Finding a Buyer in the Wholesale Market

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ABSTRACT: Tools and techniques will be presented to help the artisan/producer understand how to maximize sales at wholesale gift/craft shows.

The purpose of this workshop is to explain how the retail craft buyer makes decisions at wholesale markets. These markets are the primary avenue through which both artisans and retailers meet and where buyers (over 95%) make the decision to order or not to order craft from vendors (sellers of craft). What do you think buyers of craft are looking for? How do they find craft and when they do, how do they decide?

It is helpful in understanding what must take place in order to ‘sell’ craft, particularly at the wholesale level, to look at wholesale market from the perspective of the artisan/producer and then from the buyer’s viewpoint. Both want to be profitable in their businesses; the artisan creates what he/she believes the buying public wants/needs. The buyer makes choices that will determine the products that will be sold in the business. The assumption is that buyers buy only what their customers will buy. Market promoters indicate that the average market offers 22 hours of buying time and over 900 exhibits. That means that the typical artisan/vendor has only 1.47 minutes to make a sale. This study indicates that there are many more factors involved in decision making at market.

The second stage of the buyer study involved 45 hour-long telephone interviews with randomly selected craft buyers responding to Stage I survey and meeting pre-requisites for the interview stage. Buyers responded to a series of open-ended questions that addressed recent experiences at wholesale markets and purchases of craft. In applying qualitative analysis to the data from Stage II, three types of shopping behaviors emerged: targeting, ranking, & random.

Targeting - Buyers preselect which booths or sections of the market to visit, based on the vendor’s reputation, history, type of craft.

Characteristics- have specific needs, very well-defined business image, self-assured. Plan, select, order. Requires planning, knowledge of market.

Ranking - ranks order of market sections desired to visit, vendors and others. Can see as much as possible while fulfilling needs. Requires planning, knowledge of market.

Random - shop all categories without planning. May know what they want, but prefer to see it all. Relies on intuition as they shop and decide.

During the shopping process, ordering of craft may take place. Three types of ordering behavior became apparent in the analysis: spontaneous, calculating, delaying.

Spontaneous - Buyers exhibit a sense of competition, getting an edge on other buyers, or overwhelming emotional response, or time pressure.

Calculating - These buyers are self disciplined, thorough budget planners and are knowledgeable of specific product needs.

Delaying - Buyers are reflective, prefer comfortable environment, reduce pressure, comparative, and want to avoid the tumultuous air of the market as they make decisions. Reduce emotion, more energy.

Common themes among all of the strategies emerged. Buyers seek a positive relationship with the artisan or handicraft. They prefer to develop a sense of trust, a personal relationship that involves working directly with the artisan. They respond personally to appealing craft. They must have dependable service (delivery, consistent quality). The post-market experience is as important as at market.

What does this mean for artisan creating forestry handcrafts? As the artisan designs and produces a

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1Workshop presented at the North American Conference On Enterprise Development Through Agroforestry: Farming the Agroforest for Specialty Products (Minneapolis, MN, October 4-7, 1998)

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forestry handcraft, he is well advised to ask the following questions:

1. Is your design unique, is similar to others on the market? Buyers complain of duplication of ideas/products.
2. Are you producing a consistently good quality /workmanship?
3. Are you producing enough variety to create a “story” that offers buyers some choices in size, color, impact?
4. What type of medium?
5. What kind of response does the product evoke? What is the best selling point for the product? How would it attract a buyer?
6. Does it have limited or broad appeal?
7. Is the wholesale price point within the preferred customer range? Who’s the intended consumer? Buyers are critical of the “high price points” of fine U.S. made craft. Seeking good “middle of the road” craft.
8. What kind of story goes with the product? Hangtag, packaging.
9. Develop better business skills, develop selling skills, a business plan, a marketing plan.

The following are suggested resources for strengthening the craft business, product development, and knowledge of the craft industry.

Resources:

For Extension educators - work with artisans, share this study, develop case studies that reflect real-life experiences of artisans with buyers, encourage tours to businesses, develop selling skills

Resources for artisans:

For artisans - educate the public about your unique work, seminars for adults and children, exhibitions,

become involved in local business organizations, donate work, do publicity of your work, lead community arts events.

Industry Journals:

The Crafts Report (Monthly) P. O. Box 1992, Wilmington, DE 19899-9776 or OnLine: http://ww.craftsreport.com
Contains articles on business, shows, various media, trends, etc.

Books:

Crafting as a Business (1994) by Wendy Rosen

Major Wholesale Markets:

American Craft Council (ACC) -1-800-836-3470
New York International Gift Fair - George Little Management, Inc.
San Francisco Gift Fair - George Little Management, Inc.
Chicago Gift Show - George Little Management, Inc. - 914-421-3222
Beckman’s Handcrafted Gift Shows - Industry Productions of America, Inc. 213-962-5424
Buyers’ Market of American Craft -The Rosen Group (Baltimore, Philadelphia) 1-800-43-CRAFT

Business Curriculum to Strengthen Artisan Businesses:

Ca$hing in on Business Opportunities - National Home Based and Microbusiness Design Team, CSREES-USDA, published by Southern Rural Development Center, Cost: $85 + $15 Shipping Contact: SRDC, Box 9656, Mississippi State, MS 39762-9656