

# How To Price Your Handmade Jewellery & Crafts By Jeweltailor.com

*Are you looking to sell your own handmade crafts or jewellery?*

*Then this article covers some key points to consider when setting your price.*

If there was ever a contentious issue among those who decide to go into business, pricing would be top of the list. Many often fear they are either under or over pricing regardless of how robust their methods are.

Jewellery makers and crafters are no exception and often, as the price of components is relatively affordable, some express feeling “guilty” at charging what many would consider a fair or market price. What is often overlooked are some pretty fundamental things such as overheads, wages and time to name a few so your price should always consider and take into account items such as;

- 1) **Raw Materials** ~ The actual cost of raw materials including any delivery costs so if you buy a pack of 10 beads for £1 and the delivery cost was £1, and you use those 10 beads in a bracelet then your raw material costs would need to be recorded as £2. N.B You would also need to add on the cost of stringing materials, clasps, price tags, gift bag etc basically any direct costs associated with making that item available for sale.
- 2) **Wages** ~ Once you have your raw material costs, you then have to record how long you spend on producing the bracelet and assign your own hourly rate. It amazes us when we visit craft fairs to see exquisite, carefully crafted jewellery being sold for negligible amounts – you deserve a wage too! so always factor in your rate; for example you may decide on £8 an hour, the bracelet may take you 30 minutes to produce so you need to allocate £4 to your costs.
- 3) **Wastage** ~ As any jewellery makers floor will show, jewellery making is a process of trial and error and many items will be wasted on the craft floor whilst you perfect your item – you need to make an allowance for error and wastage costs that you incur as you perfect your designs.
- 4) **Overheads** ~ If you work from home or use a workshop, this relates to costs such as heating, lighting, insurance etc and you need to record a contribution – there are many methods that people use but the simpler the better (we don't want to turn into accountants!) so if your heating bills were £100 per year and you have 4 rooms in your house and use 1 for crafts then you could allocate £25 per year to the craft room (which divided by 365 days works out at 0.07 per day) so you could add this as a small contribution to your costs.
- 5) **Getting To Market Sales Costs** ~ This is a really vital area as the costs of getting your product sold should always be taken into account. If you decide to showcase your bracelet at a craft fair you need to take into account items such as;

- **Travel costs** of getting to and from the event (this is why we advise supporting local events) and any parking charges
- **The stall hire charge**, for example £30 for a table or commission rate i.e 10% of all sales
- **Any gifts/incentives** i.e some fairs may ask for a raffle prize from stall holders

Likewise if you sell on line, you need to take into account hosting charges, commission rates for payments and payment receipt charges from your providers.

Once you have taken all of these costs into account, you can then work out how many bracelets you would need to sell in order to cover the costs and still make your target profit. Without complicating things ; some events may not seem worthwhile but you may be able to collect leads for future purchases so you may want to record the potential outcome of the event in your analysis before making a decision.

6) **Market price** ~ This is vital but be careful who you compare yourself to. Similar products can sell in different markets at different rates ; If you saw a similar bracelet that you had designed selling for £5 then rather than just reducing your price to match this (which would mean no profit for you) you should consider where the item was sold, was it directly comparable with yours and whether your competitor was pricing correctly. Choosing the right market is as important as producing the right products so once you know who you're aiming at, look at who else is operating within that space and benchmark them when you set your pricing.

7) **Venue Choice** ~ It's important to be clear about who you are going to offer your jewellery to and where you will find them in order to obtain a sale at the price you have set. Frankly there are some people who value and appreciate handmade goods and there are others for whom price is everything. Craft fairs are a good place to start as generally people who attend, are predisposed to appreciating handmade goods but here are some other places you may want to explore too.

- **Libraries** – often there are many events at local libraries that you can request a table at to showcase your wares and they may not even charge you!
- **School fairs**
- **Coffee mornings and children's play groups**
- **Charity fundraising events** (where you can give a % of your sales to the cause)
- **Organise your own events** (get together with other non competing businesses i.e. beauticians and host a well being/pamper evening)

8) **Your Profit Goal** ~ Many people take joy from producing jewellery and crafts and feel rewarded simply when someone compliments their designs, however, the aim of any commercial business should be to make a profit thus you should have an idea as to what margin you are aiming for. For example if you wanted to make a minimum of 20% profit you need to take into account all of the factors mentioned above and then add 20% to your overall charges to ensure that not only are your costs covered but you have earned something from it at the end of the day.

We hope you've found this article useful and wish you many successful sales ahead.

Best wishes,

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