

MERCHLY

# THE MUSICIAN'S GUIDE TO

# MERCH

SALES + MARKETING FOR  
THE GIGGING MUSICIAN



**You've heard it before:** if you want to be successful as an independent musician—however you define that for yourself—you can't ignore the “business” side of the music business. That means different things at different stages of your career, but a common trait among successful indie musicians is having multiple streams of revenue stemming from various music-related efforts.

In addition to live gig revenue and music sales, you might make money teaching music lessons, licensing your music, or playing side gigs. And certainly, especially if your act plays live shows, **merchandise sales** should factor into your plans when developing ways to boost your income.

Merch is not only a revenue generator (potentially to the tune of 150-200% mark-up from your cost), it goes a long way to establish your artist brand and serve as an advertisement. What better way to spread the word than a host of fans wearing t-shirts, hats, and hoodies with your logo or album art on them?

Of course, it goes beyond apparel—branding and merch include all the things fans will want to take home with them to remember the amazing experience you just gave them, including **CDs, vinyl records, custom USB drives**, and anything else you want to add your logo to.

Developing these items starts with understanding who you are as an artist and how that translates to your fans. What's your style of music? What's the vibe of your live show? What kind of mood do you set? What inspires you? How would your fans describe you?

The answers to these questions will help you determine what kind of graphics to include, what colors you want to draw from, what fonts to use, and what merch items you

want to sell. And this goes way beyond merch. Along with your album art, website, and social media content, merch is just one element of branding that should be consistent across all your marketing and fan-facing endeavors. Everything you do in service of your art should be consistent and be recognizable as “you.”

It's not about marketing, it's about defining what you stand for as an artist. Once you've done that, it's about how to embody this in the art and the items you create for your fans.

But, let's face it, you also have to sell the things you've created if you want to sustain yourself and your music career. But that doesn't mean it can't be authentic—this should be another opportunity for your fans to interact with you as an artist and take home a part of the experience they had at your show.

If you work hard to connect with your audience and create a live experience that moves them, that will fuel their desire to take home a piece of you that becomes part of the experience. So it's on you to create moments during your show and work to give your audience a reason to head to your merch table after you've left the stage. It's also on you to make the table accessible and attractive, stock it full of stuff your fans are going to want to take home, and price it attractively.

You also have to ask for the sale.

Which is where your business side has to emerge. It doesn't mean you have to do everything yourself (well, you might at first). Build a team, establish a business mentality, track your numbers, and make the most of every opportunity to further your career and increase your income.



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# AT THE GIG

Some things you need to do might seem so basic you'll wonder why we're mentioning it. Then again, sometimes the obvious stuff is what you overlook.

## Ask for the sale

Obviously, you need merch and CDs to sell if you want to make sales at your merch table. You also have to *ask for the sale*. If a fan really wants to buy from you, you are doing him or her a favor by making the process streamlined and easy. If your customer or fan is on the fence, it doesn't help to be ambiguous. It starts with mentioning you have merchandise, pointing it out while you have the audience's attention, and driving them to your booth.

And just as there's an art to writing and performing music, there's an art to selling that's a far cry from the car dealer TV ad model. You don't need to shout and repeat—not at a gig, on social media, or anywhere.

Instead, make a personal connection with your fans. Tell them stories about the music you're sharing with them or find a narrative you can build on. Engage with your fans at your show and invite them to continue engaging with you at the merch table. Let them know exactly where it is and when you'll be there. As a reminder, write MERCH in two spots on your setlist, right after two of your more popular songs, to make your merch pitch.

## YOUR TABLE, YOUR BRAND

Just like everything else you produce, your merch table should convey your artist aesthetic. It is an extension of your artist brand, and it should reflect who you are. Your merch table also needs to attract attention.

1. **Make your merch table intriguing.** Add LED lights or an iPad playing your music videos. Find ways to draw people in.
2. **Avoid clutter.** Clearly display the products for sale and their prices.
3. **Make it accessible.** Some venues will have specified merch areas, but you should do your best to ensure people can flow in and out without creating a logjam.
4. **Don't let your merch table become a hangout** for friends. You want to create a welcoming atmosphere, but this is part of your night's work. Don't let your friends get in the way of making sales.
5. **Have small bags available.** There may even come a time when branding the bags with your logo could be another way to promote yourself.
6. **Accept credit cards.** Always make it easy to buy from you!
7. **Put a tip jar on your merch table** and see what happens. People may not want to buy anything but might support you with a couple of dollars. This can add up.



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The merch booth is your opportunity to connect with new fans even if they don't buy anything. Have your email list and website info as the centerpiece. Have something free to give away at the merch table, even if it's just a business card or a flyer with band info and upcoming dates. This could be a chance to turn a stranger into a lifelong fan, so make sure you capture their contact info.

### **Bundles and deals**

Don't just focus on the number of sales, focus on maximizing the amount you make on each sale. It's easier to sell more to an active customer than create new customers, so find ways to market your products to encourage larger purchases.

There are different ways to do this. You can take the individual price of two or more similar (or identical) items and sell them at a discounted price for multi-product purchases. For example, if a t-shirt costs \$15, sell two for \$25, or sell any two \$12 CDs from your catalog for \$20. When making deals, you need to be conscious of the cost of every item and your desired profit margin. In other words, never price yourself out of a profit.

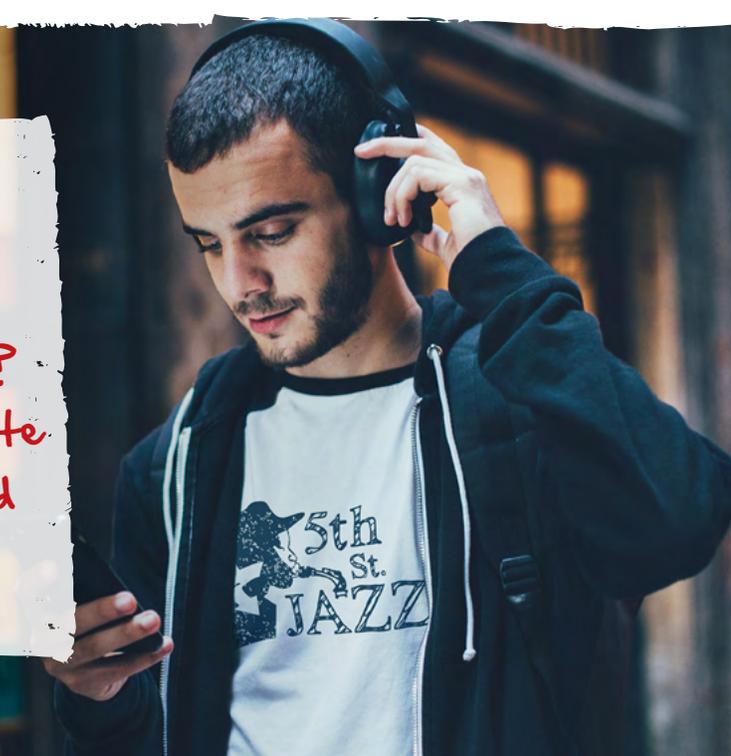
You can also bundle CDs and tees at a discount, or come up with dozens of merch combos to get that swag into your fans' hands and the additional revenue in your till.

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## **YOUR AESTHETIC**

Let's get one thing straight: Thinking of your music and your band and your artistry as a brand might make you uneasy, so try looking at it in another light. Think about it in terms of being intentional, thoughtful, and consistent in the way you present yourself and the look and feel of the art and products you produce.

Also, think of it from a fans' perspective. They will come to expect a certain look, sound, and feel from you as an artist, so it is important that you don't veer wildly from one endeavor to the next. You need to know what your unique qualities are and express them in a consistent and authentic voice if you want to engage meaningfully with fans in the long term.



*You're a music artist, not a graphic artist (unless you're both). Be honest and ask yourself, are you the best person to create your logo and graphics? Would you rely on a graphic artist to write your songs or sit at the soundboard and mix your recording?*

It does not *start* with a catchy logo. It starts with an outstanding product (music, show, recordings) and a lot of hard work. From there, it flows into everything that helps you maintain a unique space in the music market, including your:

- **Artist/band name**
- **Artist logo**
- **Image (dress, graphic art style)**
- **Musical sound**
- **Color palette**
- **Community outreach and interaction**
- **Live performances**
- **Merchandise**

When it's time to start developing artwork and a logo for your various media platforms, make sure you find someone who is absolutely qualified to do the job. You're an artist, so you no doubt have a fair share of creativity flowing, but you're a music artist, not a graphic artist (unless you're both and you can skip this part). Be honest and ask yourself,

are you the best person to create your logo and graphics? Would you rely on a graphic artist to write your songs or sit at the soundboard and mix your recording?

Your artwork is the visual equivalent of your music and your logo is the stamp of your brand. It will appear on banners, merch, CD and vinyl album covers, your drummer's bass drum head, road cases, and maybe even tattoos. Maybe you've got some aptitude with design software, but an experienced, professional graphic designer can really make a difference to your brand and take your rough idea or specific vision and make it look as professional and representative of your band as your music is.

In fact, if you can make your design so spectacular that fans covet it just because it's so cool, you can make sales to people who would not have considered buying a t-shirt when they walked in the door. Don't underestimate the power of an exceptional design.

## MARKETING, MEASURING, AND MERCHANDISING

People make decisions, including buying decisions, with their hearts, not their heads. As a musician, you've already got a leg up because your music is making an emotional connection. By sharing more of your story and deepening that connection, you'll entice your audience to invest in you emotionally and financially, beyond your music and shows. Tell your story through your music, your stage banter, and your social media exploits. Then give your fans ways to connect and contribute and grow your music empire.

### Measuring is good marketing

You know the dictum, and likely have not questioned, that "practice makes perfect." Well, if you're not practicing correctly, you're probably just reinforcing bad habits. So really, "perfect practice makes perfect" is more true.

The same goes for marketing. Marketing is not just about "doing things," or "doing more things," it's about doing the right things, and the only way to know if you're doing the



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right things is to measure. Use systems to collect, analyze, and act on information that is relevant to the goals of your marketing plan.

How does this relate to merch?

First, when dealing with money at your shows, the most important thing to do is write everything down. Sales numbers for your CDs, vinyl, and t-shirts are a straightforward example of what to track. What styles of t-shirt sold? What sizes? Did they sell in bundles or as one-off sales? Do you find that certain items sell better at outdoor gigs than indoor? Certain color shirts or hats that are or are not selling? Are there other trends you can decipher that might help you make product placement decisions or decisions about what the next piece of swag will be?

There are apps and programs out there that can help you keep your books, or you can keep all the info in an Excel spreadsheet, but whatever you do, keep track, review the numbers, and try to really understand patterns that emerge, including the 80/20 Rule. You might find that 80% of your music income is coming from just 20% of your products. Knowing what those products are should help inform future decisions.

## Pricing

Finding the right price for any item you're selling is an important part of sales and merchandising. You need to make money, but you can't price yourself out of fair market value. And while it might seem contradictory, sometimes pricing an item at too low a price inhibits sales. People might think it's too good to be true.

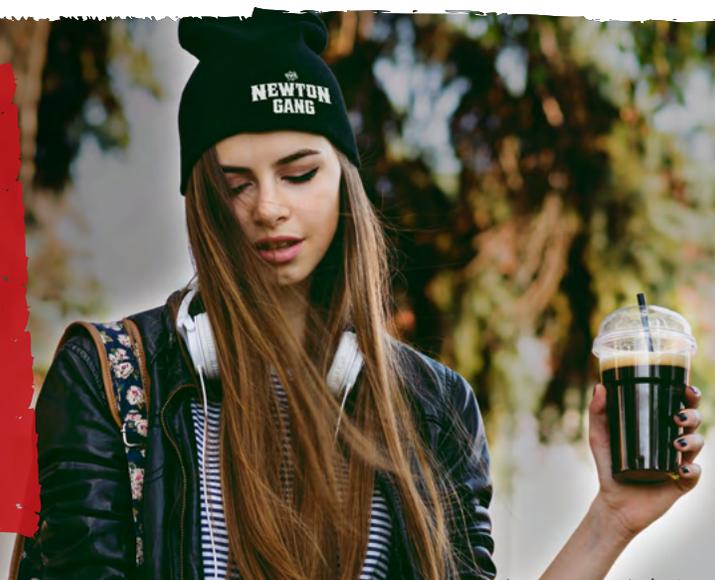
One sound, basic way to figure out what price your merch should be is to figure out what ROI (return on investment) you want for each piece of merch. Decide how much profit you want to make from an item, add that to the cost to manufacture it, and round up to the nearest whole dollar amount.

For example, let's say you've determined you want to make \$10 per t-shirt and you're ordering 50 daisy-colored concert t-shirts with a one-color logo on the front at a cost per t-shirt just over \$5. Add your cost to your desired profit, and you'll charge \$15 per tee. If you sell through all 50, you've grossed \$750. Subtract the costs of product and shipping, and you will have earned roughly \$450.

That same shirt with a 4-color design on the front and a one-color logo on the back might cost you three times per shirt, which means you would need to charge \$26 to make that same \$10, and you might be able to put a \$30 price point on it as a "premium" or "limited-edition" item. If you're able to sell through your premium shirt at the \$30 price-point, you stand to earn closer to \$700 profit.

But let's say you wanted to get creative and sell both tees as a bundle, your one-color standard and your multi-color, multi-sided premium tee. Together, the costs are roughly \$21.50, so you could charge \$35, make a little over \$7 per shirt, and net your \$700 in profit. Of course, your cash outlay, and your risk of loss if sales don't go as planned, is closer to \$1,050 for this scenario, as opposed to \$300 and \$750 (roughly) for the individual shirts.

*Your superfans, that percentage of your base who are your most loyal and fierce brand advocates, are likely to purchase new and limited items, especially if you roll them out periodically throughout the year.*





*Stay stocked up on older styles that have performed well, even as you develop new merch and designs. New fans don't have your classic merch yet, and long-time superfans fans will want the new stuff.*

When it comes to just about anything in manufacturing (shirts, CDs, posters, pins, buttons, stickers, etc.), you'll get a lower price per unit when you order a larger amount. As you can see in our t-shirt example, the number of ink colors you use will also have a big effect on the cost, as will printing a design on both the front and the back of a shirt versus a single-sided design.

When designing merch, and indeed even when it comes to album art or songs to include on an album, turning your fan base into a focus group is something to consider. While you always want to maintain control of your art and never betray your authentic self, getting fan feedback on what t-shirt design they most like and what price point they might be willing to spend on a particular item — and even taking pre-orders — can guide decisions and help you choose details with some degree of confidence they will resonate with your fans.

And adding these premium, or limited-edition, items can coincide with seasonal changes. Add beanies and hoodies in the fall and winter and tanks and baseball caps in the spring and summer. Your superfans, that percentage of your base who are your most loyal and fierce brand advocates, are likely to purchase new and limited items, especially if you roll them out periodically throughout the year.

Another pricing strategy is to have merchandise available at multiple price points. You're much better off having items ranging from \$3 to \$100 than you are having eight t-shirt designs at a \$15 price point. Smaller, high-profit items (stickers, pins) are great add-ons. If you price a CD at \$12, for example, you can throw in a \$3 item that costs you less than \$1 to produce, making the sale a round \$15 and raising your profit margin in the process. Additionally, if someone is making a larger purchase, you can sweeten the deal or add a thank-you by tossing that same \$3 retail item in without impacting your profit by much. Not to mention, there's advertising value in having that pin or sticker out on the street in the hands of a fan who you treated well at your merch table.

Hitting these higher price points is easier when you bundle items, by the way. You could create special items—a one-of-a-kind logoed skateboard, for instance—at \$100 price points, but you're more likely to bundle t-shirts, hats, and CDs to hit those higher price points when you're just getting your merch business off the ground.

### **Stay stocked up!**

One way to ensure you disappoint your fans is offering an item and then not being able to deliver. Nothing lets a fan down more than building up the excitement to get that awesome t-shirt design than to see the last one sell out while they're waiting in line.

Sometimes that's the nature of the business, especially if you're advertising something as limited-edition or one-of-a-kind. But if you're making a big deal about this great t-shirt or vinyl record available at the merch table and you run out while there's still a line of people ready to buy, you're heading in the wrong direction in creating superfans.

This is where tracking sales and inventory and understanding your sales trends in granular detail really pays off. Of course, this requires weeks and months of selling and tracking trends, but it starts with the intention of tracking and keeping good records of what styles and sizes sell and if there are variables that contribute to a particular style or item selling that you can plan for.

And stay stocked up on older styles that have performed well, even as you develop new merch and designs. New fans don't have your classic merch yet, and long-time superfans fans will want the new stuff.

If you're just starting out, it's always best to stick to the basics and sell items like:

- CDs
- Hoodies
- USBs
- Concert tees
- Hats
- Vinyl

And when it comes to sizes, make sure to cover the most common sellers. If you're just starting out, a general guideline is for every 100 shirts, stock 15 S, 30 M, 30 L, 15 XL, 10 XXL. Once you've established a baseline and get a feel for what your fanbase buys, you can get better metrics on future orders and venture into more exotic territory in regard to what designs and items you offer.

Now go out there and sell!

# MERCHLY

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