

Pricing Work

by Mea Rhee



Pricing is a subject that many potters find confusing, especially new sellers. It's not supposed to be easy, and there's no formula. Proper pricing can be figured out over time. This is my approach.

Strategic Pricing

When I'm offering a new design for sale for the first time, it will start out with a low *prototype* price. If sales are poor, the item will be eliminated (hey, I thought an individual pie dish was a great idea, nobody else agreed). If it sells well, then it will go through a feeling-out process to arrive at the right price. I will keep inching up the price, sometimes even in the middle of a show. In my experience, sales will screech to a halt when I've overshot the right price. Even if the increase is only by a few dollars, it's funny how sales will stop cold. When I notice that happening, I will back the price down to the last price that sold well, and call that the *sweet spot*. This process takes several shows, sometimes up to a year.



1 My typical 10x10-foot display. In one end of the booth, I display my lower-priced everyday wares, stacked densely with lots of quantity. In the middle, my mid-priced items are displayed more loosely. On the other end, my high-priced items are displayed with lots of white space in between. An organized display allows customers to quickly understand my line of work. If I have something they like, they will find it, whether they are shopping by item or by price range. **2** Display your prices in plain sight. This shows respect for your customers, by not making them work too hard to find this information, or wasting their time. I use small ceramic nuggets to display my prices. They're attractive and functional; I get many compliments on them.

Price Analysis

If a new design makes it this far, then it progresses onto another level of analysis. Does the sweet spot price match the amount of material, labor, and kiln space that this item consumes? Sometimes the answer is no, and therefore the item is dropped, even if it's a good seller. An example of this is my now discontinued personal teapot. Its sweet spot price was \$48, but that was not enough to make its complicated production worthwhile—the pot consisted of three parts that had to fit together, and one of them was prone to breaking.

Once a new item has made it through all of this vetting, and is officially added to my inventory, that doesn't mean its price is carved in stone. I pay close attention to trends in my sales, and I'm always open to tweaking my inventory planning and my prices. It's an ongoing process.

Are you getting the sense of how long this takes? It's okay to make broad guesses at first. With time and experience, the answers become clear. It's just like learning how to make good pots, there's no substitute for practice and repetition. Be prepared to put your work out for sale a lot and over a long time period, in order to gather enough data to make the right pricing decisions.

Price Comparison

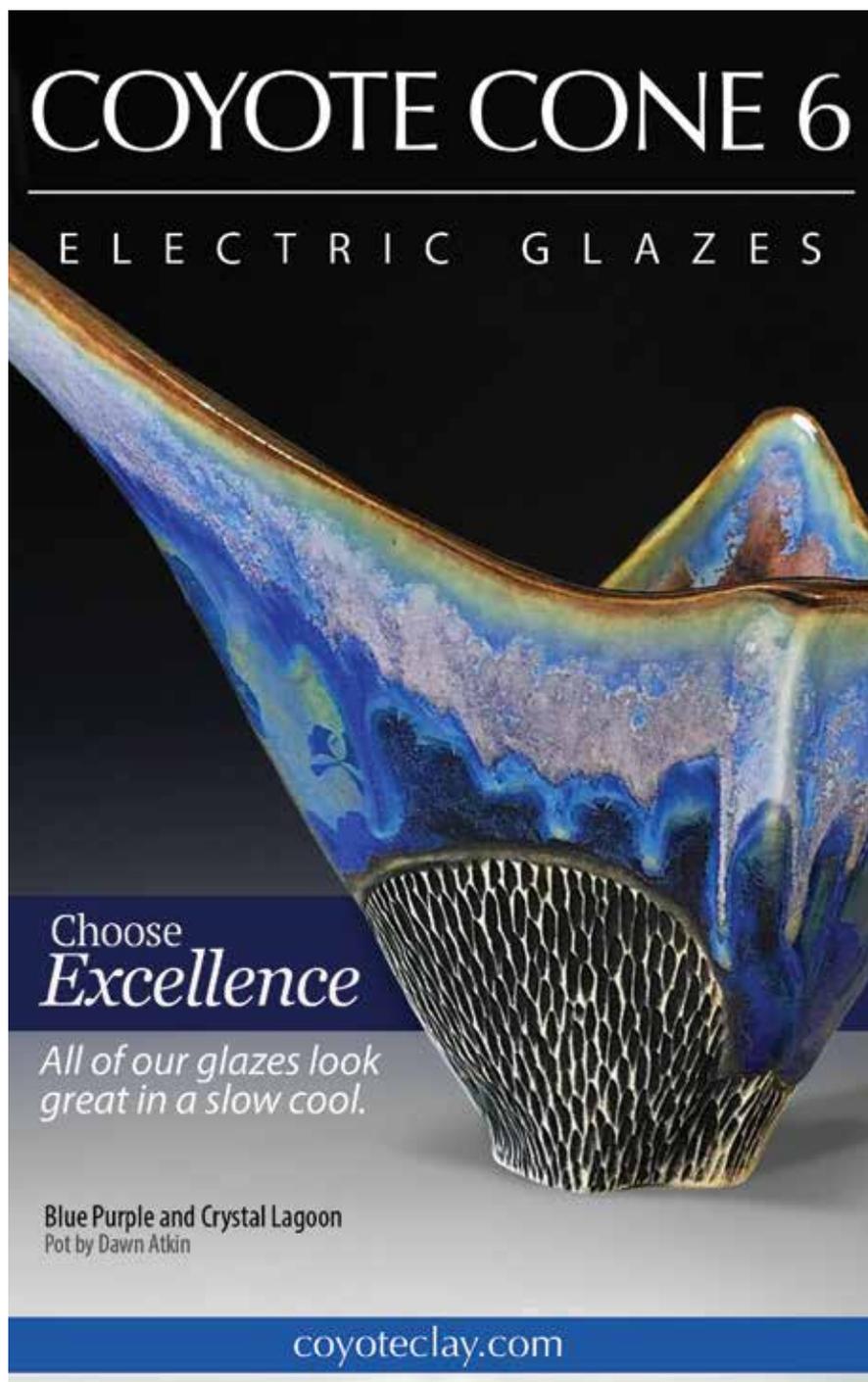
Should you compare your prices to other potters' prices? I say don't, because this can mislead you. Every potter is at a different point in their own career arc, and you simply don't know enough about somebody else's life and business to make a comparison meaningful. I rarely look at other potters' prices, only sometimes out of curiosity. This never compels me to change my own prices, because I feel confident that I've figured out my prices correctly. And, I've seen inexperienced potters try to base their prices on other potters' prices. It never works out the way they hoped. But, so-and-so sells lots of \$35 mugs, why can't I? The new seller isn't factoring in the endless qualitative differences in the work itself, or the other potter's business development.

Final Thoughts on Pricing

Everyone has the right to choose their own prices. Respect that boundary, and defend your own. Don't let anyone tell you that your prices are affecting other potters. This is complete baloney. Why? Because pottery customers aren't shallow people. They shop based on quality and appeal. Price is a factor in the final

decision, but not in comparison with other potters. Pottery customers will buy your mug or not, based on its merits and price. Then they will buy another potter's mug or not, based on its merits and price. Nobody says, "This is the mug I want, but I've decided to buy this other potter's mug instead because it's cheaper." When I'm figuring out the sweet spot prices for my work, I'm not searching for the going price of pottery in general, but rather I'm determining the value of my work. If I've done it correctly, I've learned that it doesn't matter what nearby potters are charging, whether it's more or less.

Mea Rhee is a full-time potter based in Silver Spring, Maryland. To see more of her work, visit <http://goodelephant.com>.



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