



How To Price Fine Art Photography

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Knowing is not enough; we must apply. Willing is not enough; we must do. - Johann Wolfgang von Goethe

Pricing your work is a very important aspect of selling your work. This is because the prices you set for your work will define and affect many different things.

First, your prices will define your audience. There is an audience for everything and when it comes to prices there is an audience for all price-points. To put it simply, there is an audience that looks for low priced items, an audience that looks for medium-priced items and an audience that looks for high priced items.

This is the simple version. In practice, it is more complex than that. Price is definitely the factor that most people look at before they consider whether to buy or not from a specific store or vendor. Notice that I did not say, "before they buy". Instead I said, "before they consider buying." What this means is that most people will not even look at the product you have for sale until they see what prices you ask for your products. In other words, most people will look at prices first and at product second. Certainly, this takes place in the blink of an eye and to both merchant and customer it is most often unnoticeable. However it is there.

This fact is known to most businesses. However, the mistake that most businesses make is to think that unless their prices are affordable no one will buy from them. This is not accurate. Certainly, you have to be priced fairly, however you only need to be priced fairly in relationship to products similar to the product you are offering. In other words, if you sell a fine art photograph created with the finest supplies and released in an edition of 10 in a 40x50 size only, it would make no sense to compare the price of this piece to a similar-sized piece that is mass produced and created with low quality supplies. While these two pieces may look similar from a distance, careful observation will reveal that significant differences exist. As a result the price of the high quality and small edition piece is expected to be higher than the price of the low quality, mass-produced piece.

A discerning audience, meaning an audience knowledgeable about fine art photography, will see these differences and expect to see a price difference. If they wonder why your work is priced higher, you can explain the differences to them. This is called educating your audience. Just describe what the differences are and then ask the potential buyer what type of artwork they are looking for. Are they looking for mass produced work created with low quality supplies, or are they looking for limited edition work created with high quality supplies? Do not shy away from addressing price. Price is very important and your audience does expect to pay more for high quality work. Name your price and name the price of your competitors. Then ask again what type of work they are looking for: mass produced and inexpensive or collectible and high priced.

You will not hurt your sales by doing this because there is an audience for everything. There is an audience for mass-produced, low priced art and there is an audience for small-editions, high quality and high priced art. What is important is to know who you are talking to so that you do not waste time trying to sell to the wrong audience. What is also important to know is that even though you may have the right audience, there may still be negotiation required down the road, after your customers find a piece they are interested in taking home with them. Just because they agree with your pricing does not mean they will not negotiate your prices! Just be sure to tell them, if such is the case, that you cannot drop your price to the level of a mass-produced, low quality artwork. Once your customers know that, both you and them know the negotiation parameters you can work with. The rest is salesmanship and negotiation skills. The goal, as with any successful negotiation, is to reach a win-win agreement.

Your prices will also affect the volume of work that you sell. Low prices will generate high volume while high prices will generate a lower volume of sales. Basically, as your prices increase less and less people can afford to buy your work.

This is normal and expectable. It would therefore be a mistake to set high prices and then wonder why you only make a small number of sales.



Flowers are always popular. They are by nature decorative and because of their many colors it is easy to find one to fit just about any kind of décor. Often, flowers will become best selling images.

Pricing Based On Expected Sales Volume

As we just saw the question of how much to charge for your work is directly related to the quality and the volume of your work. To put it in a nutshell there are two possible approaches to pricing: you can decide that you want to sell a lot of inexpensive pieces or you can decide that you prefer to sell only a few very expensive pieces.

Let us simplify the situation and suppose that your goal is to make \$20,000 this year selling your photographs. To reach this goal you have several options as far as pricing your work is concerned.

You can sell a single, monumentally large and hopefully incredibly stunning photograph for \$20,000 or you can sell:

- 2 photographs for \$10,000 each
- 4 for \$5000 each,
- 8 for \$2500 each
- 16 for \$1250 each
- 32 for \$750 each
- 64 for \$313 each
- 128 for \$157 each
- 256 for \$78 each
- 512 for \$40 each
- 1024 for \$20 each
- 2048 for \$10 each, etc.

In this simplified example how much you want to charge and how many photographs you want to sell (or can create in one

year) defines where you fall on the scale above.

You may think that this example is oversimplified. It is not. Just read it again and you will see that the whole issue of pricing your work is embedded in it. If you desire to reach a higher income just start with a single photograph at this higher income level and work your way down using the same increased quantity and decreased price scale.

There are basically three questions embedded in the above example:

First, how much are you comfortable selling your work for?

Second, how many pieces can you realistically expect to sell in one year?

Third, how large is the audience that you are addressing?

Your answers to these three questions is the basis on which you can start pricing your work.

Pricing Based On Actual Costs

There are different methods you can use to price your work. The first one is the one we just discussed which is based on the expected volume of sales. However, while this approach is useful in giving you a general idea about the number of sales that you can reasonably expect to make, it does not allow you to calculate a precise cost of production for individual pieces.

The second pricing approach is based on your total production costs. When pricing your work according to this approach, you first start by adding the cost of all the supplies you used to create your photographs: the cost of the print (paper + inks or chemicals), the cost of the mat board and the mounting tape, the cost of the plastic bag, the cost of the frame plus glass and back if it is framed, the cost of the framing supplies (wire, screws, framing staples) and so on. Add the cost of everything you used to create the piece. Make sure to not leave anything out. You need to count everything you paid for because the cost of each item is part of the final cost for creating your product. Remember that you paid for all these things and that you need to charge for them in order to recoup your expenses.

Second, you total the cost of operating your studio (rent, mortgage, utilities, insurance) and the cost of doing business (fees, licenses, business insurance, etc.). If you do shows you need to add show fees, travel expenses, gas, food, etc. to this total. Because operating costs are spread over the creation of multiple photographs, you will need to divide your total operating costs by the number of photographs you create so that you have a per-item amount that you can add to the cost of supplies.

Third, you continue to calculate your cost by estimating how many hours it took you to create each specific photograph and by multiply this figure by how much you want to make an hour. In order to do so you will first need to decide how much you want to make per hour. This total is your cost for the time you spent working on this piece.

Fourth, calculate the grand total by adding the cost of supplies, the costs of production and the cost of your time. The sum of all three represents your total cost for creating the piece that you are pricing.

Fifth, multiply this total by 2. This is your wholesale price.

Sixth, multiply your wholesale price by two. This is your retail price.

Seventh, once you have reached the above retail and wholesale prices compare them to the prices photographers in your area are charging for work of similar size and quality. If your prices are much higher you may want to look into your costs and reduce them. If your prices are much lower you may want to raise your prices because people will most likely expect to pay what your competitors are asking. You can under-price your competitors but there is no need to offer the same item at half the price your competitors are asking.

Below is a shortened version of the explanation above:

Costs of Supplies + Operating Costs + Cost of your time = Total Cost of Production

Total cost of production x 2 = Wholesale price

Wholesale price x 2 = Retail price

Note: I recommend that you multiply your costs by a factor higher than two. How much you multiply your costs by is totally up to you. There is no hard and fast rule besides the fact that using a factor of two is the absolute minimum.

Pricing Based On Leverage And Reputation

The third type of pricing is based on using your leverage and reputation as the main element of your pricing. This approach to pricing starts with the calculation of your total costs, as we just saw. However, instead of applying a multiplying factor and leaving it at that, you continue by adding a leverage and reputation factor.

The problem is that this leverage and reputation factor is not an actual multiplying number but rather a price point that you arrive at over the course of your career. In other words, this pricing approach is not one you can use when you are just starting to sell your work. Instead, it is one you can use only after you have built both leverage and reputation. At that time, you can start to increase your prices regularly to reflect your increasing level of leverage and reputation.

You may think that there is a conflict between these two pricing approaches and I can see why. However, there is no conflict. What there is, is a progression from one approach to the other. You must start by calculating your costs of production and applying a multiplying factor to get a starting price. Once this starting price is set, you need to increase this price proportionally to your level of leverage and reputation.

Understandingly, when you are just starting you will not have any leverage and you will not have a reputation yet. Your goal is therefore to start working on developing leverage and reputation while you are selling your work. You do so by doing shows, by enlarging your audience, by increasing the number of collectors who own your work, by submitting your work for publication, by doing interviews and more. As your leverage and reputation grows, you continue increasing your prices. As the years go by, your costs of production become a smaller and smaller percentage of your prices until they are virtually irrelevant. At that time the switch from a cost-based to a leverage-based pricing approach is complete.

What Is Leverage?

At this point it is important to look at what leverage is in the context of pricing your work. Leverage is simply an advantage that you have built over time, throughout the course of your career, through exhibiting and publishing your work and through peer recognition of your accomplishments in your field. Leverage is also represented in the value of your work when looked at as an investment. An artist with strong leverage will see his work go up in price in the secondary market for example, meaning that his work will sell for more when sold by one collector to another collector than what the collector paid for it when that collector purchased it from the artist.

Leverage is also based on reputation. For that reason it is very important that you protect your reputation and that you do all you can to not damage it. This means having integrity, offering work that is only of the highest standard, and offering warranties when appropriate. On the opposite, offering low quality work, not having warranties, not being concerned with customer satisfaction, not having integrity and trying to cut corners everywhere possible will definitely result in damaging your reputation in the long term.

If you lead your career properly, your leverage and reputation will increase regularly. Because your prices reflect your leverage and reputation, your prices must also increase regularly. I recommend that you increase your prices 10 to 20% once a year, or 10 to 20% twice a year. Use one or the other based on your level of confidence, the speed at which your reputation is growing and the ongoing market conditions that you are experiencing.

Pricing based on leverage is eventually how fine art is priced. A Picasso, or a Monet, does not cost millions of dollars because the auction house wants to make their yearly income from just a couple of sales, or because a multiplying factor was applied to the total cost of production. In other words, a Picasso or a Monet, to take but two examples, does not follow a volume-based pricing or a cost of good based pricing.

Instead, a Picasso, a Monet, or any fine art work recognized for its quality and for the achievement of the artist, is priced on the basis of the leverage and reputation of that artist. This is why prices for work by internationally known artists reach such heights. The fact that these works are rare is a factor, but rarity is not the main determining factor. Fact is, well known artists, including Monet, Picasso and many others, were much more prolific than is often believed. If their work was priced in regards to production, prices would undoubtedly be lower. What makes their work so costly is the reputation and the leverage that they command.

Should You Offer Limited Editions?

This is an important question to consider when pricing your work. The first thing to say about it is that deciding to offer limited editions is a marketing decision. It is not an artistic decision.

The reason it is a marketing decision is because with today's digital technology we can make 1000 prints of the same image and keep the same quality from the first print to the 1000th print. In the past, with previous printing technologies such as lithography, copper plate printing, photogravure and other, quality declined as more and more prints were made. This is why the editions were numbered. The first prints were understood to offer the highest quality because this is when the copper plate had its highest relief or when the lithography stone had the finest colors. As more and more impressions were made, the engraving on the plate became flattened, the colors on the stone started fading away and consequently the print quality declined. Unless the collector was present during printing and was able to pull aside the first prints, the only way to know which prints were first and last was by looking at the number on the print. This is why prints were not only signed but also numbered by the artist.

Today, numbering no longer indicates a specific level of quality because, as I explained previously, all prints in a digitally printed photographic edition will look the same.

Some customers are clearly aware of this fact and consider limited editions marketing schemes. Other customers like limited editions regardless of these considerations because, after all, they do limit how many prints are being made, even though all prints are of equal quality. Finally, some customers like specific numbers, for private reasons, and limited editions offer the opportunity to own artwork that is both pleasing and personalized if one can find the print number that is meaningful to them.

The question of whether to create limited editions or not is also about creating scarcity on purpose. While it can be said that artists create false scarcity through the use of limited editions, it can also be said that they are using quantity as a way to control what they spend their time doing, either printing the same piece over and over again or creating new pieces and moving further with their art. Eventually all artists face this dilemma and there is value in creating new work versus spending your time printing old work over and over again. Printing 10 images takes a certain amount of time. Printing 100 images takes 10 times more time, and so on. Since there are only 24 hrs in a day, no matter who we are, the number of prints we make per image basically affects how many new images we can create.

If you do offer limited editions you need to carefully keep track of the number of prints released. You also have to include a certificate of authenticity with each piece. This certificate must, at the very least, feature the title of the artwork, the print number, the total number of prints in the edition and your signature. In other words you must do it right. Do not just put a number on the print. Instead, provide credible proof that the edition is truly limited and that you are carefully keeping track of how many copies are being printed and sold.

Finally, end the edition when the last copy is sold and avoid creating a new piece that is nearly similar to the one you just sold out. There is nothing more irritating for a customer than to find out that the edition of the piece they purchased is sold out, but that you just released a new piece that is virtually identical, save for a few minor details... If you limit, you must truly limit, not just pretend that you do.



Landscapes are popular because, just like flowers, they offer a pleasant and restful subject to look at. As such they fit well in a home environment and are frequently used as home décor.

The 13 Most Important Things To Consider When Pricing Your Work

1. *Want versus need.* Art is a "want" item, not a "need" item. You therefore have to make people want to purchase your art. You cannot expect them to come and buy it from you without you doing anything. You have to sell it actively.

2. *Price matters.* In the eyes of your audience, high prices reflect high quality and low prices reflect low quality.

You must therefore strive to achieve only the finest quality in your work and demonstrate excellence in every area of your work because the quality of your work must be in tune with the prices you ask for your customers to agree to the prices you are asking for.

3. *Price complaints.* If nobody complains about your work your prices are too low.

If you price your work adequately, you must expect a certain number of pricing complaints. This is not a bad thing. In fact, it is a good thing because it means that your work is priced correctly.

4. *You control the volume of work by the price.* The higher the price the lower the volume. The lower the price the higher the volume.

In turn, the volume of sales control the size of the inventory you need to carry: The lower your prices are, the larger your inventory needs to be. The higher your prices are, the smaller your inventory needs to be.

5. *You need to carefully consider the relationship between pricing and salability.* I do not recommend you sell your work on the basis of price. Getting more business with lower prices is relatively easy but keeping business obtained purely because of price is difficult. Here is the rule that applies to this approach:

If customers come to you because of price, they will leave you because of price.

Because of this I recommend that you sell your work on the basis of your images being the unique expression of your personality, of your talent, your artistic skills and your desire to share all of this with an audience who appreciates your work. Here is the rule that applies to this approach:

If people buy from you because of the uniqueness and the quality of your work, they will come back for the uniqueness and the quality of your work.

For this reason I recommend you price your work on the basis of your leverage and reputation, as we saw earlier on. Do all you can to build your leverage and your reputation by seeking publications of your work, shows and other activities conducive to increasing your leverage.

6. You must decide how much you want to make per hour, day, month, year, etc. What do you think your skills are worth? What hourly wage do you want to pay yourself for your hard work?

Personally, I charge \$300 per hour plus materials and expenses. This fee is the same whether I sell a product or a service. But, for products I multiply the total by 2 for wholesale and 4 for retail. For services the fee is simply \$300 per hour plus expenses, if expenses are incurred.

7. You need to raise your prices by 10 to 20% twice a year. Everything you buy increases in price. Prices go up regularly. This is a fact of life and it affects all of us, whether we are in business for ourselves or not. We have come to expect it.

Your customers therefore expect you to raise your prices. What is surprising to your customers is not that your prices go up. What is surprising to your customers is if your prices stay the same year after year!

Prices increase because the cost of living, the cost of supplies, of labor, gas, etc. go up. Your prices therefore need to go up in the same proportion. If not, your income may stay the same but you will make less and less money.

Your prices also need to increase as your leverage increases as we saw previously.

8. You need a "masterpiece." A "masterpiece" is a piece that is so large, so impressive and so outrageously priced that nobody who thinks clearly would buy it.

If someone does buy it then you need to raise the price immediately on the next masterpiece because this is not supposed to happen.

All your other pieces will look "inexpensive" when compared to your masterpiece.

When asked the price of your masterpiece simply quote the price in a soft, unconcerned voice:

"This piece is my largest. It is only \$8000." Most of your customers will yell, scream and otherwise complain about the price. You can then mention that you have a piece slightly smaller for only \$5000. If this is still too much you can continue going down in size and therefore in price. Each time you do so, make sure to spend a lot of time explaining the advantages that each size offers. Do not move to the next smaller size too fast. Take your time.

9. You must understand the 80/20 Law.

The 80/20 law stipulates that 80% of your profits come from 20% of your efforts.

Once you find out what those 20% are you can maximize your efforts in that one area.

To find what your 20% are you simply look at your sales receipts. Find out what brings you the most income for the least amount of work and look at the income versus work ratio. The product for which this ratio is the lowest is the one you need to focus on.

10. *You must know what is your average sale.* You calculate your average sale by taking your total income from sales and dividing it by the number of sales you made. The number of sales you made is the number of invoices you wrote. If an invoice has several items on it, it is still considered a single sale.

It is best to make this calculation over a one year period because a longer time span will give you a more accurate result. However, you may want to know what is your average sale for a specific show, or a specific time frame. If such is the case it is perfectly OK to do so.

11. *You need to find out where you fit in.* Where does your product fit price wise among other “similar” products your customers are buying? Is it more expensive, less expensive? Where does it fit on the scale of pricing of these objects? Is it on the low end or the high end of the scale?

You do not exist in a vacuum. People who buy from you buy from other businesses. People who buy your product (photographs are a product) buy other products as well. Which of these other products fit in the same category of purchases as yours? Find out and you are on your way to pricing your work more adequately.

12. *You must educate your audience*

- Most people cannot tell average photography from good photography
- Most people cannot tell good photography from very good photography
- Most people do not understand how art is priced
- Your audience therefore relies on your marketing to decide whether to buy your work or not
- Your marketing must focus, among other things, on educating your audience about your work

13. *The price of your work is only one of many selling points.* When buying art, for many people price is not the deciding factor. For many customers the deciding factor is one of the following:

- Whether you can ship or not
- If your work will fit in their chosen location in their home
- If it is the right size
- If they have been at this location
- If they fall in love with the piece
- If the piece is available immediately or later
- The quality of the work
- The subject matter (location, subject, colors, etc.)
- The presentation (matting, framing, mounting)
- The size
- The personal style of the artist
- The uniqueness of the artist’s style and of the subject matter
- The marketing approach used by the artist
- More . . .

Product Cost Calculation Forms

Knowing exactly how much it costs you to produce a product is an essential piece of information that you have to have. To do this you must account for each and every item that you used in creating your product. For example, in the case of a framed photograph, you must add the cost of the photo, ink, paper, frame, glass, mat, matting tape, hangers, screws, wire, backing board, framing staples, framing tape, backing paper, label and any and all other items you may have used.

This information will be very useful when it comes to calculating the cost of your inventory at the end of the year. Your inventory cost is the money you have tied up in items stocked for resale. If you stock ten framed pieces similar to the one described above, then you are stocking ten times the cost associated with all the parts that go into making this framed piece.

Conclusion

Thinking about all these issues takes us very far from simply creating photographs and enjoying the results in the privacy

of our homes. Certainly, if you decide to sell your work, you will have to wear two hats: that of a photographer and that of a businessman. You will also have to schedule your activities so that you have time to sell and market your work and time to photograph and create new images.

So why should we bother with all this? In my case the underlying reason is two folds: first, I want to make a living doing what I like. Second, I want to be in charge of my own destiny. Marketing and selling my work is the key to reaching these two goals and I find it just as exciting as taking photographs.

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Alain Briot creates fine art photographs, teaches workshops and offers DVD tutorials on composition, raw conversion, optimization, printing, marketing photographs and more. Alain is also the author of *Mastering Landscape Photography* and *Mastering Photographic Composition, Creativity and Personal Style*. Both books are available from Amazon and other bookstores as well from Alain's website.

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