and short relationships. They aren't in the business of building your reputation and desirability among the collectors only to have you leave them out of the commission loop. Pricing at this point has no bearing on cost. It is solely on the health of the marketplace and your desirability to the collector. The pricing at the gallery's suggestion will incorporate a price that will provide for a commission for the gallery and an acceptable profit for the artist.



Regardless of how well your turning is made, the collector is usually not interested in kits or easily replicated items

## KEY POINTS ON GALLERIES & COLLECTORS

1. Pricing in the craft and souvenir shops is usually their choice
2. They are a great outlet for selling turnings, especially production items
3. Pricing in a gallery is also at the suggestion of the gallery
4. Most galleries prefer 'one of a kind' items. A series – yes, production – no
5. There will be delays in payment and commissions to pay
6. Selling though a gallery or shop is usually a slow process
7. Another cost is breakage and shrinkage, usually made to be your responsibility
8. True costs often have no bearing on final pricing. The market does



There aren't accidents in presentation in most galleries. Much care is given to make the work as enticing as possible



Buying and selling at the collector level relies on presenting the work in the best light. No pun, but lighting and presentation are crucial



At the AAW EOG art auction, the collectors get up close and personal with the works they intend to bid on. Their collection is a thoughtful endeavour



The collector is interested in the 'one of a kind' item that will not be replicated. They are buying the artist first and then the unique piece second



The value a gallery brings is presentation at the right height, in the right place, with the right lighting, to the right audience



Even at a temporary site, great pains are given to the customer experience. Layout, lighting, mix, presentation, colour balance and more are key



The galleries are laid out and lit with much planning. Presentation of the works is key to the appreciation of it by the attendees or potential customer



In most collections, being part of the gallery's collected works is the honour. Being displayed with contemporaries is the prize for most turners

## CONCLUSIONS

Very few turners actually make a living at turning. Good production turners can do it, but the artist turner usually needs other income streams. These can include demonstrations, classes, videos, product endorsements and writing. This is said not to be negative but to be realistic. When pricing and selling your work you must realise that the market may not bear what you believe your work is worth. That can be either from the average buyer at the church bazaar or the collector of wood art. Knowing your market and the price points in that market will help you sell if that is your goal. If you only want to recover some costs, that is very easy. If you really want to make money, you'll need to be brutal in your cost analysis so you don't slowly wither into financial troubles believing you are



Believe it or not, your toughest audience is yourself when preparing to show your work to your fellow turners

making money. Depending on your aspirations, you may be quite content to sell slimline pens at a very attractive price anywhere and everywhere. If that is your goal, good for you. If your goal is to have

your work in a gallery or museum, then you have a different path to take. Truly knowing your audience is the best advice you'll ever get. Knowing that will guide you through the rest. ●