

## Developing Your Pricelist

by Meabh Ring

Your pricelist is a key tool at trade shows, especially export shows. It should be:

- User-friendly and accessible for buyers, making your product easy to remember and easy to buy;
- A branding tool, linking in with your attributes – for example, easy to deal with, clear on price, clear on delivery;
- Communicating other attributes – for example, contemporary, stylish, lifestyle, relevance, functional, care instructions;
- Communicating your brand – that you are a professional craft business.

It also should include:

- Your terms and conditions of trade – in the buyer’s language, if appropriate;
- A section for a credit reference or a sales reference for a new buyer;
- A date, since you might only offer these prices at this particular show;
- Sizes, colour options etc.;
- Payment terms – for example, pro forma, Nett 30 days;
- Shipping costs;
- Currency options – ideally, in the buyer’s currency;
  - Your VAT number, if you are registered – and a note that you are not VAT-registered, if that is the case.

A typical pricelist might look like this:

| Code | Description                  | Image | Size             | Cost/<br>wholesale<br>price € | RRP<br>€ | Cost/<br>wholesale<br>price<br>Buyer’s<br>currency | RRP<br>Buyer’s<br>currency | Units | Total<br>€ |
|------|------------------------------|-------|------------------|-------------------------------|----------|--|----------------------------|-------|------------|
| 001  | Spalted Beech Chalice        |       | 22<br>cm         | 70.00                         |          |  |                            |       |            |
| 002  | 9ct Gold & Silver choker     |       | 16<br>cm         | 85.00                         |          |  |                            |       |            |
| 003  | Wall hanging, ceramic circle |       | 14 x<br>18<br>cm |                               |          |  |                            |       |            |
| 004  | Yellow mohair throw          |       | 54 x<br>54<br>cm |                               |          |  |                            |       |            |
| 005  | Elizabeth Bag                |       |                  |                               |          |  |                            |       |            |

**Code:** This is relevant if you have a large number of product items. It also may be relevant if your buyer wants to barcode the product in retail placement.

**Description:** Describe the product so that buyer fully understands what they are purchasing. State specific material where these may be important – for example, silver or gold. State the obvious: “ceramic vase in yellow glaze” – after the trade show, having seen thousands of craft products, the retail buyer may not remember everything they viewed. It is sometimes nice to give the craft product a name – for example, Blue Mist, Kerry Fields or Elizabeth.

**Image:** Placing an image of each product design on pricelists is not always necessary and cannot be done when you have a large number of product items. Use this image field when appropriate – and make sure the images (even if small) reflect the quality of the products.

**Size:** The dimensions and size of the craft product purchased is important – we all have different perceptions of what is Large, Medium and Small, so clearly stating the size of the craft product on the pricelist can avoid confusion. Stating size also helps communicate why one product is more expensive than another – simply because it is bigger in size. Some export markets may be more comfortable with size in inches. Some craftmakers also will need a field for Weight.

**Cost Price:** This is the price you will charge the retail buyer for each individual craft product. This is not the price that the consumer pays – it is the price the retailer will pay you.

**RRP (Recommended Retail Price):** This field of information on your pricelist is not essential. However, many retail buyers at a show will ask you for the RRP for your craft product. A rule of thumb for retailers is to double the cost price and add VAT at the buyer’s local rate (this means different RRPs in different countries) – however, retailers vary in their pricing strategy, applying different mark-ups.

**Units:** This field on your pricelist allows the retail buyer to use the pricelist as an order form. They can complete the paperwork or you can process the order on the exhibit stand.

**Total:** This is the number of units of an item ordered multiplied by the cost of the craft product. Adding another column for a running total allows you and the retailer to see whether the minimum order level (if any) has been reached.

In addition, your pricelist should include your terms and conditions (perhaps on the back or on the last page). These might include:

- Minimum order value;
- Price does / does NOT include postage & packaging;
- Payment terms – for example, first orders are Pro Forma Invoice, thereafter invoice 30 days Nett;
- Payment method – for example, by credit card, cheque, bank transfer;
- A note stating “as all work is handmade, variations (in glaze) are part of the unique process of creation” to protect you from unreasonable queries on quality;
- Breakage in delivery will / will NOT be covered by the maker;
- Breakages must be notified within X days of delivery;
- And, a note stating “all work remains in ownership of maker (name the maker) until payment has been received in full” – this ‘reservation of title’ note is important.

If you plan to use your pricelist as an order form, make sure you have a space for:

- Name of the trade buyer's company;
- Name of the contact person;
- Office address / telephone / fax / email;
- Shop / delivery address / telephone / fax / email (if different);
- Delivery date agreed;
- Payment method;
- VAT (if you are VAT-registered).

At an overseas or export-focused trade show, you might need three versions of your pricelist (in different languages, if relevant):

- A Landed Euro pricelist: This shows the cost of your craft product, including delivery to the retailer, stated in Euros – 'landed' or 'to your door prices';
- A Landed pricelist in the buyer's currency: This shows the cost of your craft product, including delivery to the retailer, stated in the currency of the retailer – for example, US\$ if you are selling at a US trade show. You may have to price to allow for currency fluctuations;
- Ex-workshop pricelist: This is the cost of your craft product if collected from your workshop. It does NOT include delivery charges – the buyer must organise and pay for collection of the craft product(s) from your workshop. Usually, this pricelist is shown in your own currency (Euro). It is common to inform the potential buyer of shipment options available – for example, standard courier rates, etc. if they wish to purchase from this pricelist.

Use different coloured paper and country flags to allow you to distinguish quickly which pricelist you are looking at.

### **Creating a Landed Euro Pricelist**

The most effective way of determining the price of delivery / shipment for your 'landed' Euro pricelist is to do a 'sample' order. Put together a 'dream' order, using your minimum order as the starting point. Record the size and weight. Research the cost of shipping the packaged order with different shipment providers: An Post, couriers, etc., noting the delivery times quoted.

To calculate the cost of shipping applicable to individual items, divide the price of delivery of this sample order by the number of units. As shipping costs tend to reflect weight, consider assign more costs to heavier products rather than simply dividing per unit – for example, a 12kg box might cost €30 to deliver; if there are 15 product units in the box, you could divide €30 euro by 15 and so add €2 to each unit to cover delivery; but if five of the 15 are double in weight or size, you could add €1.50 to each of the 10 lighter products and €3 each to the five heavier/bigger products.

And bear in mind minimum charges for shipping – a 12kg box might cost €30 to ship but a 1kg box might cost €20.

### **Creating a Landed pricelist in the buyer's currency**

As above, determine the price of delivery and add this amount to each craft product. Now research the currency exchange rate and apply this to the individual price, including shipping, of each craft product. Note that currency prices change every day – so perhaps apply the exchange rate average for the 10 days before the show.

### **Creating a Ex Workshop Pricelist**

- This is the price of your craft without any delivery charges.
- The costs of your raw materials, overheads, expenses and labour are all covered in this price.