



The AnaJet mPower i-series is a fast, durable direct-to-garment printer. The new version of the popular mPower series boasts improved ink delivery and easier maintenance. Imaging businesses of all types depend on AnaJet printers to help them achieve more prints, more profits and more possibilities. Visit anajet.com to request sample prints.

Pricing for Profit with Direct-to-Garment Printing

Use these tips to create a methodically developed pricing list that can evolve over time with your business' growth.

By Joe Longtin, Contributing Writer

One of the top questions that new owners of direct-to-garment printers ask is: "How do I price?" However, this question naturally encompasses many others: "How high is too high?" "How can I grow the business and still turn a profit?" "Who is going to pay the best prices?" "When is it safe for me to raise my prices?"

Methodically developed pricing models serve as a critical starting point to ensure you don't lose your shirt (pun intended), and over time you should evolve them by continually asking the right questions. Some trial and error always is involved, but planning can reduce the "error" side.

The starting point of any good pricing model, or any business for that matter, is understanding market demands. This should be fully elaborated upon in your business plan. Knowing the answers to these questions will help you set the right foundation for pricing models.

Who are your customers? Where is your "sweet spot" today? Corporations, non-profits, healthcare facilities, small stores, retail stores, gift and souvenir shops, schools, community organizations, athletic teams? You may already sell

mPower™ **i-series**
DIGITAL APPAREL PRINTER

+ Get **more**
877.626.2538



AnaJet®
Imagine **more**

to all of these. If you do, then you already know that each one has a different level of price sensitivity.

What are their goals? Your customers' goals typically fall into one or two categories: awareness/advertising, profit, fundraising, cost savings and customization. Ask how they intend to use the garments, who will be wearing them and whether they intend to resell. They will appreciate that you are sensitive to their margins — even if you can't meet their requirements on a given job.

What are their expectations from you, as a vendor? Too often, customers will state certain expectations, but after seeing the quote, they reveal hidden expectations. If you have any doubt about their most important decision factors, ask questions. Are they accustomed to working with screen printers? Do they make assumptions about setup costs and color limitations that restrict their imagination? Have they used online custom shirt design for small orders?

Who is your competition, and where are their strengths and weaknesses? Some direct-to-garment (DTG) printer owners think they must compete with all other garment decorators — including screen printers, online mass marketers, eBay sellers and even the person down the block who has a dye-sublimation or heat transfer business in his dining room. If your competitive strategy is to win at all costs, you will be working for free. It's actually very likely you will find a balance between competing on cost and competing on product quality and service.

FACTOR IN ALL COSTS

No pricing structure is sound without factoring in the total cost. In your business plan, you should have articulated your total upfront investment, as well as overhead and direct costs. A simple pricing model includes direct costs, such as materials and labor.

Don't dismiss the value of your time — that is, time spent designing original customer art, correcting problems with source graphics or even doing additional work when a customer changes his mind. This time can, and probably should, be broken out in your quote — even if you eventually “comp” it — so customers are aware of the extra value they are getting from you.

Job cost = direct costs (job-specific materials and labor, including payroll taxes): Including overhead costs, such as rent, utilities, interest expense, waste, etc., adds another layer of coverage. As an option, add

• more QUALITY • more RELIABILITY • more SUPPORT

mPower™ i-series
DIGITAL APPAREL PRINTER



overhead factor (it should be very small relative to your direct costs):

Overhead factor is the sum of monthly marketing, rent, insurance, utilities, interest, waste and other expenses, divided by either a.) Average number of jobs per month, or b.) Number of shirts in a given order divided by the average number of shirts per month: If your overhead factor is very large — for example, more than a single-digit percentage per job — you may need to evaluate your entire business plan.

Now, it's time to determine price and gross margin. Some DTG owners publish price lists; others go strictly by job. A simple, easy-to-read-and-understand price list is crucial. It will help you stay consistent between customers and gives you something to either attract (or ward off) pure price shoppers, depending on your goals. Examples are below:

Price List from Home-Based Start-Up Local! Full-color digital garment printing. No minimums. No set-up fees. Ready tomorrow.

Digital color means an unlimited number of colors, resulting in photographic-quality prints directly on the garment. On-demand printing requires no set-up fees and no minimum order quantities. Customers must provide ready-to-print, high-resolution graphics.

Pricing below includes either white or ash gray T-shirt in adult sizes S-XL.

Standard Pricing Menu: Front or back (one side only)

1 shirt	\$20
2-3 shirts	\$17.50 each
4-6 shirts	\$16 each
7-12 shirts	\$14 each
13-24 shirts	\$13 each
25-49 shirts	\$12 each
50+ shirts	\$10.50 each
Additional print sites	\$3 per piece
Design time (if necessary)	\$75 per hour

Other sizes, garment colors and shirt styles are available. Email for a quote today!

Supplemental Price List from Retail Store

SPRING-SUMMER PRICE LIST

Additional charges for other items:	
Tank Tops	\$3
Polo Shirts	\$5
Long-Sleeve Tees	\$5
Crew-Neck Sweatshirt	\$10
Hoodie Sweatshirt	\$18
2XL and 3XL:	
All Shirts	\$3
Sweatshirts	\$5
Second location on back of garment:	
Name/Name and Number	\$4
Constant Backs	\$3
Dark colors with white printing:	Add \$2.50 front
	Add \$2.50 back

Best way for quickest service is to design as full color in Adobe Photoshop or CorelDRAW as a TIFF with a transparent background. Size not to exceed 11"x 14". Bring artwork on a USB.

ADDITIONAL CONSIDERATIONS

Some start-up garment printing operation owners find it easier to build a price list from scratch as they go. This is typical, but if you let it go for too long, you may find yourself always competing with the lowest common denominator: screen printing. Branding your DTG line of business as a less-expensive alternative to screen printing may net you lots of business until you are barely breaking even, or you lose a customer who does not get 500 two-color shirts from you in a day for \$6 per piece.

You may notice that some DTG owners add a surcharge for dark shirts and other garment types. This accounts for additional time and materials, such as metal foil, pretreatment and white ink. Your customers should not balk at the extra cost. Some charge a flat rate for simplicity's sake, while others charge by square inches (area) or vertical inches (number of print passes).

Above all, never race to the bottom and don't leave money on the table. Customers who are accustomed to paying for setup fees and thinking in terms of numbers of colors will take some time to acclimate to an entirely new structure. It is up to you to reset expectations.

Remind them constantly that direct-to-garment printing circumvents time-consuming setup and costly screen fees, and it is the only technology that can quickly deliver dozens of printed garments on demand. You must compensate for that by charging a fair price. Having done your homework and run the numbers, you will feel much more confident in asking for what your equipment, time and effort are worth.

Price List From an All-Purpose Garment Decorating Business with e-Commerce Website

T-Shirt Quantity:	1		2-11		12-36	
Print Size:	Light	Dark	Light	Dark	Light	Dark
8"x10"-80" sq.	\$20	\$25	\$15.40	\$18.55	\$15.05	\$16.75
12"x10"-120" sq.	\$20	\$25	\$16.20	\$19.95	\$15.80	\$18.35
14"x16"-224" sq.	\$20	\$25	\$18.40	\$22.15	\$17.80	\$20.85
T-Shirt Quantity:	37-72		73-96		97+	
Print Size:	Light	Dark	Light	Dark	Light	Dark
8"x10"-80" sq.	\$14.65	\$15.85	\$14.25	\$15.25	\$13.80	\$14.95
12"x10"-120" sq.	\$15.25	\$17.25	\$14.75	\$16.45	\$14.25	\$15.85
14"x16"-224" sq.	\$17.05	\$19.85	\$16.25	\$19.05	\$15.55	\$18.65

STEP-BY-STEP



STEP
1

Black text on a white shirt is a great example of a simple, on-demand piece with standard pricing.



STEP
2

Printing on a burnout garment, which is composed of synthetic fibers, means you need to use a special pretreatment or special ink. Either way, it adds a premium.



STEP
3

This left-chest print on a V-neck shirt still calls for pretreatment since it's on a dark color, hence a surcharge.



STEP
4

Pantone matching on a dark shirt is difficult, but possible with advanced RIP software and some trial and error.



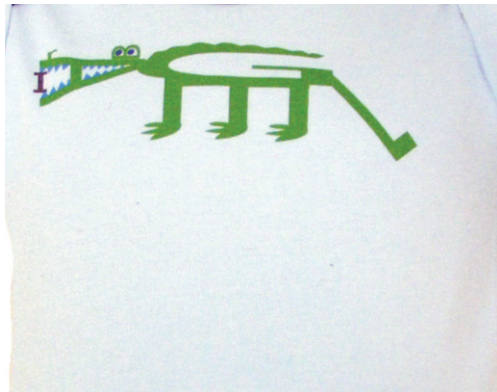
STEP
5

A white hoodie will not require pretreatment, but the thick fabric will call for more ink or multiple print passes, factoring into the costs.



STEP
6

Foil adds a high perceived value to a garment at a very low cost. Every DTG printer owner needs to have this capability in his repertoire for maximum profit.



STEP
7

This baby bodysuit is an example of a miniature print. On a white or light garment, the ink cost is extremely minimal, but you may want to revisit overhead for special platens.



STEP
8

Get creative! Sockprints, a DTG company known for custom printed socks, found success with this niche. The business owner developed a custom jig and pricing model that enables profitable printing on even one pair.



STEP
9

This customer is wearing a unique DTG shirt based on a drawing (courtesy of Susan Asplin and Gene Wodzicki). The image was scanned, reversed and printed with white ink on a pretreated black shirt.