

# Design\*Sponge Meetup @ DWR: Pricing, Marketing, and Wholesale

*Prepared by Audrey Aponte and Ryan Deussing of Elsewares.com (www.elsewares.com)*

## 1) Pricing

The principle rule of pricing is that everybody needs to make money - and that includes you. So know your margins, and be sure to base them on wholesale prices.

A mistake designers often make is setting their prices so low (e.g. on their own web site) that they can't afford to halve them for stores. And nothing is as good for your business as having a long list of happy and active wholesale customers.

Beyond that, anything goes. Pricing is a black art. People love affordable products. But some expensive things sell well because they cost a lot. And theoretically, the same product can be sold at different prices to different people.

The key is to make sure it's your product's innovation or sheer awesomeness that customers fall for, not the price. If you're goods really stop people in their tracks, the price should make them feel like they have discriminating taste.

## 2) Marketing and 3) Landing wholesale accounts

I've lumped these together because they're really two sides of the same coin.

Your chances of interesting a buyer decrease every time you call or email them directly and increase every time they hear someone say your name or see you in print or on the blogs. Go out and make stores come to you. Get exposure, get press, be a known entity. Don't walk into stores with your products under your arm.

In general, trade shows are a bad place to start. They can be more valuable as your business matures, but not all trade shows are worth the bus fare. Most store buyers don't take chances on newfangled things - they want you to show them something that's already hot but that their customers just don't know about yet. Choose carefully, and invest in a booth when you have a healthy wholesale business you want to augment with new accounts, not when you're trying to get a foothold in the industry.

Fairs & markets, on the other hand, are usually fun & inexpensive and put you in face-to-face contact with the real people who buy your stuff. And when they have laser-like focus on a particular niche (Renegade Craft Fair, Brooklyn Designs, etc.) they create buzz and get people talking and that can lead to all kinds of good things. If the perfect fair or market doesn't exist for your niche, you can always start it yourself.

Lastly, remember that context is important. Be wary of putting your products into any milieu that doesn't set the bar as high you would. Customers, buyers, and journalists will all make judgments about your brand based on the company it keeps. If you're an indie fashion designer, does appearing on the same web page (or store shelf) as homemade fudge send the right message about your products, your business, or your brand?