
Your product or service and the market place

a Please give brief details of the following.

Your products or services, including proposed price:

signed and numbered limited edition etchings, greeting cards and picture framing.

signed limited editions and artists proof etchings. Range in price from £5.00 to £150.00.

This is a gift market with big seasonal peaks, Christmas being the most important period.

They have several attractions as a retail product:

They only need little storage space, they will never be out of date, and they are mainly on sale-or-return from individual artists. Even if bought from publishers, the standard credit term is 90 days with return or replacement of unsold stock. The sale of a print often results in the sale of a frame. The price range means that there is something within reach of all pockets. Both prints and greeting cards have near 100% mark-up. The business is strictly cash, cheque or credit card over-the-counter.

b Market size and potential, such as where your market is, who are your customers, what are their needs and is the market growing or getting smaller?

Market size is difficult to measure but my questions and observations lead me to expect a £60,000 first-year turnover through the retail shop. This will eventually be £100,000 with an extra £20,000 in mail order.

There are several shops in similar businesses in the area and trade appears to be good. The retail market is strictly passing trade but the area is improving rapidly. It also attracts tourists, so the number of potential customers is improving.

The mail order business comes from previous customers who buy from catalogues mailed before Christmas.

c Major competitors - their prices, strengths and weaknesses:

Major competition is from 'Anystore' which has a well-known prints department. But this helps more often than not, as customers are drawn to the area and the small print gallery is cheaper. Other competition is from all of the other shops selling gift items. But again they draw custom into the area.

Strengths of the small print gallery are:

something for everyone at any price level. Once it is bought people cannot tell how much it costs.

Numbered handmade prints are exclusive and special, and possibly an investment for the future.

New untried weaknesses of the competition are that they are more expensive and less flexible. Jewellers, for instance have nothing under £18.00.

d	Turnover expected in first year	£ 80,000
	Sales break-even figure (Total Fixed Costs x 100)	£ 56,000
	Gross Profit Margin %	

Reasons why you think you can achieve your expected turnover:

Past experience of print trade.

Enquiries about turnover in the area.

The number of customers are increasing because the area is becoming an important up-market shopping centre.

- e Has your product or service been market tested? Yes No
'Anystores' print department has been going for many years and is very successful.
My product is similar. In past experience of selling prints, the market always seemed to be growing. Greeting card market is growing at 20% per year.
 If you have ticked 'Yes', say who the customers were - attach firm orders or copies of letters from people saying they will be your customers.

- f Marketing and sales methods you plan to use including the costs involved:
Retail shop and mail order catalogue. Mail order advertising tests from time to time. Retail shop £10 per square foot (£12,500 per annum) catalogue £750 (production costs)

9 Buying

Who are your major suppliers? *Individual artists and xyz and abc publishers*

Are there alternatives? *Yes*

What are the advantages of buying from the suppliers shown above?

Two wide complimentary ranges and 90-day credit. They also have a proven record with individual artists who are known to be good sellers. All publishers offer 90-day credit. All artists offer sale or return.

h Production or operation

Please describe briefly your methods of production or operation, if any.

Artists give certain numbers of prints from original drawings. These vary in number from 10 to 1000 or more. Each print is numbered and signed and regarded as an original.

Business premises (*Cross out the one which does not apply to you)

~~Freehold/Leasehold*~~

- a Valuation (give circumstances, for example "open market" Premium valued at £ 25,000 or "forced sale value" and date)
This does not include goodwill
This is based on a surveyor's valuation

Mortgage you owe plus name of mortgagee (if any)

£

No mortgage

- b Rates
- | | Per year | £ 2000 per year |
|--|--------------------------|----------------------------------|
| | dates you pay your rates | 10 instalments of £200 each |
| Size (in square feet) | | 1250 square foot retail shop |
| How much production space do you have? | | |
| How much office space do you have? | | 750 square foot basement storage |