

ARTISANRY Co.

Whitepaper

MAKER MARKETPLACES:
Exposing the 'Fake
Homemade'





"Have nothing in your houses that you do not know to be useful or believe to be beautiful."

William Morris

As we near the end of 2020, we are experiencing a boom time for creating, making and crafting. Market researchers and media commentators have noted the growing number of people taking up arts and crafts for more than a decade in the wake of the 2008 financial crash, and the trend shows little sign of abating.

Perhaps, in a world of increasing social and economic upheaval, we are collectively looking for something to hold on to - a return to the homely comforts and tangible rewards of creating something with our own hands. In 2018 a report by Hobbycraft noted that the store saw an average of more than 60,000 searches for the term 'mindfulness' by UK consumers on its website every month:

"This is an increase of three per cent year on year. When it comes to switching off from hectic lives, 54 per cent of the nation use craft to relax and 28 per cent of people use craft to help with their mental health... The crafting movement has been a growing trend with almost two thirds of UK adults describing crafts as 'fashionable'."

Craft Business, 2018

As the number of makers increases, it's no surprise to see commercial interests expand to meet the demands of this new niche. From the old hands of e-commerce, eBay and Amazon, to fast-growing challengers like Etsy and Not on the High Street, homemade is suddenly big business – for the platform developers at least.

After a year in which an unprecedented proportion of the UK workforce spent most of their time at home locked down and furloughed, many more have taken the opportunity to explore their creative side. Maybe just to pass the time, cope with the stress, or perhaps to make some extra cash as a 'craftpreneur' - one of the growing cohort selling their handmade crafts online.

In the professional art trading world, too, the pandemic has led to a sudden step change. Hiscox reports that almost two thirds of art sales platforms believe the current crisis will "result in a permanent and transformative shift, with online becoming a natural part of any art sales business"ⁱⁱ.

Who stands to benefit from this proliferation of interest, and new channels to buy and sell art? Will the shift result in a legacy of increased opportunities for creators to make a career from their passion? [Artisanry Co.](https://artisanryco.co.uk/) commissioned researchers from Sussex Innovation to explore these questions and more.



MORE THAN A HOBBY

Four years ago, a study from Mintel found that 45% of older millennials in the US sold one of their handmade crafts online.

"While the majority of people who participate in arts and crafts likely do so because they enjoy the activity, following the recession consumers have found unique ways to embrace their inner-entrepreneur."

Mintel, 'The Arts and Crafts Consumer' 2016ⁱⁱ

It's clear that market analysts were waking up to the financial opportunities for creators, though still in a limited sense. There is of course a huge investment in time, training and materials involved in first learning and practicing a craft, before going on to produce saleable work. The margins for supporting oneself as an artist are notoriously tight, and the rewards on offer are limited for all but a select few.

While public funding has traditionally helped some creators to bridge this gap, it is finite, and growing smaller. The recent online backlash against the UK Government's '*Rethink. Reskill. Reboot.*' campaign has brought to light a national conversation about the value we place on the arts, and what investment we are prepared to make into our cultural sector.

This is the opportunity that maker marketplaces promise to unlock; a low-risk space for new and aspiring artists to experiment with finding their audience.

"Etsy is synonymous with hobbyists, makers and handmade crafts. But a growing number of artists are starting out on Etsy as a way of testing the market for selling their work."

MoMA, '10 ways to buy original art online', 2020^v

There are easier ways of making a living, but money isn't the only motivation for making art. For many creators their craft is a compulsion, and selling work doesn't enter into the equation until much later. So, for how many creators is art a sole source of income, and how many treat it as a 'hustle' or 'side-gig'?

In a survey of Artisanry Co.'s maker community, 64% of respondents described creating and making as their sole source of income, with nearly all the rest announcing an intention to dedicate more of their working hours to their craft in the future. While much of the coverage of maker communities emphasises the part-time opportunities they present, for many this is simply not practical.



"I love being my own boss and working creatively. I'm inspired by nature and after many years working in the Civil Service wanted something more flexible, better for my wellbeing... Finances, bluntly have been a stumbling block in the past... Even a side hustle would have been hard to achieve due to the long hours and stressful nature of my previous role."

Naomi Brookes, Artisanry Co. community

THE CHALLENGES FACING MAKERS

As public funding for new and emerging artists continues to shrink, this has resulted in a greater burden being placed on the creators themselves. Away from the immediate financial challenges, more expectation than ever before is being put on artists to promote and sell their own work. This has led some more entrepreneurial artists to engage directly with their market:

"Artists turned to online crowd-funding platforms such as Patreon to generate... monthly income whilst giving their patrons 'perks' and rewards, such as subscriber-only content. This is breaking down the traditional model where only a few can participate and changing it to consumer / buyer engagement around a social cause rather than financial gain."

*Hiscox Online Art Trade Report, 2020**

While these artist-driven models can in the right circumstances be hugely empowering, there are also risks involved. All this sales, marketing and financial management significantly eats away at the time and mental space an artist can afford to dedicate to their craft.

"I find that the whole business of selling is a distraction. I'm not particularly good at it and would rather focus on what I can do well."

Helen Miles, Artisanry Co. community

"It's very difficult when people don't know you. If you're not on a good platform it's very difficult to get any interest."

Shirani Fernando, Artisanry Co. community

The other option is to rely on the maker platform for support, but involving a middleman has its own financial implications in the form of commission fees. For some, these are an acceptable price to pay, while for others the fees are prohibitively high.



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“There is a lot of competition and a lot of noise – it’s hard to get noticed or heard! Etsy fees are quite high and can eat into profits... it takes considerable effort on my part as Etsy do very little.”

Naomi Brookes, Artisanry Co. community

“I have found the service that Saatchi Art provides in helping the artist through the process of preparing the work for shipping, answering queries, and troubleshooting problems is great. They definitely earn the 30% commission.”*

*Daniel Mullen, cited by MoMA, ‘Selling work on Saatchi Art’, 2019’
 Commission set at 35% as of August 2020

It’s clear that what matters most here is not the commission itself, but the value that the platform provides in exchange.

COMMUNITY	INCLUSIVE
<p>FREE TRIAL</p> <ul style="list-style-type: none"> Free first 6 months with no upfront or rolling costs 11% commission charged on sales Access to our sales platform Assistance with initial shop set up Your own dashboard to manage your shop Marketing & promoting your profile Access to maker workshops Access to the Artisanry Co. community No penalty on leaving after 6 months All prices are inclusive of VAT <p>Sign Me Up</p>	<p>£72 / 11% commission on sales</p> <ul style="list-style-type: none"> One off joining fee of £72 Monthly membership fee of £4 11% commission charged on sales Access to our sales platform Assistance with initial shop set up Your own dashboard to manage your shop Access to the Artisanry Co. community Marketing & promoting your profile, including a maker video Access to maker workshops Discounted business mentoring and coaching Discounted packages on specialised business support training All prices are inclusive of VAT <p>Sign Me Up</p>



As algorithmically driven platforms promote creators who have been successful at making sales, exposure has become increasingly important – and therefore, building a social media presence. Ultimately though, this shift places more power in the hands of the platforms, with the imbalance even greater than under the old model of art brokering.

“Social media is great for connecting with the artists. Instagram is now one of the best channels for finding new work.”

MoMA, ‘10 ways to buy original art online’, 2020^{vii}

“Instagram can change its algorithm tomorrow, diminishing the audience who sees each post. Faire can alter its commission structure. Etsy can penalize those sellers who don’t advertise with them or offer the type of customer incentives they’re favouring these days.”

Lela Barker, Lucky Consulting^{viii}

With the world’s biggest eCommerce platform – Amazon – recently announcing its intention to join the maker marketplace party, it is worth emphasising this point. Amazon Handmade controls buyer/seller interactions, and strictly prohibits any communication which moves off its platform. Essentially, it owns both the transaction and the customer.^{ix} At this point, creators might be within their rights to ask whether the cost is worth it.

THE ‘FAKE HOMEMADE’

A notable facet of the evolving maker marketplace sector is the growing divergence between curated and non-curated marketplaces. Much like traditional galleries and art traders, the likes of Saatchi Art take higher commission fees from their sellers who, as already successful professional artists, can both sell at a higher value and absorb greater costs.

The trade-off against the ease of access and supposedly lower start-up costs offered by the likes of Etsy, eBay and Amazon Handmade is the increased competition for attention. However, a worrying trend of ‘fake homemade’ items is tipping the scales further away from individual creators.

Etsy is the most well-known and dominant of these players – of the Artisanry Co. community we spoke to, it was the only other platform that any makers had tried selling their work on, aside from social media and physical shops and markets.



Much like eBay, Etsy doesn't curate its market, and anyone can open a 'shop' on the platform. Unlike eBay however, it's incredibly difficult to report a suspected illegitimate listing. The saturation of fake or mass-manufactured products online is an effective way of devaluing the work of real artists, as they are unable to compete with the lower prices and shipping costs that a shop listing thousands of items can survive with.

"It's so very sad that the customers who come to Etsy for quality hand crafted items have to wade through all of the mass-produced items to find us. Well, thankfully, some shoppers still find us and many become return customers."

Evensons, a seller posting on the Etsy Community Forum^x

Another issue is that any photo can be uploaded on the internet and therefore may not be representative of the product at all. Customer ratings and comments seem to be a good way to prove the authenticity of non-curated listings after they've been bought, however this is a more difficult balance to achieve with one-offs.

Why is this a problematic trend? The value of art, the human effort and time that goes into its creation, is the unseen factor that could be lost due to this 'fake homemade' industry. Mass consumerism is essentially eroding what it means to own a piece of art. People naturally want to own beautiful objects, but by buying a 'fake homemade' piece they are not truly able to take joy or pride in their investment.

Simply put, the value and reasons for the existence of the piece have been lost; they were never there to begin with. Art and crafts are a stimulus to tell and share stories and experiences. We've learnt most of what we know about both our past culture and the cultures of others through art, and this simply cannot be replicated by objects that lack the purposeful expression of their creator.

A MISSED OPPORTUNITY

The UK's arts and culture scene has a hugely positive international reputation, and the potential scale of the arts and crafts industries could well be a boon to the national economy. By not providing the pathways for creative people to establish themselves as makers, are we missing an opportunity to 'unlock' a significant number of jobs during a challenging period of financial uncertainty?

There are currently estimated to be more than 11,000 craft businesses in the UK, employing almost 150,000 individuals.^{xi} Craft goods were an export market of approximately £4.84bn and growing in 2017, the last year for which DCMS estimates are available for the sector.^{xii}



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Of course, it is perhaps difficult for policymakers to properly comprehend the value of the industry to society when it cannot be measured in economic terms alone – the potential impact on our national wellbeing and sense of selfhood is at once great and unquantifiable.

“Cultural engagement represents an important dimension of community wellbeing by building social connections within groups and across social divides. The arts provide a resource that people can use to make sense of the world as it is, to connect with collective memory, and to imagine the future. Neighbourhoods with a vital cultural life also enjoy “spill-over effects” - including stronger community and civic engagement; better health, schooling, and personal security; and economic revitalization.”

Social Impact of the Arts Project, University of Pennsylvania, 2017ⁱⁱⁱ

Individualised crafting and making may well be the future of UK manufacturing as the evidence suggests that consumers are increasingly turning away from mass-consumerism in favour of more bespoke products. It may become its own ecosystem of individuals, rather than being made up of companies, employers and employed.

“We are becoming a society of curators where consumers want a relationship with a product and its makers, not simply a transaction. Policymakers still see this trend as a relatively peripheral, ‘micro-hipster’ economy. This is a mistake.”

Rosy Greenlees in The Guardian, 2016^{iv}

With the impact of Covid-19 and the ensuing funding cuts to our already weakened creative industries, now is the time to stand up for the future of the art and craft industries, their crucial place within the UK economy, and their even greater social value.

THE ARTISANRY CO. MANIFESTO

Artisanry Co. was established as both a marketplace and community for makers, crafters and artists, standing on the side of creators by looking after the business side of the creative process. The platform encourages collaboration between its community to help solve problems collectively and creatively.



It is the only art and craft sellers' platform that is registered as a Community Interest Company and run as a social enterprise, distributing sales revenues equitably, taking less commission than other sales platforms, and reinvesting surplus profits into programmes that support and advance the maker community.

In an overcrowded world of consumerism and mass-manufactured goods, it seeks to start a grassroots movement, taking art and craft back to the heart of our communities. A unique proposition, developed to support the combined needs of the makers and their customers – a platform that works for the makers, whilst providing the mark of quality, sustainability and authenticity for their customers.

Ultimately, Artisanry Co.'s mission is to be the number one global marketplace for UK arts and crafts, supporting young artists, supporting many more people from hobby to profession and activating the huge potential of this market.



"I love their philosophy and fresh approach. The idea of creating a community and helping makers through online meet ups and workshops is something I have never encountered before."

Helen Miles, Artisanry Co. community



"Very much a small 'family' feel, which is so much nicer than the large faceless online platforms such as Etsy. The team make great efforts to get to know each maker."

Sally Davies, Artisanry Co. community



"I love the support I have had, the community feel and offers that we have been given such as discounted access to launch your craft business, this has given me access to help to tweak my website, accessing mindful community groups and made me pause and stop and think about fundamental things that underpin my business plan, such as ideal customer, marketing etc"

Cara Fitzmaurice, Artisanry Co. community



This white paper was researched and written by Sussex Innovation, a business incubator owned by the University of Sussex. Sussex Innovation works with purpose-led businesses who address important social, economic and environmental challenges, helping them to grow, scale and deliver greater impact. The organisation recognises the huge social and economic value of innovation in arts and culture, placing it as one of five key drivers of impact alongside innovation in education, healthcare, climate and emerging technology.

ⁱ <https://www.craftbusiness.com/news/view/hobbycraft-issue-first-craft-report-and-launch-great-british-button-challenge>

ⁱⁱ <https://www.hiscox.co.uk/online-art-trade-report>

ⁱⁱⁱ <https://www.mintel.com/press-centre/leisure/45-of-us-older-millennials-sold-a-handmade-craft-online-last-year>

^{iv} <https://www.moma.co.uk/10-ways-to-buy-original-art-online/>

^v <https://www.hiscox.co.uk/online-art-trade-report>

^{vi} <https://www.moma.co.uk/selling-work-on-saatchi-art/>

^{vii} <https://www.moma.co.uk/10-ways-to-buy-original-art-online/>

^{viii} <https://www.luckybreakconsulting.com/is-selling-on-amazon-worth-it/>

^{ix} https://sellercentral.amazon.com/gp/help/external/G1801?language=en-US&ref=efph_G1801_cont_200386250

^x <https://community.etsy.com/t5/Managing-Your-Shop/Influx-of-Mass-Produced-Items/td-p/128810592>

^{xi} <https://www.thecreativeindustries.co.uk/industries/craft/facts-figures#:~:text=Crafts%20contributes%20%C2%A33.4bn,from%20the%20UK%20crafts%20sector&text=This%20makes%20an%20estimated%20total,economy%20of%20%C2%A33.398bn>

^{xiii} https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/830235/DCMS_Sectors_Economic_Estimates_Trade_2017.pdf

^{xiii} <https://repository.upenn.edu/siap/>

^{xiv} <https://www.theguardian.com/commentisfree/2016/nov/18/uk-craft-sector-isnt-hipster-economy-manufacturing>