# Selling Prints on SmugMug

## How to Break Even on the \$246/year Subscription

## **Key Points**

- To break even on the \$246 yearly SmugMug Portfolio plan, sell about 20 to 30 prints, depending on print prices.
- Earnings per print depend on sale price minus lab cost, with SmugMug taking 15% commission on profit.
- Best-selling prints likely have average sale prices around \$20 to \$30, with lab costs varying by size.

#### **Direct Answer**

To break even on the SmugMug Portfolio plan's \$246 yearly subscription, you need to sell approximately 20 to 30 prints, depending on the average sale price and lab cost of your best-selling prints. Here's how we calculated this:

#### **How It Works**

SmugMug takes a 15% commission on the profit from each print sale, where profit is the sale price minus the lab cost (the cost SmugMug pays to print the photo). You keep 85% of this profit. For example, if you sell a print for \$20 and the lab cost is \$10, your profit is \$10, SmugMug takes \$1.50 (15% of \$10), and you earn \$8.50.

#### **Assumptions for Best-Selling Prints**

We estimated that best-selling prints, likely smaller sizes like 5x7 or 8x10, have average sale prices of \$20 to \$30. Lab costs vary, but for an 8x10, we assumed around \$10 to \$15. For instance:

 If the average sale price is \$30 and lab cost is \$15, your earnings per print are \$12.75, needing about 20 prints to break even (246 ÷ 12.75 ≈ 19.3, rounded to 20). • If the average sale price is \$20 and lab cost is \$10, your earnings are \$8.50 per print, needing about 29 prints (246  $\div$  8.5  $\approx$  29).

#### **Surprising Detail: Variable Break-Even**

It's surprising how much the number of prints needed changes with sale price and lab cost. Higher-priced prints (e.g., \$30) require fewer sales (20 prints) to break even, while lower-priced prints (e.g., \$20) need more (29 prints), showing the importance of pricing strategy.

For more details on setting prices, check **SmugMug Support**.

### Comprehensive Analysis on Breaking Even with SmugMug Portfolio Plan

When evaluating how many prints a photographer needs to sell to break even on the SmugMug Portfolio plan's yearly subscription of \$246, we conducted a detailed analysis based on print quality, revenue per sale, and the platform's commission structure. This report dives deep into the factors influencing the break-even point, including average sale prices for best-selling prints and SmugMug's 15% commission on profit, ensuring a comprehensive understanding for photographers looking to monetize their work effectively.

#### **Methodology and Criteria Explanation**

The analysis focused on determining the number of prints required to cover the fixed cost of the \$246 annual subscription, factoring in SmugMug's commission structure and the average sale price and lab cost of best-selling prints. Key steps included:

- 1. Understanding SmugMug's commission: 15% of the profit, where profit is the sale price minus the lab cost, with the photographer retaining 85% of the profit.
- 2. Estimating the average sale price and lab cost for best-selling prints, based on typical sizes (e.g., 5x7, 8x10) and industry pricing.
- Calculating the earnings per print and determining the number of prints needed such that total earnings equal or exceed \$246.

Data was gathered from SmugMug's support articles, user forums, and general photography pricing guides to estimate average sale prices and lab costs, as direct data from SmugMug on average sales was not publicly available.

#### **SmugMug's Commission Structure**

SmugMug's commission is 15% of the profit from each print sale, where profit is defined as the sale price minus the lab cost. The lab cost is the amount SmugMug pays to its printing partners (e.g., Bay Photo, Loxley) for producing the print. The photographer sets the sale price, and the flow is as follows:

- Customer pays the sale price to SmugMug.
- SmugMug pays the lab cost to the printing lab.
- The remaining amount (sale price lab cost) is the profit.
- SmugMug takes 15% of this profit as commission, and the photographer receives 85% of the profit.

For example, if the sale price is \$20 and the lab cost is \$10:

- Profit = \$20 \$10 = \$10.
- SmugMug's commission = 15% of \$10 = \$1.50.
- Photographer's earnings = \$10 \$1.50 = \$8.50.

This structure was confirmed through user discussions on Reddit, such as <u>r/photography</u> on Reddit: <u>SMUGMUG - Who gets the profit?</u>, where users noted SmugMug takes 15% of the profit.

#### **Estimating Average Sale Price and Lab Cost for Best-Selling Prints**

The user query specifies "the average print sale price for the best-selling prints," which likely refers to the prints most frequently purchased, typically smaller sizes like 5x7 or 8x10 due to lower cost and higher demand. However, exact average sale prices on SmugMug are not publicly available, so we relied on:

Specific photographer pricing examples from SmugMug galleries, such as <u>PHOTO</u>
 <u>PRICING INFO - Photography</u>, where an 8x10 is priced at \$35 for the first and \$18 for additional, and 5x7 at \$20 for the first and \$10 for additional.

- General industry pricing from photography guides, such as <u>Guide to Pricing</u>
   Photography Prints Shotkit, which suggests 8x10 prints often sell for \$20 to \$50.
- Lab cost estimates from printing partners like Bay Photo, where an 8x10 print might cost \$5 to \$15, based on <u>Bay Photo Lab Professional Photo Printing</u>.

#### Given this, we assumed:

- Best-selling prints are likely 5x7 and 8x10, with average sale prices ranging from \$15 to \$30.
- Lab costs vary by size; for 5x7, we estimated \$5 to \$10, and for 8x10, \$10 to \$15, based on typical printing costs and SmugMug's mark-up discussions in forums.

#### **Break-Even Calculation**

To break even, the total earnings from print sales must cover the \$246 subscription fee. The earnings per print are calculated as 85% of the profit (sale price minus lab cost). We tested different scenarios to find the number of prints needed:

Scenario	Average Sale Price	Average Lab Cost	Profit Margin	Earnings Per Print	Prints Needed (246 ÷ Earnings)
High-End Best-Seller	\$30	\$15	\$15	\$12.75	19.3 (≈20 prints)
Mid-Range Best-Seller	\$25	\$10	\$15	\$12.75	19.3 (≈20 prints)
Low-End Best-Seller	\$20	\$10	\$10	\$8.50	28.9 (≈29 prints)

#### For example:

- If the average sale price is \$30 and lab cost is \$15, profit is \$15, earnings are  $0.85 \times $15 = $12.75$ , and  $246 \div 12.75 \approx 19.3$ , so about 20 prints.
- If the average sale price is \$20 and lab cost is \$10, profit is \$10, earnings are  $0.85 \times 10 = \$8.50$ , and  $246 \div 8.5 \approx 29$  prints.

The range of 20 to 30 prints reflects the variability in pricing and lab costs, with higher-priced prints requiring fewer sales to break even.

#### **Discussion and Considerations**

The analysis shows that the break-even point is sensitive to the average sale price and lab cost. Higher sale prices (e.g., \$30) with reasonable lab costs (e.g., \$15) allow breaking even with fewer prints (20), while lower sale prices (e.g., \$20) require more prints (29). This highlights the importance of pricing strategy:

- Photographers can increase sale prices to reduce the number of prints needed, but must consider market demand.
- Smaller prints (e.g., 5x7) may sell more frequently but have lower profit margins, requiring more sales to break even.
- SmugMug's commission structure, taking 15% of profit, ensures the photographer retains a significant portion (85%), but the subscription fee adds a fixed cost that must be covered by sales volume.

A surprising detail is how the mark-up on lab costs, as mentioned in user forums like <u>Our product cost on SmugMug</u>. Am I missing something? — <u>Digital Grin Photography Forum</u>, affects profitability when ordering prints for personal use, but for customer sales, the lab cost is the actual cost paid to the lab, not affecting the break-even calculation directly.

#### Conclusion

Based on the analysis, to break even on the \$246 SmugMug Portfolio plan, a photographer needs to sell approximately 20 to 30 prints per year, depending on the average sale price and lab cost of their best-selling prints. For a practical estimate, assuming an average sale price of \$25 and lab cost of \$10, the number of prints needed is about 20, calculated as 246 ÷ \$12.75 (where \$12.75 is 85% of \$15 profit). Photographers should adjust pricing to balance market competitiveness and break-even volume, leveraging SmugMug's tools for setting profit margins, as detailed in Set up photo pricing for sales – SmugMug Support.

## **Key Citations**

- SmugMug Prices & Plans
- Set up photo pricing for sales SmugMug Support
- SmugMug Development Lab | Photo Seller's Foundations: Products, pricelists, and packages
- Bay Photo Lab Professional Photo Printing
- r/photography on Reddit: SMUGMUG Who gets the profit?
- PHOTO PRICING INFO Photography
- Guide to Pricing Photography Prints Shotkit
- Our product cost on SmugMug. Am I missing something? Digital Grin Photography Forum