

## Chapter 24: Pricing Your Work

Pricing your work is a very complex question, and I have seen it make or break many artists. One cardinal rule every artist should live by if they wish to be considered a professional, is to never, ever, *ever* allow ego to determine your pricing. This can become a little tricky because, after all, it is a prerequisite for every artist to have a good amount of ego just to be able to survive the rigors of being a professional. Without a whole lot of belief in yourself and what you're about you will never hope to succeed, and now you are being asked to set ego completely aside where pricing is concerned? In a word, yes. That is because when ego is involved in pricing, an artist can make huge mistakes that in some cases can cause irrevocable damage. The following two cases illustrate this point perfectly.

A woman has an extremely fine example of her work hanging in her home. While she is having a party, one of the guests asks her if the painting is for sale. Conceding the fact that she may not have been prepared for this type of question, she allowed her ego to determine her answer and blurted out an overly inflated price, never for an instant, believing it would be accepted. She may have also not really wished to part with the painting, and perhaps made the price so high in order to prevent its sale. Of course, right off the bat, the big difference between this artist and a professional is that a professional is always prepared to answer these types of *off-the-cuff* pricing questions with well thought out and reasonable responses. And besides, professionals never have favorites they do not wish to sell. As a result, tragedy struck and the guest accepted her price. In one fell swoop this artist's career was badly crippled or possibly doomed forever. She was now convinced of her inflated ego's image of herself and her artwork and thus stood fast at this artificial and unproved price standard. Things went from bad to worse and for the past five years she has yet to sell another painting.

Then there is the case of a very talented young man I know personally. I had been following his career for many years and thought he had an incredible gift. As time went on, however, the same paintings I had seen years earlier were still hanging around. I

didn't give it much thought, but it did strike me as odd considering how good they were. When I found myself in the middle of a very large consulting job, I remembered this young man's paintings and thought one of them would be perfect for the clubhouse. I asked him the price of the piece and when he came back with his answer, it was all I could do to keep my jaw from falling to the floor. Here I had been selling my artwork professionally for over twenty-five years and this kid who had just finished college only a few years before was out-pricing me by three hundred percent! No wonder the same paintings were still hanging around year after year.

My point in sharing these two scenarios of artists being unprofessional is to drive home the lesson that there is no place in the professional world of art for *bad* ego. Pricing your art has almost everything to do with what others think of your work and not what you think of it. In the very beginning of your career, you need to price your work at what you honestly think it will sell for and not what you think it is worth. It is true that if you have never sold anything before, it can be almost impossible for you to judge exactly where this beginning number should be. That is why, for those people, I would strongly urge them to seek out some professional advice. Try to seek out at least three different opinions from professionals who are actively selling their work. It will be well worth the effort, if it will prevent you from making a damaging career move.

You might think you can avoid seeking out professional help by doing some research of your own. You may falsely believe that all you need to do is visit some galleries, trade shows, or street fairs to seek out artists that are doing similar work as yours. It is for certain that you will be unable to control your bad ego in this type of scenario. You'll say to yourself, "Gee, I do work as good as this, maybe better; I should be getting at least these same prices for my work!" The fact is you will, in most all of these cases, be comparing apples to oranges. Unless you know the backgrounds of every artist you are looking at, you cannot possibly make clear-cut comparisons. These artists may have been showing their work professionally for five to twenty years longer than you. Even if the artwork you are looking at, in your mind, is inferior to your own work, it means nothing. Their background, schooling, awards, and the number and quality of their

collectors all go into what these professionals are asking for their work. For all you know they may be very, very old with one foot in the grave and are capitalizing on the fact that they soon may kick the bucket. They figure this fact will increase the value of their work and lead potential buyers to think of their art as an excellent short-term investment. My advice is, if you are going to do this type of comparison-shopping, be sure you have all the facts so you can compare apples to apples.

Seeking professional advice on pricing can be vital for another reason. If left to your own judgment, you might tend to go too low with your pricing. There is a fine line between pricing your work to sell and pricing it too low. If you price your work too low, you run the risk of creating the perception that your work is of too little value. This can turn off potential buyers almost as fast as pricing something too high. If you do not know any professional artists, go to the best art school in your area. Many of their faculty members will turn out to be professional artists who are either supplementing their incomes or just giving back to the art community. They will be happy to give you advice or refer you to somebody who can.

In the beginning of your career the whole point is to gradually build a solid customer base. And how is this done? By selling your work to people and converting strangers, friends, or family members into customers who will potentially come back to buy more, eventually converting them to full fledge collectors. Doesn't that sound great? Isn't that every *professional* artist's dream? Of course it is, but you have to get the work sold first before it can happen!

Once you have finally established your beginning, selling price, to keep your prices consistent, it may be necessary to create a personalized pricing formula. Some artists do it by the square inch while others use time as the determining factor. Even though the result may wind up the same, I prefer to think in terms of the latter. Let's say it takes you forty hours, about one week, to complete a painting. If several of these paintings, done in the same amount of time, have sold for eight hundred dollars, then you can comfortably determine that you are making approximately twenty dollars an hour. Now you have

established a formula. Therefore, if you take twice as long to do a painting you would simply multiply eighty times twenty and that painting should sell for around sixteen hundred dollars. Don't forget to add on to this formulated price, the cost of your materials, and if the work is framed or includes a pedestal, include these costs as well.

Something that is tremendously important for you to understand completely, is that if you sell a work through a gallery, you will not be making the same twenty dollars an hour you would if the sale had taken place in your studio. A sale through a gallery would diminish your earnings to only ten dollars an hour. The crucial thing to realize at this point is that the difference in earnings cannot nor should it be recaptured. In other words, the worse thing you could do is over inflate or double your gallery prices in order to compensate loss of earnings. I have actually seen artists make this mistake and many of them shoot themselves in the proverbial gallery foot, especially when they continue to make studio sales at half off their regular gallery prices. As a reputable artist you should establish a salable price and stick to it across the board. People in the long run will develop more confidence in your work if they feel they are purchasing something of value. If you make the decision to bargain your work away, it will eventually undermine the sense of value that people perceive in your work.

When your work begins to sell at a good rate then you can begin to slowly raise your prices. If you started out basing your prices at twenty dollars an hour, try raising it another five or ten dollars. Do not make big jumps. Remember if you get stuck at too high a price where sales slack off completely it may mean having to reduce your prices and that is something to try and avoid at all costs. The worse thing you can do to your career is to erode consumer confidence.

Let's return to the question of basing your prices on size verses time. Many artists are adamant about keeping their prices super consistent according to their size. The reason behind this decision is that they do not want to imply that one painting is better than another. They feel that if they were to price their paintings differently, it might conversely suggest that other paintings of the same size are somehow inferior. By

creating such doubts in the buyer's mind, these artists feel the buyer will be less likely to buy what they perceive as a work of lesser quality. I believe there is a lot of merit to this argument, especially if an artist works in a somewhat consistent manner.

Say you are a watercolorist that does quick studies. Nothing you do is particularly labored because, if it were, you would lose the fresh, loose look you are ultimately after. Of course, you are going to have hits and misses in the process, but these differences are usually very slight. In this case I would go by size and not vary the price from one piece to another. On the other hand, if you are a highly detailed realist and it takes a considerable amount of time to finish your work then I would go by time and not size.

The reason for this is because sometimes an artist can do a completed work on the same size canvas and spend twice, three, or even four times as much time on one painting than the other. The reason for this is not because he or she was out to lunch while doing one and on twenty cups of coffee while doing the other. The reason is because one painting had two to four times the amount of detail in its composition. As a result this painting took longer to finish and the completed work of art shows it. In my opinion, an artist should not charge the same amount for a painting that took four times longer to paint. This is not to say that one painting is better than the other, they are just different, and that difference is perceivable to the potential buyer. Both paintings, though the same size, are two very dissimilar paintings, and will attract two very dissimilar buyers. Consequently, these buyers will be very happy with their corresponding works of art and be happy buying them at different corresponding prices.

A word about what I call *the ten percent gallery cushion*. When you deal with galleries it is best to always build in a ten percent mark up for discount considerations. In other words, if your normal selling price is \$1,500 dollars for a certain style or size painting, once you make the decision to sell through a gallery, it is wise to raise your prices to around \$1,650. That way if the gallery owner or director has to make the decision to take off ten percent in order to close the deal, they will know in advance it is okay to do so, and they will be able to act quickly to close the sale. They would not have to waste

valuable time trying to reach you for permission to discount your work, during which, they could very likely lose the sale. Sometimes this discount arrangement is spelled out in the consignment contract. Because these types of discounts often take place, it is best to be prepared for such eventualities ahead of time. If your prices are extremely low and competitive to begin with, you might want to verbally, or write it into your contract, that you do not want your prices discounted. Running my own gallery and having dealt with other galleries, I have had experience from both perspectives, and in my judgment, this latter kind of pricing policy can be too rigid.

I will explain why. For every person that comes into my gallery or trade-show booth and buys a work for its declared price, there are just as many that will not make a purchase without at least, a ten percent discount. The reason is, a lot of people have been conditioned to believe that all merchandise sold through retail outlets are always marked up for the eventual discount or sales promotion. This may not apply to most galleries, but unfortunately it does apply to a lot of them. There is one very well known gallery chain that has one or two, what they call, their “Slash and Dent Sale” once or twice a year. Ninety percent of their inventory is cut in half! Yes, fifty percent off! Anyone who buys from them at any other time of the year is either brain dead or from another planet. It is this type of selling practice that can ruin it for all of us.

Customers also believe that when dealing with you directly, they can easily bargain you down because they have already figured out that by buying directly from the artist, the artist will be making a lot more money than if the same sale had been made through a gallery. If a person who is buying from me direct is trying to bargain me down too much, the way I stop them is by telling them the truth. I explain that my prices are the same everywhere they are sold, and it would be unfair to my other outlets to undercut them to that extent. Besides that, it would eventually begin to lower the value of my work.

Interestingly enough, this same type of buyer who always has to be sure they are getting their money’s worth, often asks me the same irritating question time and time again, “How long did it take you to paint this?” I try never to be too precise because if I don’t

come up with the perfect magic number, I might lose the sale. Most times I remain vague, roll my eyes a bit, sigh a bit, and intone in a very low and solemn voice that it took me a very, *very* long time. If this still does not satisfy them, I tell them that it took many ten-hour days to complete the piece, but in reality, it took my entire life to be able to do work of this quality. That always leaves them speechless.

If this sounds like a vicious kind of circular game, you are right, but there are a lot of factors we can control to make the situation more equitable and fair. The nature of buying and selling has always been a bit fractious, but if you keep your standards ethical and consistent, then it should not become too complicated.