

GUIDELINES FOR PRICING YOUR ART

Excerpts from "The Right Price Sells" by Sue Vidars, *The Pastel Journal*, October 2005

The goal: To reach as many buyers as possible.

The strategy: To develop a pricing system and a long-term marketing plan.

At the beginning of your career, it's advisable to keep your prices affordable. Do your own market research. See what other artists are charging. Once you've checked out your competition, price your work a bit lower. Pricing your work so it'll sell is your immediate strategy; next you'll need a long-term pricing strategy. Ask yourself: Do you want to pursue galleries and the high-end collectors' market, which is about 10% of the total art market, or would you rather offer more affordable products – concentrating on the mass market, which comprises about 90% of the total art market?

Let's imagine you have a framed 16X20 pastel painting at the ready. Here are four different ways to decide how to price your work. Is one way better than the others? Find the way that works best for you and best reflects your approach to marketing. The following are general guidelines.

The Scientific Approach

Frame and two mats cost \$150. Paper and pastels – \$25. Time spent out in the field, time developing the composition, and time spent in the studio – 6 hours. At a minimum of \$25 per hour, multiplied by six, labor costs are \$150. Total cost to yourself of \$325, which is OK if you're selling wholesale. But if selling at a gallery with a 50% commission, the price will have to be doubled to \$650.

The Subjective Method

You see a painting similar to your own at a gallery. It is priced at \$650. Taking this into account, you decide to price your painting somewhere between \$350 and \$495. Compare prices at more than one gallery, plus specialty furniture stores and gift shops, outdoor fairs and festivals.

The Quantitative Approach

The public assumes that the larger the size, the higher the price. To price work multiply the square inches of the painting by a given price point. To find the square inches (the area of the painting) simply multiply the length of the two sides of the painting. For example, $16 \times 20 = 320$ square inches. An average price point per square inch is between \$1 and \$2. So $\$1 \times 320 = \320 ; $\$1.50 \times 320 = \480 ; and $\$2 \times 320 = \640 . To this price point table add 10% to cover overhead costs.

The Brand-Has-Value Method

When you're just starting out, you have little or no name value; therefore, prices should remain low until you're selling well and your name, as a result, has grown in value. Then on January 1 of each year, raise your prices by at least 10 percent.

Set Price Points to Reach Many (and different) Markets

To be financially successful in the art world it's vital that you reach as many potential buyers as possible. To that end, consider having three different price points:

- Middle range (*galleries, businesses and corporations*): The people who buy works in your middle price range are your first market. Your everyday work falls into your middle price range.
- High end (*collectors, commission work*): A masterpiece doesn't happen too often. This masterpiece is the very best you can do; it deserves a higher price point. Price this painting at least four times above your normal price. Now you have a high-end product (and a second market).
- Bargain Shoppers (*studio sales, gallery bins, home shows*): 1. You can take the masterpiece painting and turn it into prints – giclees or offset prints – price them low; 2. Create small, quickly done paintings that are also priced under \$50; 3. Print cards.