

Pricing Portraits

By Martha Dameron

It's time for a little talk on pricing portraits and what factors go into that price.

The telephone rings and the first question that the caller asks is: 'How much is an 8x10'? I am sure that we all have an answer of sorts for that question, but have we really done our homework on that answer?

There are many ways to figure out how to price an 8x10. You can call your competition, and find out how much they are selling it for or you can get one of your clients to call for you. You can go online to their website and get a price. You can go to Sears, Glamour Shots, The Picture People, etc., and get their prices. You can attend a seminar and get prices from someone there. Your child brings home a price list from the school photographer...on and on and on. Which one is the right price for you to be charging?

Let's start at the beginning, with a very basic listing of your costs. An 8x10 from C2K costs \$1.99. Somewhere along the way you heard someone say that you should use a 3 times mark up, one third for costs, one third for overhead and one third for you to keep. So $\$1.99 \times 3 = \5.97 . Wow, that doesn't hardly seem like enough for all the work I put into creating the pictures. Maybe, I have more costs involved in an 8x10 than just the cost of the picture. So let's look at some of the other costs involved in preparing the 8x10 and other sizes for our clients.

*All of the costs are out of C2K's catalog, and are based upon selling only one print from an image.

Size	Retouching	Spray	Mounting	Packaging	Lab cost	Cost
4x6	6.65	.42		2.50	.55	10.62
5x7	6.65	.75	4.25	2.50	.99	15.14
8x10	6.65	.90	5.25	2.50	1.99	17.29
11x14	6.65	1.75	6.75	5.00	3.95	24.10

16x20	6.65	2.50	7.75	5.00	13.50	35.40
20x24	6.65	3.50	13.25	5.00	17.75	46.15
20x30	6.65	3.85	14.75	5.00	20.75	51.00
24x36	6.65	5.50	23.50	5.00	29.75	70.40
8 wallets	6.65			.50	1.92	9.07

Ok, we have the costs listed, but maybe you don't use spray and dry mount on all of your sizes, just delete that cost and refigure. Maybe you do the retouching yourself, but you still need to factor in how much it would cost you to provide that service. I will let you figure out your actual costs based upon how you sell your products. For the sake of this lesson, let's assume the costs are as they are printed above.

Now we have the basic costs, but how do I know how much I should charge my clients? You can use a 3x mark up or $3 \times \$17.29 = \51.87 . (33.33% cost of goods/sales) Or a 5x mark up is $5 \times \$17.29 = \86.45 . (20% cost of goods/sales) If you don't dry mount anything 8x10 or smaller then you should take that cost out. For example, $\$17.29 - \$5.25 = \$12.04 \times 3 = \36.12 or times 5 equals $\$60.20$.

Let's think about your situation. Are you working from your home, or do you have a retail space rented? If you are working from your home, then you might think that you don't have any overhead costs associated with photography. Are you using your garage, a bedroom, your living room or basement? How much of your home has been taken over by your photography business? You do have costs involved even if it is only for electricity, heating/cooling, and telephone. According to recent information, successful photographers working from their home are averaging 25 to 30% cost of goods/sales.

If you do have a retail space, then you have a whole lot more costs to account for. What if you are paying \$1000/month rent, and your utilities are running \$400/month, your telephone is \$170/month, the yellow pages listing is \$225/month. Each month, you have \$1795.00 to pay out, before you can take anything out for you. That is \$89.75 each day (based upon 20 working days per month) that you need to bring in just to cover basic costs, not including any salary for you or an employee, and not including anything for you to use for advertising, new props or equipment. This is before a single client comes through your door. On top of this you have city, county and state licenses and taxes to pay: sales tax, use tax, self-employment tax. Don't forget the cost of your website and your blog, and your internet. On the average, a retail-based photographer uses a 4x, 5x or 6x mark up. (25%, 20%, 16.6% cost of goods/sales) 100% divided by 6 equals 16.6%.

Maybe you don't feel that you can charge that much for an 8x10. What if you haven't been in business very long or the others in your area are keeping the prices low because they don't know what their costs are. What do you do now?

There are several ways to sell your product. First of all, you need to decide how much of a mark up you can take, then you need to decide what you are going to include in each print that you are selling. Then you need to do the math and create an individual print price list. This gives you your starting point on sales. You can sell from your individual print pricelist, or packages or bundle your products. There are advantages to each way of selling.

By selling individual prints the customer gains the most freedom to spend their dollars and many of us are most comfortable with this way of taking orders. If you allow them to buy individual prints then you must factor in retouching, spray, dry mounting, packaging and the cost of the print on each one. What if you spend 30 minutes to an hour photographing them, and they only want 1 5x7? Are you willing to put in that much time and effort for \$45.00? You can do two things. First, charge a session fee for your time, and secondly, have a minimum order for each of your sessions. You might have a one-half hour session for \$60.00 and require they place a minimum order of \$250. Remember, you have a whole lot more time in the session than 30 minutes. There is the time downloading, processing the raw files, editing out the 'bad' ones, retouching, burning back-up cds, and sending the files to the lab. Then you have an ordering appointment with the client for them to view their images and to place their order. Some of you just put them on-line and let them order directly from the lab with drop shipping, but there is time involved in that as well and generally, the orders are smaller than when you 'control' the sales session. This type of selling gives most of the advantages to the client.

If you decide to sell packages or bundles, then you are encouraging your customer to buy more pictures. Let's design a simple package:

1 16x20	35.40 x 3 cog =	106.20
1 8x10	17.29 x 3 cog =	51.87
2 5x7's	30.28 x 3 cog =	90.84
2 4x6's	21.24 x 3 cog =	63.73
8 wallets	9.07 x 3 cog =	27.21
total		= 339.85

If you take a straight 3x mark up on all of these items, then you would charge \$339.85 for this package. If you only allow them to choose one pose for this package then you would only have one retouching charge of \$6.65, not seven. $6 \times \$6.65 = \39.90 . You could subtract the \$39.90 from the price of the package giving your customer a 12% discount. This gets your prices back into a range that you might be comfortable with. Another thing that you could do is charge more for the 16x20 than \$106.20. Maybe, you figure a 4x mark up on \$35.40 or \$141.60 for the 16x20. This allows you to charge the 3x mark up on the rest of the items and still be properly priced. This type of pricing gives the photographer the opportunity to make more money, but the first thing that the customer will want is to redesign the package by leaving out the 16x20 or adding more poses. You must know what it is going to cost you before you start allowing them to redesign the package, or you go back to your individual print prices where there is not a package discount.

Another option is to bundle items together. Again, let's design a bundle for the client to purchase. Bundles allow you to include what you want at the price that you want to charge, and gives the customer more choices. I like to include a wall portrait, because it has a higher perceived value, and I can charge more for it. I also might include a specialty product such as a framed, 20x10 storyboard (don't forget to do your pricing homework on this product!).

3 poses: \$6.65 x 3 =	\$19.95 cog
1 16x20 Wall Portrait	\$28.75 cog
5 Gift Portraits 8x10 or smaller	\$5.39 X 5 = \$26.95 cog
72 Wallets	\$1.92 X 9 = \$17.28 cog
 Total C.O.G.	 \$92.93
 3x mark up	 \$278.79
4x mark up	\$371.72
5x mark up	\$464.65
6x mark up	\$557.58

But you still have the problem that you are charging only \$20.00 for an 8x10. How do you begin to raise your prices without running off your clients? Ask yourself, am I undervaluing my photography? If you are busy all the time, then chances are you are undervaluing your product. If you don't have enough clients calling or you feel that the prices you are charging are 'fair' for the quality that you are producing, then look at what you can cut out of the cost of sales in order to make more money.(no retouching, no dry mounting, no spray, simplified packaging, etc.) Start by making short run printing on your price lists. Print only 10-20 price lists at a time and when you run out increase your prices by \$.50 to \$3.00 on each item. By gradually increasing your prices, your customers won't be as sensitive to the change as they would be if you made a huge jump.

So go back to the beginning. Start out by knowing what you are going to include in the price of each item that you sell. Figure out what you can charge for it realistically. Then gradually begin to increase your prices so that you will be able to pay yourself, purchase additional equipment like computers, cameras and lights. Remember, you are not selling a piece of photographic paper. You capture memories of the most important times in the lives of people.

Martha Dameron owns and operates [Vaughn Portrait Park](#) along with her daughter Elise Ellis in Ozark, Mo.

In 1995, Martha attained the Master of Photography Degree given by the Professional Photographers of America for excellence in photography, and in 2001, she received the Photographic Craftsman Degree from PPA for her participation in educating new photographers. Martha has been a member of the Board of Directors of the [Missouri Professional Photographers, Inc.](#), since 1993, and she is the current past president of that organization. Martha has been elected to serve as a Councilor from MOPPA, Inc., to the National PPA, and the American Society of Photographers have asked her to be the representative to Missouri. On numerous occasions, Martha has been awarded the prestigious Fuji Masterpiece and the Kodak Gallery awards for her photography; achieved the level of Top Ten Photographers in Missouri several times, as well as having photographs published in the Professional Photographer Magazine and Loan Collection books. Martha is a proud member of the C2K Neighborhood.