

PRICING TIPS FOR CRAFTERS

A collection of pricing posts from Barbara Brabec's
HandmadeForProfit.com blog (now closed).

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Adjusting Prices of Your Products

Trying to figure out how to price your art or craft products? Consider these pricing tips:

* **HIGH PRICES** force buyers to weigh their desire for your work against the money they have to spend. Some will mentally compare your beautiful creations to the price of machine-made imitations and walk away feeling your prices are unrealistic. On the other hand, if your prices are too low for the high-quality work you are offering, some people may feel you do not place a high enough value on your work, so they do not care to own it. Try to find a happy medium.

• **TO APPEAL TO EVERYONE**, offer an assortment of items priced in a broad range. Offer a quantity price to customers who buy several items of a kind. If you have some older lower-priced items you'd like to get rid of, consider offering one as a freebie with the purchase of a higher priced new item. (Everyone likes to think they are getting more than they're paying for.)

• **IF YOU CAN MAKE A PROFIT** on a three-dollar item, that's fine, but lowering prices on something that should sell for \$10 or more is rarely the solution to sluggish sales. There will always be people with money to spend, so the real secret in selling more of what you make is to make more of what people want to buy. (See my [Make It Profitable](#) book for tips on how to brainstorm for new product ideas.)

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Setting the Last Two Digits of a Price



Before deciding on the last two digits of your price, check to see how others in your industry are pricing. For example, if you're selling quality handcrafted products or art, avoid the \$5.98, \$10.99 type of prices found in discount stores. (I've noticed that most Etsy sellers are using either round numbers or prices ending in five, which to me is a much more pleasing number than eight or nine.)

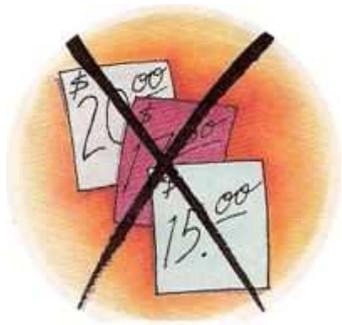
If you're selling a self-published print book, set figures that end in \$.95 or \$.99 like most other trade publishers or, if selling an eBook or report, the magic ending

number today seems to be a “7” (\$7, \$27, \$47, \$197, etc.). When offering a service—editing, teaching, speaking, website design, etc.—use round figures such as \$35 an hour, or quote a job total in nice round numbers.

The use of weird prices in an industry that traditionally uses a certain type of pricing will only mark you as an amateur, so do your research and price accordingly. Says marketing professor Donald W. Caudill, “Some researchers believe that there exists some magic in ending a price in six, seven, or nine. Seven, as you know, is a lucky number; six and nine double and triple the powerful and mystical three. Others suggest pricing on the even dollar because buyers automatically round up to the nearest round figure.”

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Think Twice Before Lowering Your Prices

When business is sluggish, particularly in recessionary times, many sellers lower their prices in hopes of selling more products or services.

Before you do this, stop and consider that a lowering of prices by 20 percent will mean that you have to bring in more than a 20 percent increase in sales just to offset your loss of revenue. It's tough to increase sales by 20 percent in a good year; in recessionary times, it's likely to be impossible. Perhaps a better strategy is to keep your prices the same, but introduce new and less expensive variations of your stand-by products and services.

For example, I learned during one recession that, while fewer people purchased my books, more of them purchased my inexpensive line of special reports. And they often spent more on several reports than they would have spent on a book, indicating that lack of dollars was not the issue here. In recessionary times, people simply become more careful about how they spend the dollars they have. Perhaps buyers perceive special reports to be worth more to them when money is tight because they zero in on specific topics of interest to them at the moment.

Pricing Psychology

An even better solution to lowering prices is to increase them—even double them. I've been giving this advice to product sellers for years, and many have told me how well it works. I've found it works even when done accidentally. In

one of my monthly magazine columns, I once offered one of my self-published books at \$11.45 ppd., but due to a typographical error the price appeared as \$22.45. Nevertheless, I received almost as many mail orders for the book as I'd received when it had been offered earlier at the correct price (and had to send a lot of refund checks as a result). Clearly a certain percentage of my column's readers felt this book was worth twice what I was then charging for it, proving once again that you can double your present prices and still find a market willing to pay for what you offer. *Think about it.*

It's true that by doubling your prices you may lose some customers, but your higher price will automatically attract a totally new audience of buyers. Once there was a woman who started a teddy bear repair service. When she eventually decided to do something else, she thought she had an excellent strategy for killing her bear business: she would simply double her prices to discourage customers. To her amazement, business increased. As one customer explained, "I was reluctant to bring my antique teddy to you before because your prices seemed suspiciously low. Now I'm confident you can be trusted to do the job."

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Why Do We Sell So Cheap?

by Charles Lewis

This article by a craftsman of the 1970s, first published in Artisan Crafts magazine, illustrates that, historically, craftspeople have always had a tendency to underprice their wares.

TO GET AN IDEA of just how low the craftsman and artist prices his or her work, think about trying to do it for a living. If you could sell all you could produce working full time, would it be enough to live on? If you are able to make a satisfactory living, you are a professional. The rest of us are amateurs.

As amateurs we can do very high quality work—the distinction being that it takes us a lot longer. Another consideration is the ability of the professional to do just enough work to make his work salable. As amateurs we often find ourselves not doing well enough, or we work beyond the point of adding value.

There is, however, a way for the amateur to ask more for his or her work. If we create original works of outstanding beauty, we should add to our price a

consideration for the design effort and time it takes to develop a unique idea. When we produce an item that is worthy of respect we should not hesitate to put a price on it that repays our effort.

Just for fun, try pricing some of your work on the basis of \$5 an hour plus material. Don't worry about adding anything for your investment in tools or other overhead. How does the price compare with what you have been asking? If you show at art and craft fairs, try pricing a few items at what you think is the right price. At least you will have some diversion just watching the expression on shoppers' faces.

I personally do this. I am honest to the extent that I would not make another item for less than the high price I'm asking. I don't attempt to justify these prices; I just wait for the person who appreciates what I have done to pay the price.

As long as we undervalue our work there will be good people willing to buy a bargain at our expense. We must be honest and realize that it takes quality and originality to command a fair price.

Editor's note: This article is reprinted from the April 1972 issue of *Artisan Crafts*, a quarterly magazine published by Barbara and Harry Brabec between 1971-1976.

Like so many of today's New Century Artisans, Charles Lewis began serious craft work to relieve the pressure of his job, then progressed from traditional whittling to art forms while developing his technique of fine finishing. He began to sell in 1970 and, at the time he wrote this article two years later, it was his hope to be able to devote full time to carving and sculpture. I hope he was able to realize that dream.



Barbara Brabec

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