

IF YOU WANT TO MARKET YOUR HOBBY AND YOUR HOBBY IS A CRAFT...

1. Be constantly striving to improve your product...your skills, your design sense, your creativity. Keep your ideas new and fresh. **YOU MUST HAVE A HIGH QUALITY PRODUCT IF YOU EXPECT TO SELL.**
2. Keep good records. Not only for IRS or other business reasons but it is **IMPORTANT TO HAVE GOOD RECORDS IN ORDER TO PRICE YOUR PRODUCT.** It isn't enough to set a price because of your competition. You may both be losing money.
3. **LOOK FOR MARKETS IN LINE WITH YOUR NEEDS, YOUR PRODUCT, YOUR PRODUCTION LIMITS.** When you are dealing with professionals you must practice professionalism.
4. **PROMOTE YOURSELF AND YOUR PRODUCT.** Be willing to demonstrate your work. Make yourself visible in your community.
5. **JOIN A CRAFTS ORGANIZATION** or organize one if there is none available. You can learn a lot from exchange of information with your colleagues.
6. **INVEST IN A CRAFTS PUBLICATION.** You'll get information about crafts, new developments, laws, suppliers, fairs, craft shows, etc. A good one is The Crafts Report, P.O. Box 1992, Wilmington, Delaware 19899-9776.
7. **YOU MUST HAVE A TAX NUMBER** if you are going to sell. Write to: Kentucky Revenue Cabinet, Sales and Use Section, P.O. Box 299, Frankfort, KY 40602. Phone #: 502/564-3306, or go to website:
<http://www.state.ky.us/agencies/revenue/nondatedregistrationforms.htm>
 or <http://revenue.state.ky.us/>
8. **WHERE CAN YOU GO FOR HELP?**
 - Your County Extension Office.
 - Small Business Development Centers for business assistance.
 - Business Information Clearinghouse for information about business procedures, permit/license applications, etc. – Call 1-800-626-2250
 or <http://www.thinkkentucky.com>
 - Kentucky Crafts Marketing Program – Call 502/564-8076 or <http://www.kyarts.org>

Marketing Crafts

In Your Home

If your local laws permit, you may want to sell in your home. You can hold a show at home or at a facility you have rented. Invite buyers, friends, local organizations. Have an open house, preferably in the fall, before the holidays. To advertise you might use local bulletin boards, distribute flyers at stores or attach them to car windshields in parking lots. Hire a youngster to go door-to-door with invitations.

Fairs, Festivals, Bazaars

You could begin on a small scale at a local bazaar, fair or festival. These may be sponsored by churches, women's clubs, shopping centers and malls, or private individuals. If you are successful, larger events of this type are available. For a listing of festivals in Kentucky each year, contact the Kentucky Department of Travel Development at 500 Mero St., Suite 22, Frankfort, Kentucky 40601-1968 or call 1-800-225-TRIP and ask for the current official Vacation Guide.

A fee is usually charged for a determined amount of space. Very popular, well known events will charge more and if the affair is inside, the fee will probably be higher. Some charge a percentage of your sales.

When you decide where you are going to exhibit your products, contact the persons in charge. They will usually have a contract for you to sign. It will specify their responsibilities and your responsibilities and state fees, dates and hours. Most often you must provide your own tables, display equipment, chairs, and change to handle your sales.

If you plan to market at multiple fairs and festivals, you must be prepared for the fatigue that comes with traveling, setting up and taking down displays, and spending a day with the public.

Keep an accurate record of expenses in preparing for and attending these events since most expenses are tax deductible. In addition to mileage, lodging and food, be sure to include all the extras like tape, thumbtacks, marking pens or paper towels, etc.

Kentucky State Park Gift Shops

Contact your nearest state park. Kentucky state park gift shop managers can select their own merchandise so you may want to make an appointment to show your work. Ask if they have any shows of craft items for their managers.

Kentucky Craft Marketing Program

If you feel you produce a high quality craft product, contact the state marketing program in Frankfort. For information about the services offered write to the Kentucky Craft Marketing Program, Old State Capitol Annex, Frankfort, KY 40601-1950 or call 502/564-3757 or 1/888-KYCRAFT (toll free). This marketing program operates wholesale and retail craft shows. Buyers from retail outlets all over the world participate in this market. Being a part of the Kentucky Marketing Program also gives opportunities to sell crafts at other events and shows outside the state. To be a part of this system, you must be approved by a jury of designated people. For this process you must apply by contacting the program at the above address or telephone.

E-mail: KYCRAFT@MAIL.STATE.KY.US

Website: www.kycraft.org

Selling on Consignment to Shops or Galleries

Selling on consignment means that you arrange for a shop or gallery to display and sell your products. For this service, they will keep a percentage of each sale as their commission. You do not collect any money until the product is sold. If you decide to sell your crafts in this manner you should have a signed consignment agreement with the store before you leave your merchandise.

This includes:

- A detailed description of each of your items for sale.
- The time during which the items will be in the store.
- The price for each item, with the specific percentage you expect to keep.
- A method of payment, usually a monthly plan for inexpensive items.
- An agreement stating clearly who is responsible in case of loss.

If a store will not sign such an agreement, you had best look elsewhere.

Selling Through a Cooperative

Craft cooperatives are another way to market your art and craft items. A cooperative is a business formed by a group of people to obtain certain services for themselves more effectively or economically than can be obtained individually. Craft cooperatives help people with marketing, production, and technical assistance.

The big difference between selling through your own business and selling through a co-op is the amount of control you have over the marketing of your product. Co-ops operate under democratic rule.

Some of the advantages of selling through a co-op:

- Marketing is handled by a manager so individuals can devote their time to production.
- Many individuals offering a variety of products attract more customers.
- Supplies can be purchased at a lower price and expensive equipment can also be shared.
- Members can act as a standards committee to maintain a high quality of products.

It takes only a few craft producers who share common interests and problems to set up a co-op.

Selling to Retail Stores

A growing number of craftspeople are interested in selling directly to retail stores. If your business is successful, you will want to explore this market.

If possible, try to learn about the retail outlets that will handle your merchandise. Buyers who are at fairs and shows sometimes have pictures of their shops. If the retail outlet is nearby, spend some time in the store and visualize how your product would fit with the rest of the merchandise. Check prices. Can you afford to produce your items at a price that would allow the store a 100% markup and still sell them at a reasonable price?

It is best to make an appointment with the buyer or the merchandise manager for the store. Don't hesitate to call. Buyers are always on the lookout for new merchandise.

To prepare for a meeting with the manager or buyer, you will need to prepare a portfolio and a sample case. It is very important for any serious craftsman to have an attractive portfolio that includes any publicity you have received, price lists and possibly letters of introduction, as well as photographs of your work. If you prepare a sample case of actual items, this should contain your best items with complete information about each. Tell how you can use the item and use terms that the customer can relate to....what he/she might be looking for....i.e., "translucent fabric banners, responsive to air currents" (You can almost feel the attraction and movement in the description).

Although direct contact is the very best way, this is time consuming and expensive. The telephone and mail are alternatives. In these contacts, include a history of the product, how you use it and some kind of illustration to identify the item. You can make your own line drawing. Mail it to a prospective buyer along with a personal note. Be enthusiastic about your product!

In addition to store buyers, central buying offices are good places to contact. These buying offices buy for many stores and a sale to them could result in several orders.

The importance of the big department store as a craft outlet may be diminishing but there is a huge growth of specialty shops. Not just shops that sell only crafts but the boutique that carries selective one-of-a-kind merchandise. These shops often like the festive look that holiday crafts give their stores.

Good photographs of your work are an absolute necessity! Unless you are a good photographer, consider having a professional do this for you because it is an important investment. If your slides and photos are not good, your work will not sell. Have a set of glossy prints in color for your portfolio and also a set of slides showing your best work. Slides are usually required for any juried show or exhibit.

Sales Representatives

For many craft producers, a way to move goods to retailers and customers is the sales representative. One sales representative may serve many non-competing craft producers, creating a broad product line.

If you have more sales than you can handle, you do not need a sales rep but if you need to reach a new market or want to devote more time to production, a sales rep is an option to consider.

A sales rep is not a customer. They usually do not buy from the producer but take orders for the product, check credit references, etc. You usually provide them with any samples they will be using with the agreement that they will return a sample when it is no longer being used.

It is important that you have a written agreement between you, the craft producer, and the sales rep that will include how the rep will be paid.

Sales reps can usually be found through trade magazines and newspapers. Target a market for your product(s) as sales reps usually specialize in selling to one or two types of retail outlets such as gift shops and crafts shops; women's apparel shops; furniture stores and kitchen stores; or department stores and mail-order catalogs.

Home Craft Parties*

Home craft parties can be an effective selling method. These parties bring customers and craftspeople together in relaxed settings. Similar in concept to home decorating or jewelry parties, the crafts person brings items to another person's home, demonstrates the craft, then sells.

Home demonstrations can be a natural marketing method for many different crafts. Often

these crafts are used in or purchased for homes. The hostess invites guests with the expectation that they will be interested in purchasing an item. Several guests may want to host a party of their own, creating an ongoing sales outlet. Besides home shoppers, office workers may want to have a craft showing during the noon hour at work.

Suggestions for marketing in this way:

- **Target your customers.** Know their lifestyle, attitude about handcrafted items, style preferences, family size and family income range. Also, include age range, interest in decorative objects, etc. Those not interested in items for their own homes may be interested at holiday seasons.
- **Product variety is necessary.** Guests usually know each other and will not want to purchase the same items. If you have a limited selection of crafts, join with one to four other craftpersons.
- **Offer products at different price points** because customers will have varying shopping needs. Consider gift items:
 - \$3 - \$12 token gifts;
 - \$12 - \$15 friends' birthdays;
 - \$15 - \$27 relatives' birthdays;
 - \$27 - \$50 wedding gifts.

Different methods of selling:

- a) **Display items are not for sale.** The sales person takes orders to be filled within 4-6 weeks. At that point the sales person delivers the items to the hostess, collects the money and remits payment to the craftsperson.
- b) **All items displayed by the seller are for sale.** Orders are not taken. This option could be either consignment or outright purchase.

*Source: JaneAnn Stout, Iowa State University Extension

Mail Order

Selling by mail has grown tremendously in the last few years. Mail-order can range from producers developing a flyer, brochure, or catalog and mailing it out themselves, to having their products sold in an established glossy, existing magazine or catalog. For each marketing direction, there are many things to consider. If you decide to produce your own catalog, brochure or flyers, two important factors are timing and selecting a mailing list. Beware of sending your sales materials to arrive at a time when the mail is loaded with commercial advertising or on days of the month which coincide with mailings of bills.

If you are compiling a mailing list, you must be selective so you can effectively target your market. Promotional materials and postage are dollars not to be thrown away frivolously. Building your own mailing list is ideal but, in the beginning, you will need help. Check with your local library for a listing of mail list brokers. Remember to have a very good description of your “customer profile” so the broker can provide you with the best list to meet your needs.

Before deciding on catalogs for marketing your product, call each publication for pricing information:

1. Is there a fee to be included in the catalog or do you pay a percentage of sales?
2. What is the minimum inventory that must be available? Catalog companies may submit a purchase order and you ship merchandise directly to them. Other companies may submit copies of customer purchase orders and the producer drop ships the merchandise.
3. Knowledge of postal regulations, Federal Trade Commission rules, and tax laws in each state where merchandise is exchanging hands.

If you have made direct sales to customers, make it a practice to record names and addresses. These may be used in the future if you decide to do mail-order marketing. It becomes a very valuable resource since these are customers who like the product you make (they have purchased!), and also, if you choose, this list can then be rented and you receive extra income. Mail-order requires a large financial investment so evaluate **EVERYTHING** thoroughly before starting.

A good mail-order item should have a very high margin of profit to offset the high cost of advertising. It should be lightweight, easy to mail and durable to survive shipping.

Television Marketing

Cable network shopping channels offer customers buying opportunities in a wide assortment of merchandise. Some shopping networks, such as QVC, travel around the country and interview producers who are interested in marketing their products. They will choose those products they think will sell well and feature them on a program. Producers must provide back-up inventory in case sales go well.

On-line Marketing

Crafters have entered the vast on-line information system known as the World Wide Web that links businesses and potential customers all over the world. Costs range from a monthly fee to hourly surcharges depending on the provider. There are commercial services such as America Online as well as local internet providers too numerous to list.

Craft Malls

A craft mall may be as simple as a few showcases surrounding a cash register or a large building filled with elaborate sections allocated to different craftspeople. Typical tenant spaces are 8 to 15 square feet, less than a booth in many craft shows. The craft producers rent this space to sell their products in a location that is more likely to attract buyers than their home studios and without the need for the craftspeople to be on hand. Someone is available to answer customer questions and to refer people who might want to place special orders to the craftspeople.

Although craft malls have been around for several years, they have become more popular. Many malls are open 7 days a week and some offer free professional set-up and display services. Another offering may be computerized sales summaries. Some malls require that the craftspeople sign at least a 6-month lease for the space and rental is usually by the month.

Like all other business dealings, it is recommended that crafters who want to affiliate with a mall, do some investigation. Get references and see if the company has a good reputation. Talk with other crafters who have sold there. Also, consider how cooperative the malls are with the craftspeople. The craftspeople need to remember that this is a business and should test their craft's appeal with consumers at shows before signing an agreement to sell with a mall for a long period of time.

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Revised 07-2002