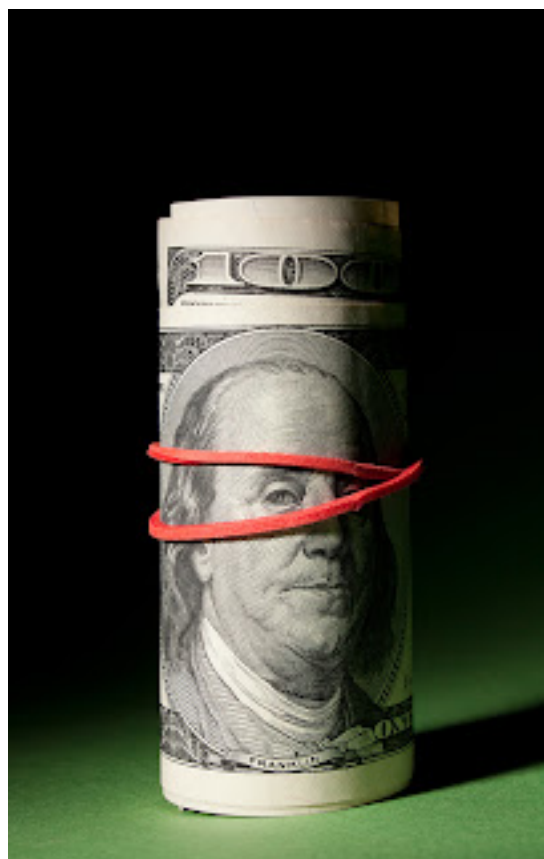


# How is the Internet Changing Art Pricing?

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## The Market Effects the Price

When you sell your art online, an equally beautiful painting is often just a click or even an inch away. Online, people can browse a lot of art very quickly with almost no effort.



This is in contrast to traditional brick and mortar galleries, with their local foot traffic, where gallery owners control the supply, set prices, and act as the gatekeeper to what buyers can or can't see. They handhold buyers through the buying process and work to help enhance the perception of value by pricing high. Your art is expected to be priced the same in all your galleries regardless of the local market. And, you are expected to raise your prices over time

to increase the perception of creating a return on your buyer's investment.

## **Inefficient Markets Attract Middlemen**

Brick and mortar galleries are middlemen and they take a big cut. They can do this because without them, the art market has traditionally been very inefficient. The traditional market consists of a sparse set of art buyers and a sparse set of art producers, and without galleries it was difficult for them to find one another. When markets are inefficient, middle men pop up to facilitate.

## **The Internet is an Efficient Market**

Not so, on the internet. The online art market is very efficient. Buyers still get attached to particular artists, of course, but the effort in finding art is very low and the supply and demand are large and global. This makes art into much more of a commodity, which simply means price is important.

What all this comes down to is if you want to sell your art online you need to understand that the rules of pricing are different and price your art accordingly.

## **How do you Price?**

Okay, so the rules have changed. Now how do you know how much to fix price your art or where to start bidding in your auctions?

It is easy for artists, especially those who have sold well in galleries, to go too high – or even worse, to not price their work at all.

## **Don't Frustrate your Buyers!**

Let's talk about the last scenario first – not entering in a price for your paintings. When you do this in DPW, it simply says "Contact Artist for Price."

One rule of sales that the internet has not changed is: ***don't make it difficult for someone to buy what you are selling!***

As soon as someone has to contact you to simply find out the price of a painting, suddenly another equally beautiful painting ***with*** a price looks much more attractive.

## **Volume over Price**

Another reality is that in painting more frequently, smaller, and selling on the internet, you can benefit from high volume over high price. Instead of selling 2 large paintings in traditional galleries each month for \$2,000 each with a 50% gallery commission, online you are trying to sell 10 to 20 small paintings for \$100 each with no or a low commission. The end result is you get to paint more and, due to the greater volume, your sales are more resilient.

## **Selling Low to Build a Following**

While it can be difficult to do emotionally, especially when your ego is understandably strongly tied up in your work, pricing or starting your auctions low to build up a following is often effective.

I wrote one of our featured artists, Tilen Ti, just after he joined us and suggested he was starting his DPW Auctions too low at \$1. I told him we were new and he likely would not enjoy a sufficient bidding volume enough to drive his prices up to a worthy level. He replied he knew what he was doing and that it was his strategy to build a following. And do you know what? *It worked!*

## **Persevere!**

Pricing is difficult because it is tied up with your sense of self worth as an artist. The more impersonal you can approach it, the better. One of the most important disciplines you can have when starting out selling online is to persevere and experiment – with what and how you paint, perhaps - but definitely with how you sell and price.

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