



# A GUIDE TO PRICING YOUR ARTWORK

November 2014



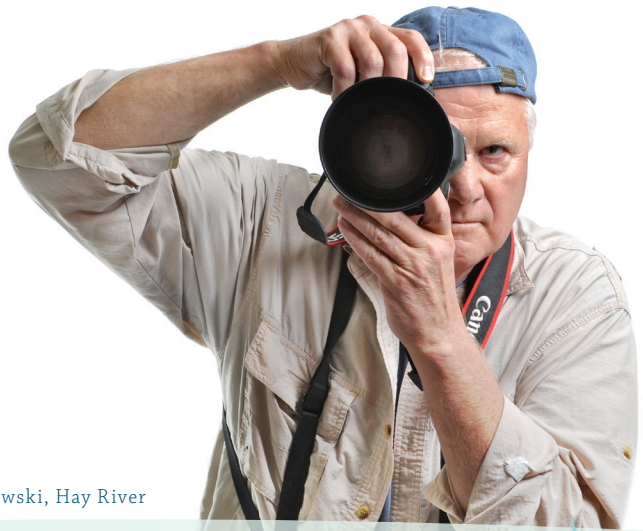
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Gary Vizniowski, Hay River



# INTRODUCTION

## What is my art worth?

How to price your artwork is often one of the toughest questions. There are many factors that determine what the price of your work should be. This guide will walk you through some of the factors to consider, as well as provide some valuable guidelines to help price your work.

*To help explain our information, we will use the example of Nancy and the mukluks she is hoping to sell.*

*Nancy lives in a small community in the NWT and creates traditional mukluks in her home. She sews in her spare time and when her young children are at school. Nancy has just finished sewing a high quality pair of beaded moosehide mukluks with beaver trim.*

Let's follow her through the process as she determines their price and how she will sell them.



Flora Cli, Nahanni Butte

## THINGS TO CONSIDER

Arts and fine crafts are considered a luxury item. This means only a small percentage of consumers will be in the market to purchase these items. Your product will compete in the marketplace with other pieces of art.

### **Be aware of what is happening in the market and price accordingly**

The market will determine what you sell and influence what you produce. This is particularly true for artists making arts or crafts of a similar nature (reproduction prints, baskets, etc.). You should research the market to see what other artists are producing, where they are selling it and for how much. Although this is good information, always consider the originality of your own work, the time it took you to make it and where you are in your career.



Michelle Guile, Yellowknife



## **Produce what you sell, don't sell what you produce**

This does not mean you have to compromise your creative efforts. Just be aware of what is selling and what isn't so that you don't end up with too much inventory and not enough sales.

## **Quality always outweighs quantity**

Quality is very important and will create future success for you as an artist. You should always use quality materials and do the best work you can do. It is better to sell fewer good quality products for more money, than it is to sell more poor quality product for less money.

## **When it is time to increase your prices**

When the demand for your art exceeds your ability to produce, you should consider a price increase. Keep track of your sales and ensure you are selling at least half of your inventory prior to increasing prices.



Jamie Look, Yellowknife

# DETERMINING PRICE

Whether you sell your work on your own or through a retailer, you must first determine a price for your art.

Exhibitions, commissions and gallery representation can all play a role in building your reputation as well as your prices. Other factors include inflation and the availability and cost of materials. Pricing your work too high or too low will have negative impacts on your business, so you really need to research your market and set the right price for your art.

## Factors to Consider

1. Labour (your time)
  - Estimate an average hourly wage for yourself.
2. Expenses\*
  - Fixed monthly costs in order for you to be in business – portion of rent, rental of workshop, lights, heat, insurance, etc.
  - Tools – how much your tools cost.
  - Advertising and promotion – Facebook ads, newspaper, photography, etc.
  - Shipping and packing materials.

*\* To determine your expenses: add your regular monthly expenses together and divide the total by the number of pieces you would like to sell that month. If you have additional expenses for one-of-a-kind pieces, add them to your cost.*

Edith Haogak, Sachs Harbour





### 3. Materials

- How much you spent on materials to make this piece – such as needles, thread, hide, fur, beads, duffle, etc.
- Sometimes you may get materials free of charge. You should still factor in the cost of your materials when pricing each item.

### 4. Profit

- Your expertise – an additional value you choose to mark up based on your reputation, experience, knowledge of your medium, etc.
- If you create a piece that stands out above the rest of your work, you may want to give this piece a higher price based on its quality or originality. Use your judgment and knowledge of the market to determine a price in these cases.

**Labour + Expenses + Materials + Profit = Wholesale Price**

**Wholesale Price x 2 = Retail (Selling) Price**

*Nancy calculated the wholesale price of her mukluks to be \$225. She will sell them for the retail price of \$450.*

Bertha Chicksi, Tuktoyaktuk





## CONSISTENT PRICING

It is very important your art sells for a consistent price. The retail price you have calculated is the price of your piece of art, whether you sell it on your own or through a retailer.

This consistency will establish the value of handmade, original works of art in the marketplace, and help you build and maintain your reputation as an artist that creates quality pieces of work.

If you sell your work directly to a customer for less money than the gallery sells the same piece for, you are essentially competing with yourself and them. If you have established your own clientele, you may be satisfied selling your own work directly to customers and may not need or want to go through a gallery. Either way, it is recommended that you always price your work consistently.



*Nancy sells her mukluks for \$450 at the craft fair, and a similar pair is sold for \$450 in the local gallery. Nancy has set the standard that her mukluks are valued at \$450.*

Curtis Taylor, Tuktoyaktuk



# WAYS TO SELL YOUR ART

Now that you have made and priced your work, it's time to sell it. There are four ways to sell your art:

## 1. Direct

You can sell your art directly to a customer. There are opportunities in your community to sell your art, such as annual craft fairs or art shows. Selling online through your website or Facebook page is also considered direct selling.

*At the Christmas Craft Fair,  
Nancy prices her mukluks  
for the retail price of \$450.*



Bertha Kenny, Déljine

## 2. Retailers

If you are looking for additional ways to sell your work, galleries and gift shops (retailers) can help you do this. However, retailers will need to purchase your work at a wholesale cost, in order for them to cover their own overhead costs.

This means you will sell your piece of artwork for less money to retailers. Typically, you will need to sell your art to them for the wholesale price, which is 50% of your retail price. It is important to know what your retail price is prior to meeting with the retailer. This ensures you don't sell your art for too low of a price.

The retailer will then mark up the price accordingly and sell it to the customer. This is standard practice for all retail businesses in order for them to make a profit.

Ideally this will free you up to make more artwork and increase your sales without having to go out and find buyers yourself. Retailers do the work for you. Galleries and gift shops advertise and work to bring in customers on a regular basis, which can increase your sales.

*Nancy sells her mukluks to the local gallery for the wholesale price of \$225. The gallery then sells them for Nancy's retail price of \$450.*

Marnie Hilash, Inuvik



### 3. Commissions

A customer can pay you to create a specific piece of art for them. Commissioned pieces should be priced with the same considerations in mind. If the commission involves a lot of upfront time or costs to you, it is a good idea to ask for a downpayment before you begin the work.

*A client asks Nancy to make a pair of mukluks with green flowers, extra large in size for her son. This will require more moosehide, so Nancy calculates the extra cost and prices them at \$500. Nancy asks her client for a downpayment of \$150 so she can purchase more hide and begin making the mukluks.*



Louis Nigiyok, Ulukhaktok

#### 4. Consignment Sales

You can enter into an agreement with a gallery to show and sell your work and then pay you once a sale has been made. Consignment rates are negotiable, but the industry standard is usually 50% of the retail price. It should never be higher than that. Consignment agreements should outline items such as insurance, shipping costs, discounts, damage, etc. Payments should be made no later than 30 days after your work has sold.

Consignments are more common with higher end works of fine art that fetch a higher price. Galleries can often not afford to carry large inventories of fine art.

Consignment is not ideal for those wishing to make a regular monthly income from their arts and crafts. They involve diligent record keeping and a high degree of trust. Do your research on the gallery and always have a signed agreement in place.

*Nancy approached a new store to sell her mukluks, but the store wouldn't buy them outright. Instead, she agreed to consign her art to the store. The store will price them for \$450 and when they sell, Nancy will get 50% of the retail price, or \$225.*

Natacha Kruger-Rewega, Hay River



# THE NWT ARTS PROGRAM

**Your art has a story to share. NWT Arts is the storyteller.**

The NWT Arts Program promotes arts and fine crafts to local, national and international markets. The Program is available to all NWT artists who create all forms of art, such as traditional and contemporary visual arts and fine crafts, performing arts, literary arts and film/new media art.

All NWT artists are encouraged to register with the NWT Arts Program. If you are not already a member, registration is FREE and EASY!

For more information, contact:

## **NWT Arts Program**

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Alison McCreesh, Yellowknife









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