

PPA's Financial Benchmark Business Guide



Welcome to PPA's Financial Benchmark Business Guide

This guide unlocks PPA's Financial Benchmark Survey—your definitive resource for understanding what it takes to achieve financial success in photography.



Step 1 – The Basics

pg 3



Step 2 – Your Current Financial State

pg 7



Step 3 – Setting Your Goals

pg 9



Step 4 – Your Success Planning

pg 15



Step 5 – Your Ongoing Pursuit of Success

pg 37



Appendix

pg 44

How to use this guide

Building a successful business takes time and dedication. Use this guide alongside PPA's online tools and content to get the most out of it.

Take it one step at a time and we'll help you build the business of your dreams!

The benchmarks in this guide reflect data from photography businesses where at least 50% of revenue comes from portrait and/or wedding photography, including headshots. These benchmarks do not represent commercial or volume photography studios.



Step 1

The Basics

Let's start with the basics and build from there. In this step, you'll learn:

- Definitions of key concepts that will start changing the way you think about your business
- Why the Financial Benchmark Survey is important to you
- Three valuable numbers you must know (Cost of Sales, General Expenses and Net Profit + Owner's Compensation)
- What questions you need to ask as you start your success journey





Glossary

To help you get the most out of this guide, let's start with a few key terms. These definitions will come up throughout PPA's business education materials and understanding them will make it easier to apply what you learn.

Managerial Accounting A way to keep track of your income and expenses so you always have a clear picture of how your business is doing throughout the year. When your numbers are organized and up to date, you can make smarter decisions and adjust as needed.

Cost of Sales (COS) The direct costs of creating the products or services you sell. This includes things like materials and any direct labor costs.

General Expenses The ongoing costs of running your business, like rent, utilities, marketing, employee wages, and equipment depreciation.

Owner's Compensation (OC) The money you take out of the business to pay yourself.

Net Profit (NP) What's left after you subtract all your business expenses (cost of sales and general expenses) from your total revenue. This is the money that stays in your business to cover things like debt, slow seasons, and future growth.

Net Profit + Owner's Compensation (NP + OC) A way to measure how well your business is doing financially over time, combining what you earn personally with what stays in the business.

Products (what you sell) The specific items or services you sell.

Product Lines (who you sell to) Groups of related products or services. For a photography studio product lines might include weddings, family portraits, senior portraits, newborn sessions, and headshots.



As a studio owner, it's important to understand where your income comes from and how you're spending it. A great way to do this is by organizing your income by product line—whether that's weddings, family portraits, senior sessions, or other offerings. You'll also want to track the number of sessions and the average sales for each product line.

Having this information at your fingertips helps you make smarter business decisions, like:

- Which product line brings in the most income and which takes the the least amount of time and money to deliver
- Whether your marketing efforts are bringing in enough sessions for each product line
- If your sales strategy is helping you reach the income goals you've set

The key to staying on top of your numbers is regularly tracking your NP+ OC, Cost of Sales, and General Expenses throughout the year. This way, you can compare your progress to your business plan and make informed adjustments as you go.



The Basics

PPA began tracking financial benchmarks in 2005 to better understand what makes a photography studio profitable and sustainable. Over the years, the benchmark survey has become a go-to resource for professional photographers looking to build a financially successful business. This guide is based on the most recent study using 2023 financial data—giving you the latest insights to help your business grow.

Three Key Numbers to Track

Every dollar that moves through your business falls into one of three categories:

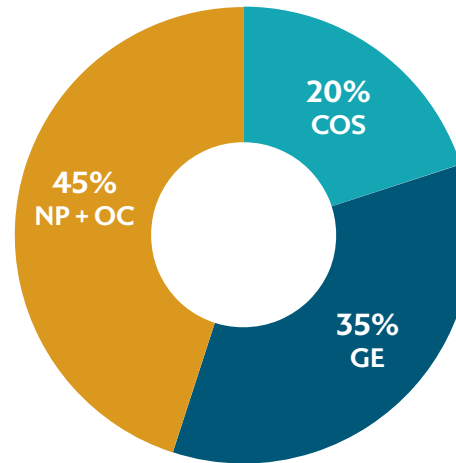
1. **Cost of Sales:** The direct costs of creating and delivering your products or services.
2. **General Expenses:** The ongoing costs of running your business.
3. **Net Profit + Owner's Compensation:** A measure of your business's overall financial success.

These three numbers tell the financial story of your business and give you a clear picture of where you stand.

Compare your numbers to industry benchmarks and see where your business is thriving—and where there's room to grow.

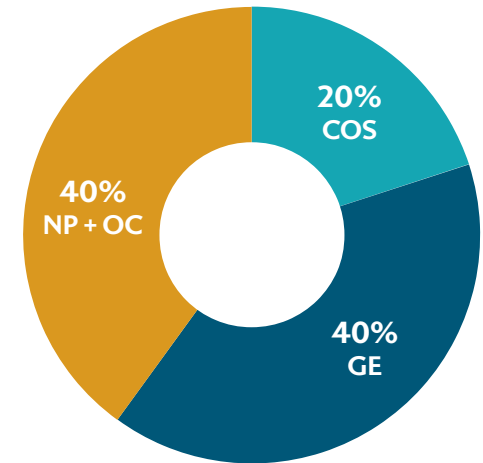
PPA's Recommended Financial Benchmarks

Home Studio



\$150,000 sales target	
Cost of Sales	\$30,000
General Expenses	\$52,500
Net Profit + Owner Compensation	\$67,500

Retail Studio



\$250,000 sales target	
Cost of Sales	\$50,000
General Expenses	\$100,000
Net Profit + Owner Compensation	\$100,000



7 Questions to Ask Yourself Before You Start Your Business

Before you dive in, take time to think through these key questions.

You don't need to have all the answers right now — that's exactly what this guide is here to help with!

1. What products & services will I provide?

Your business plan should clearly define what you're offering and how it compares to competitors in your market. When you know how what you offer is different from the rest of the market, you will be better equipped to make decisions that will lead to building a profitable, sustainable business.

2. Who is my ideal client, and how will I reach them?

Knowing your clients is important, but it's not enough. You need a plan to connect with them. Your marketing strategy might include a mix of online and offline efforts, from social media to word-of-mouth referrals. The key is to ensure that you have a large enough audience to reach your sales goals.

3. What makes my business stand out?

Your unique selling point is YOU. It's your artistic style, your products, your service, and the experience you create for your clients. This is what sets you apart from other photographers. The clearer you define and showcase this difference, the more memorable your business will be.

4. Where will I run my business, and do I need help?

How you present yourself matters. Whether you're in a home studio, retail space, or on location, it should match your brand. This way, you'll connect better with your ideal clients. If you're handling everything alone, plan how to manage your workload during busy times. If you can't hire employees yet, think about outsourcing some tasks. This way, your customer service can stay strong.

5. How much money do I need to start, and when will I turn a profit?

Starting a photography business may seem inexpensive at first. However, once you dive in, you'll see there's more to it than just a camera and a website. Success takes both time and money. It's wise to create a five-year income and expense projection. Update it every year to stay on track. Many businesses take time to turn a profit, so planning helps you avoid surprises.

6. Where will my startup funding come from?

Think about how much you're willing to invest in your business and how you'll cover costs until you're sustainable. Are you using personal savings, a small business loan, credit, or reinvesting profits? Whatever your plan, be sure to include a strategy for paying back any borrowed funds.

7. What type of business structure is right for me?

You'll need to take care of some legal and financial paperwork to make your business official. Your business structure (sole proprietorship, LLC, S-Corp, etc.) affects both liability and taxes. PPA often suggests starting as an LLC, especially if you have significant personal assets. Make sure you understand what forms, licenses, and registrations are required in your area.





Step 2

Understanding Your Current Financial State

Before setting new goals, it's important to take a clear look at where your business stands financially. Whether you're just starting out or looking to improve, understanding what's working—and what's not working—gives you the insight you need to grow.

In this section, you'll learn how to assess your numbers and use them to make informed, strategic business decisions.





Comparing Your Business to the Benchmark

Comparing your numbers to PPA's benchmark can reveal a lot about your business. Your comparison can help you identify areas where you're overspending—or underinvesting. By looking at your overall expenses, you'll get a better sense of how your financial situation stacks up against a profitable business. With this knowledge, you can start making smarter decisions about pricing, marketing, sales strategies, and expenses.

As we saw earlier, your studio's setup, whether it's a home-based business or a retail location, affects general expenses and net profit percentages, while the cost of sales percentage should stay the same.

To make this process easier, PPA has developed a simple online tool to help you compare your numbers to the benchmark. Visit PPA.com/SquareOne to walk through each step.

Once you complete your comparison, you'll see how your numbers stack up—not just against the benchmark average, but also against high-performing studios. This can give you fresh ideas and new inspiration to take your business to the next level.

Fair warning: You might find yourself setting bigger goals and dreaming up new possibilities once you see what's possible!



Why Benchmarking Matters

When you compare your numbers to PPA's benchmark, you'll gain clarity on important questions, like:

- Am I priced for profitability?
- Am I overspending?
- How much should I allocate for marketing?
- Should I outsource specific tasks to save time or money?
- When will I be ready to hire an employee?
- Can I afford a retail space?
- How much should I set aside for equipment purchases?

Your benchmark comparison gives you the data you need to create a success plan that works for your business.



Step 3

Setting Your Goals

Setting goals is essential to growing your business—but how do you know if you're setting the right goals? It's not just about dreaming big; it's about creating a clear plan that aligns with your vision for success. In this section, you'll:

- Define what success looks like for you
- Explore what your business model could—or should—look like
- Map out your sales and session projections for the year
- Plan your annual budget to support your goals





Paying Yourself is the Goal

Your business should support both itself *and* you. To determine your **Net Profit + Owner's Compensation goal**, follow these steps:

1. Set Your Personal Income Goal

- Ask yourself, "How much do I need to earn per month to support my lifestyle?"
- Calculate your monthly personal expenses, including:
 - Housing, utilities, food, and other necessities
 - Savings for retirement, emergencies, and vacations
 - Personal spending and discretionary costs
 - Annual property/income taxes, divided by 12
- Add everything up to get your monthly income goal.
- Multiply that number by 12 to determine your annual personal income goal.

2. Calculate Your Business Expenses

- Estimate your cost of sales and identify your total general expenses for the year. These include:
 - Overhead (rent, utilities, insurance)
 - Administrative costs
 - Marketing expenses
 - Employee wages (if applicable)
 - Equipment/furniture depreciation
- If you're just starting out, make educated estimates—you'll refine these numbers over time.

3. Find Your Revenue Goal

- Add together:
Personal Income Goal + Annual Business Expenses = Revenue Goal
- This is the revenue your business must generate to break even and pay yourself what you need.

4. Build Your Plan Around This Number

- Use this revenue goal as your baseline.
- Aim higher to ensure you're not just surviving—but thriving!





Step 3 – Setting Your Goals

Begin With the End in Mind

Now that you know how much you want (or need) to make, it's time to set your sales goal. Figuring out how much you need to sell is simple math!

To start, let's make a few assumptions:

- Your cost of sales and general expenses are in line with benchmark recommendations. (If they aren't, don't worry, you'll adjust later!)
- You want to net \$60,000 in personal income.

How to Calculate Your Sales Goal

Use this formula:

$$\text{Net Income plus Owner's Compensation (\%)} \div \text{Annual Income Goal} = \text{Annual Sales Goal}$$

Here's what that looks like based on your studio type:

Home Studio

Net Profit Goal: 45%

$$\$60,000 \div 0.45 = \$134,000$$

Annual Sales Goal: \$134,000

Retail Studio

Net Profit Goal: 40%

$$\$60,000 \div 0.40 = \$150,000$$

Annual Sales Goal: \$150,000

Now you have a clear target for the total sales you need to hit your income goal—whether you run a home studio or a retail space!

©Alex The Photo Guy



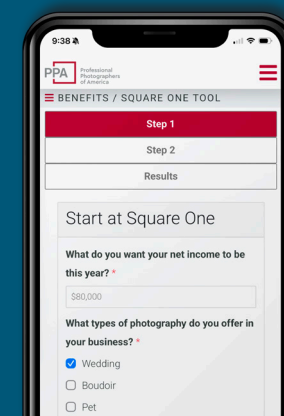
Start at Square One

This simple financial planning tool helps you figure out exactly how many sessions—and at what sales average—you need to hit your income goals.

Just input your costs and expenses and the Square One tool will give you a customized income plan.

Get started today.

PPA.com/SquareOne





Sales & Sessions Projection

At this point, you know how much you need to sell to reach your income goal. Now, let's figure out how to get there.

This process—called a sales and sessions projection—helps you determine how many sessions you need, and the average sale price required to reach your annual sales goal. We'll walk you through the manual steps here, but PPA has also created an easy-to-use online tool called Square One that does the math for you. Just answer a few quick questions at [PPA.com/SquareOne](https://ppa.com/SquareOne), and it will generate your custom projection.

What's Your Definition of Success?

Success looks different for everyone. Take a moment to consider:

- How many hours a week do I want to work?
- How much money do I want/need to make annually?
- Do I want to work evenings or weekends?
- How many vacations do I want to take each year?
- How much time will I set aside for family and hobbies?

Being an entrepreneur means you get to design your business around your life—not the other way around. Just like you plan vacations and schedules, planning your income is just as important. Your financial plan is the foundation for the life you want to create!

How to Create Your Sales & Sessions Projection

1. **List your product lines.** Think about the different types of sessions you offer—weddings, portraits, seniors, etc.—and estimate how many of each you'd like to photograph in a year.

Don't forget to take into consideration the amount of time it takes to serve a single client. That will limit the number of sessions you can realistically complete in a given year.
2. **Calculate the projected sales for each product line.** Multiply the number of sessions by your expected sales average for that type of session. This gives you the annual sales projection for each product line.
3. **Total your projections. Add the sales projections from all product lines.** Adjust your session counts and sales averages until you match your annual sales goal.

For example, if you operate a home studio, your target sales goal might be \$134,000 (as calculated earlier). By playing with session numbers and sales averages, you can see how different adjustments impact your bottom line.

This exercise often sparks some "aha!" moments. You might realize that:

- You need a higher sales average per session to meet your income goal.
- You need to photograph more sessions to hit your target.
- Even a small increase in your sales average can make a big difference in your profits.

Don't forget the Square One tool is always available to assist you at [PPA.com/SquareOne](https://ppa.com/SquareOne). It factors in not just your annual sales goal, but also your cost of sales and general expenses, giving you a full picture of your business finances.

Once you've created your sales and sessions projection, ask yourself:

- Are my current prices bringing in the sales averages I need?
- Do I have a marketing plan to attract enough clients?
- Do I have a sales strategy that helps me reach my sales goals?



Budget Planning

A well-planned budget gives you control over your business finances, helping you make informed decisions and stay profitable. Here are three key components to consider:

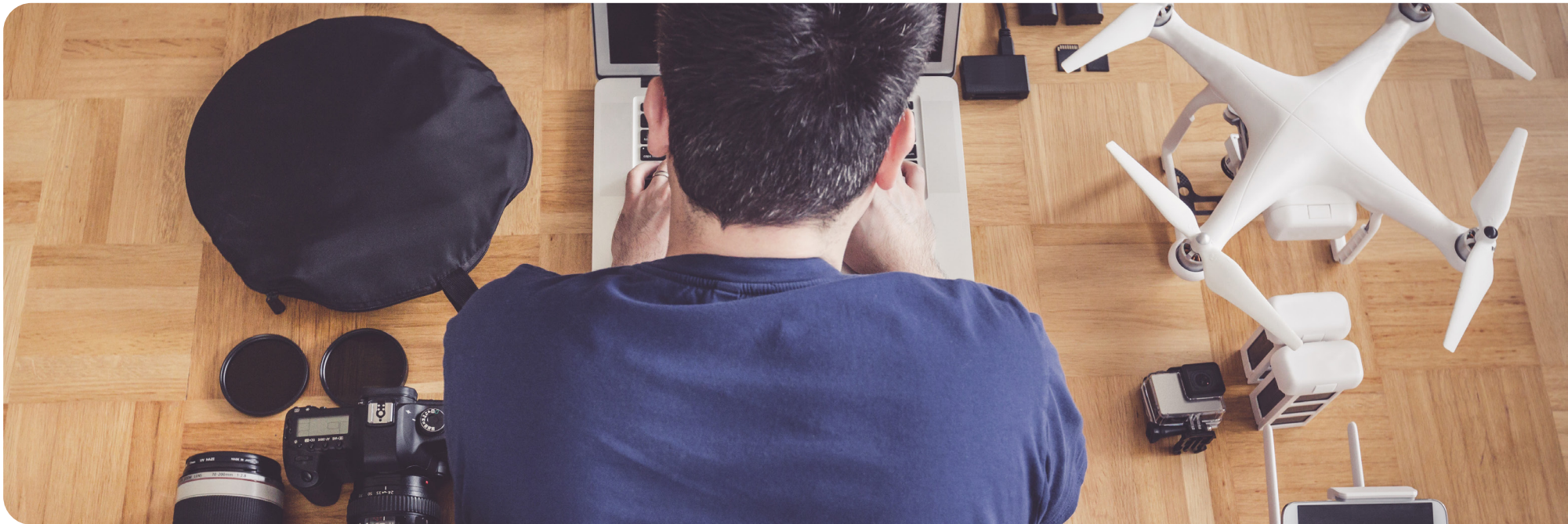
How Much Do I Make?

By now, you've created your sales and sessions projection for the year. That number is the foundation of your budget because it tells you how much you expect to bring in.

Using the PPA benchmark recommendations, you can determine how much to allocate for different expenses. For example, the benchmark survey suggests that a home studio should spend 4-5% of revenue on marketing.

If your projected annual sales are \$150,000, that means you should plan to spend \$6,000 to \$7,500 on marketing. (The exception to this is for a photographer who is just starting out. Their percentage may be higher.)

Understanding these percentages helps you budget wisely and ensures you're not overspending—or underinvesting in key areas.





Budget Planning cont.

How Much Can I Spend?

Your budget will include several different types of expenses.

Overhead Expenses

These are costs related to the physical space where you do business. They include:

- Rent or mortgage interest
- Utilities (electricity, water, trash service)
- Maintenance and repairs
- Property taxes and insurance

Administrative Expenses

These are general business costs that keep things running smoothly:

- Accounting and legal fees
- Auto expenses (if business-related)
- Education and training
- Office supplies and software
- Small equipment purchases (under \$500)
- Taxes, licenses, and permits
- Telephone and internet

What Should I Do With My Profits?

Once your business is profitable, what's next? Smart financial planning includes:

- Building cash reserves for slow seasons and unexpected expenses
- Setting aside money for capital expenditures and income taxes
- Paying off debt with a structured repayment plan
- Paying yourself regularly (even if it starts small, consistency is key!)

As you grow, you'll be able to pay yourself more and more reliably—but it all starts with managing your business finances wisely.

By planning your budget carefully, you're setting yourself up for long-term success. Small tweaks to your spending habits today can lead to big rewards down the road!

General Expenses	Home-Based Studio	Retail Studio
Overhead Expenses	2-3%	10-12%
Administrative Costs	15-20%	14-16%
Employee Expense	2-4%	3-4%
Marketing Expense	4-5%	3-4%
Depreciation	2-4%	2-4%
Total	25-36%	32-40%

Cost of Sales	Home-Based Studio	Retail Studio
• Labs & Printing • Frames & Albums • Packaging • Editing & Retouching • Production Labor • Assistant Labor • Location Rentals • Travel • Credit Card Processing • Sales Commissions • Postage/Shipping • Customer related	While there are no specific parameters for the individual components of COS, your pricing is determined by these numbers. You'll need to look at your unique business to calculate your pricing, which we will do in Step 4.	
Total	20%	



Step 4

Your Success Planning

This is where the fun begins! But before you dive into planning, it's important to lay the right foundation. Taking it one step at a time makes the process easier and ensures your plan is solid.

In this section, you'll learn about:

- Product development & branding
- Profitable pricing
- Sales strategies & techniques
- Creating a marketing plan
- The importance of workflow efficiencies





Sales Strategy

Before you even think about setting prices, let's talk strategy.

A sales strategy is essential—it can mean the difference between a thriving business and one that struggles. Just like setting goals, defining your sales strategy creates an intentional and results-driven system. Once your strategy is clear, you can design a sales plan and price list that align with your financial goals.

Start With the Big Picture

To craft a strong sales strategy, begin by answering these key questions:

- **Who is my ideal client?**
Clearly identifying who you're selling to allows you to craft a targeted and effective sales plan.
- **What do my clients need?**
You can't create demand for your products without understanding your clients' needs. For example, if their goal is to decorate their home with family portraits, your job is to create products that fulfill that need and weave that messaging into your sales process.
- **What do I want my client's experience to be?**
The client experience is often the biggest differentiator in a crowded market. Look at every touchpoint a client has with your business, and refine each to enhance their journey. A positive, memorable experience builds loyalty and makes selling easier.
- **What type of business am I building?**
Are you aiming for low-volume, high-price or high-volume, low-price? Will you be a solo entrepreneur or grow a team? Your pricing and sales strategy should align with this vision.





Sales Strategy cont.

Building Your Sales Plan

Success thrives on consistency, and your sales plan is the step-by-step process you'll follow to reach your sales goals. A written plan helps you anticipate and address client concerns, set clear purchasing expectations, and refine your messaging.

Example:

One successful studio starts every client inquiry with:

"We specialize in creating wall art. Is that something you're looking for?"

Since their sales strategy is to sell a wall portrait to every client, they introduce this expectation from the very first conversation. This approach sets the stage for a more meaningful sales process—one that aligns with their business model.

The power of a sales plan is in the planning itself. By working through the following questions, you'll clarify your sales message, define your ideal client, and create a replicable system that makes selling easier and more natural.

- **What are my strengths and weaknesses in the sales room?**
- **Will I have a pre-session consultation?**
- **How will I introduce products to clients?**
- **At what point will I discuss pricing?**
- **How will I sell my products—in-person or online?**
- **What is my pricing method—à la carte, packages, collections, or all three?**

A good sales plan plays to your strengths while minimizing your weaknesses. And like any well-designed system, it provides structure and policies that reinforce your professionalism.

Every business is unique. Building one that reflects your strengths, style, and personality takes effort, but it's worth it. Working through these questions puts you on the right path to designing a system that helps you reach your sales goals.

We'll dive deeper into sales plans after covering pricing and pricing strategies—so let's keep going!



Profitable Pricing Methods

Now that you've identified your sales strategy, it's time to create your price list.

Your pricing should support your sales strategy—from the way it's structured to the products you offer and the retail pricing you establish. Earlier, you used Square One to determine what your average sale needs to be to reach your income goal. That number will guide how you structure your pricing to achieve those desired sales averages.

The Role of À La Carte Pricing

Pricing is a major part of your sales strategy, and à la carte pricing is the foundation—even if you offer collections or packages. Why? Because it:

- Establishes the value of collections and packages
- Helps anchor pricing so clients see the savings in bundled options
- Ensures your business remains profitable





Three Pricing Methods

There are three main approaches to pricing:

1. **Cost-Based Pricing:** Setting prices based on your costs + markup
2. **Competitive-Based Pricing:** Adjusting prices based on market factors
3. **Demand-Based Pricing:** Charging what the market will bear

Using all three methods creates a well-balanced, profitable pricing model that works with your business goals, client expectations, and brand positioning.

Cost-Based Pricing

With cost-based pricing, you calculate pricing by multiplying your cost of sales by a markup factor.

Remember: COS includes materials, production time, and labor costs—so it's crucial to value your time correctly! Many photographers underprice their products because they don't account for the time spent editing, retouching, and preparing orders.

How to Price Using Cost-Based Pricing

To price a product while maintaining a 20% COS (PPA's benchmark recommendation), follow these steps:

1. Determine Your Product Cost
 - Add up material costs (prints, albums, frames, etc.).
 - Factor in production time by assigning a dollar value to the hours spent editing and processing each product.
 - Include variable expenses like packaging, merchant service fees, and other job-specific costs (even if they seem small, such as \$2–\$5 per product).
2. Apply the Markup Factor
 - Take your total product cost and multiply it by 5 to establish your retail price (since 20% COS means your costs should make up 1/5 of the price).

Example:

If your total cost (materials + time + variable expenses) is \$50, then: **$\$50 \times 5 = \$250$ retail price**

This method ensures profitability while covering all expenses.



Three Pricing Methods cont.

Competitive-Based Pricing

Competitive pricing considers market demand and perceived value, recognizing that some products are more price-sensitive than others.

How to Use Competitive-Based Pricing

- For high-demand, price-sensitive items, you may need to price slightly lower—even if the COS goes above 20%.
- For high-value, custom, or luxury products, you can increase pricing beyond standard markup, making the COS significantly lower.

This is especially useful when building collections—where some products may have a higher COS while others have a lower COS, ensuring the overall package remains profitable.

Demand-Based Pricing

The most profitable pricing method is demand-based (à la carte) pricing—where you charge what the market will bear based on the uniqueness of your offerings.

How to Use Demand-Based Pricing

- Offer unique, high-value products that differentiate you from competitors.
- Focus on exceptional client experience—clients are willing to pay more when they perceive greater value.
- Avoid commoditizing your work—when clients compare on price alone, profitability suffers.

By using demand-based pricing, you can confidently price your services at a level that reflects both your expertise and the value you provide.

Bringing It All Together

A successful pricing strategy blends cost-based, competitive-based, and demand-based methods to create a sustainable, profitable business. By valuing your time, understanding market demand, and positioning your brand effectively, you'll set prices that not only cover costs—but drive long-term success.



Three Pricing Methods cont.

Determining the Cost of an 8x10 print

Cost per Minute = Hourly Rate ÷ 60. Your hourly rate is typically determined by what it would cost you to outsource the task. For example, if it would cost you \$30 per hour to outsource, your cost per minute would be \$0.50.

Time to Produce	Time	Cost per Minute	Cost to Produce
Acquire 50 RAW + JPG images	15 min.	\$0.50	\$7.50
Import images to sales software	5 min.	\$0.50	\$2.50
Prepare 25 images for presentation	40 min.	\$0.50	\$20.00
Retouch 1 image for 8x10	10 min.	\$0.50	\$5.00
Produce hi-res images in sales software	5 min.	\$0.50	\$2.50
Upload images to lab	5 min.	\$0.50	\$2.50
Backup finished print & file order	5 min.	\$0.50	\$2.50
Total	85 min.	\$0.50	\$42.50

Examples of Material Costs	Cost
Lab cost for 8x10 print	\$3.00
Lab Shipping	\$2.50
8x10 Mount	\$1.00
Digital Media Charge	\$2.00
Total	\$8.50

Variable Expenses	Cost
Packaging	\$5.50
Merchant Service Fees	\$3.50
Job Specific Costs	\$0
Total	\$9.00

+ Cost to Produce
+ Material Cost
+ Variable Costs

= **COS (Cost of Sales)**



First Unit of Sale Dilemma

How to Solve it with À La Carte Pricing, Packages & Collections

The Challenge with À La Carte Pricing

One of the biggest hurdles in à la carte pricing is that the first unit of sale must cover all post-processing time costs.

Here's why that's a problem:

- Whether a client purchases one product or ten, your initial editing and retouching time remains the same.
- If a client only buys one item, that product must be priced high enough to cover not just materials but also post-production time, which isn't always feasible.
- Not all products can be priced high enough as standalone items while remaining attractive to clients.

The Solution: Accounting for Your Time

- You've already calculated the value of your time (from the previous page).
- By factoring in post-processing time into your à la carte pricing, you ensure that every product is priced to pay you for your time investment.
- A more effective strategy is to spread time costs across multiple products using packages or collections.

Remember to price your packages and collections BEFORE you set your à la carte pricing.

If a package is set at 20% COS, the individual products in that package must have an à la carte price with a COS lower than 20% so that clients can see the value of the package price.





First Unit of Sale Dilemma cont.

The Power of Packages

What is a Package?

A package is a bundle of multiple products sold at a single price, for example, a wall portrait and four gift prints.

Why Packages Work

- Distribute time costs across multiple items, reducing the cost burden on a single product.
- Create a higher perceived value by offering multiple products for a bundled price.
- Encourage higher spending since clients see more value in a package than purchasing à la carte.
- Establish a minimum sale amount, helping ensure consistent sales averages.
- Reduce decision fatigue and choice overload. Make it easier for clients to make a purchase by simplifying choice during the ordering appointment.

Example: The “Better” Package Strategy

Let’s say you offer a “Good, Better, Best” package structure.

- Your mid-priced “Better” package often has a strong cost of sales (at or below 20%) while remaining appealing to clients.
- It provides better value than the lowest-priced option, making it the most popular choice.

The Ceiling Effect

- While packages help raise your average sale, they can also create a ceiling if not designed thoughtfully.
- If a package includes everything a client wants, they may not upgrade or add on more items.
- Regularly review which packages sell best and adjust offerings to maximize profitability.



First Unit of Sale Dilemma cont.

Collection Pricing: Another Smart Strategy

What is a Collection?

A collection consists of multiple products that work together as a single artistic statement, for example, a series of three framed, matted prints designed to be hung together.

Why Collections Work

- Helps you stand out as an artist—clients see it as a custom, curated piece rather than just individual prints.
- Spreads time costs across multiple items, just like a package.
- Has a higher perceived value, especially when discussed before the session in a pre-session consultation.
- Often results in a lower cost of sale and a higher gross profit than à la carte sales alone.

Do The Math: Setting Your Prices Correctly

No matter which strategy you use—à la carte, packages, or collections, your starting point is always à la carte pricing.

And there's only one way to get your pricing right:

- Lock yourself away.
- Calculate your real cost of sales for every product.
- Set prices accordingly to ensure profitability.

This step is critical—without it, you can't effectively structure packages, collections, or à la carte offerings in a way that supports your business goals.



Creating Your Sales Plan

Your sales process begins the moment a potential client connects with you—whether through an inquiry, consultation, or session.

Selling your work is not about high-pressure tactics; it's about client education and creating a guided experience that leads them to purchase at or above your sales average goal.

A well-designed price list will help, but you also need a thoughtful sales plan—one that you script, commit to memory, and practice. Every step of your client's journey should reinforce the value of what you offer, making it easy and natural for them to invest in your work.

As you build your sales plan, map out what you'll discuss at each key stage of the process:

- **Initial Inquiry** – Educate and guide the client from the first contact.
- **Consultation** – Showcase your expertise and introduce the products they'll love.
- **Photography Session** – Reinforce the value of the products they're investing in.
- **Ordering Appointment** – Guide your clients to the final sale.
- **Tracking** – Keep your business on course.



©Alex The Photo Guy



Creating Your Sales Plan cont.

Inquiry: Educating from the First Contact

The first conversation with a potential client sets the tone for everything that follows. This is your chance to:

- Establish who you are, what you offer, and what sets you apart.
- Listen to what they're looking for and guide them toward a meaningful experience.
- Handle price and product questions confidently, without being thrown off.

Common Client Questions

Clients often ask about digital files or the price of a single print. These are learning moments for them, not objections. Your job is to gently shift the conversation to value and experience. When a potential client asks about digital files or a single print, steer them with emotional questions to help them recognize the value of the service you will be providing for them:

- "Absolutely, we'll go over our pricing with you in detail! I would love to learn a little more about what you're looking for first. Who will we be photographing for you?"
- "What do you love most about this stage of your family's life?"
- "Why is now the perfect time to have your family's portraits made?"

These types of questions shift the focus from price to meaning, making it easier to guide the conversation toward products and investment, because you have already started to demonstrate the value of their portraits.

Consultation: Guiding Clients to the Right Products

The consultation is your chance to shine. Whether in person or virtual, this is where clients begin to visualize their final products and emotionally invest in their purchase.

What to Cover in a Consultation

- Show only the products you want to sell. Clients focus on what you present—so if you want to sell wall art, don't emphasize digital files.
- Ask open-ended questions. Guide clients toward envisioning their portraits in their home:
 - "Where in your home would you like to see your family's strength and love every day?"
 - "Are you drawn to a multi-image display or a single framed piece?"
- Use their own space as inspiration. If possible, ask them to bring photos of their walls and show them how their images will look in their home.

Why This Works

By getting clients to visualize their portraits as real products, not just images—you reinforce value before the sale even happens. When clients leave the consultation with a clear idea of what they want, the sales process becomes much easier.



Creating Your Sales Plan cont.

The Photography Session: Reinforcing the Sale

Selling doesn't stop once the session begins, it continues throughout the experience.

How to Guide Clients During the Session

- Engage with confidence. Make clients feel comfortable while reinforcing their investment.
- Look for future opportunities. Listen for life events—such as a child approaching senior year—that could lead to future sessions.
- Confirm their product choices. Say things like:
 - "This image will be perfect for the collection you chose."
 - "Let's capture one more to complement the other two for your wall art."

Why This Works

These small, intentional comments subtly remind clients that they are investing in a finished product, not just digital files. It reinforces the idea that they are commissioning a work of art for their home, rather than simply buying pictures.

Ordering Appointment: Guiding Clients to the Final Sale

This isn't just a viewing session—it's an ordering appointment where all decision-makers are present. If your sales process has been set up correctly, this appointment is simply about selecting the best images for the products the client has already decided on during the consultation.

How to Run a Smooth Ordering Appointment

- Keep it simple. Too many choices can overwhelm clients, leading to decision fatigue.
- Limit image selection. Show 30 to 50 carefully curated images in a slideshow set to music.
- Pre-design products. Create product mock-ups ahead of time based on the consultation. This makes the decision process easier and helps clients visualize their final purchase.
- Show at scale. Digitally display images to help clients see how a finished portrait will fit in their space—this often leads to larger wall art purchases.

The key to a successful ordering appointment is to remove obstacles to decision-making. The easier you make it, the more confident your client will feel about their investment.



Creating Your Sales Plan cont.

Tracking: Keeping Your Business on Course

Once your sales plan is in place, you need to track your progress against your goals.

Why Tracking Matters

Tracking is essential to:

- Help you measure actual monthly sales against your monthly sales and sessions projections.
- Provide insights into whether you're meeting your financial goals.
- Guide your business decisions, such as how to allocate marketing dollars to bring in more clients.

How to Track Your Sales

- Use the sales goals you set earlier—either manually or using Square One—and break them down by month.
- Regularly compare actual sales to projected sales.
- Adjust strategies as needed to stay on target.

By staying on top of your numbers, you can make informed decisions and proactively adjust your business strategy to keep moving toward success.

Product Line	Jan.	Feb.	Mar.	Apr.	May	June	Annual Goals
Portraits Avg. sales goal \$1,000	\$2,000	\$3,000	\$4,000	\$2,000	\$5,000	\$6,000	\$43,000
	2	3	4	2	5	6	43
Seniors Avg. sales goal \$750	\$0	\$0	\$0	\$2,250	\$3,750	\$3,750	\$30,000
	0	0	0	3	5	5	40
Wedding Avg. sales goal \$3,000	\$3,000	\$0	\$0	\$6,000	\$9,000	\$9,000	\$60,000
	1	0	0	2	2	3	20



Marketing

Marketing is an investment—both in time and money—and plays a crucial role in your business' success. A well-planned marketing strategy ensures that you attract the right clients while making the most of your resources.

How Much Should You Invest in Marketing?

PPA's benchmark recommendations suggest allocating:

- 4–5% of gross revenue for a home studio
- 3–4% of gross revenue for a retail studio

This ensures you're investing enough to grow your business without overspending.

Tracking Your Marketing ROI

To assess which marketing efforts are working, start tracking your inquiries:

- Use your Customer Relationship Management (CRM) software or a simple spreadsheet to record how each prospect found you and whether they converted into a paying client.
- Over time, this will help you see where your marketing dollars are best spent, and which strategies may not be worth the investment.





Marketing cont.

Creating Your Marketing Plan

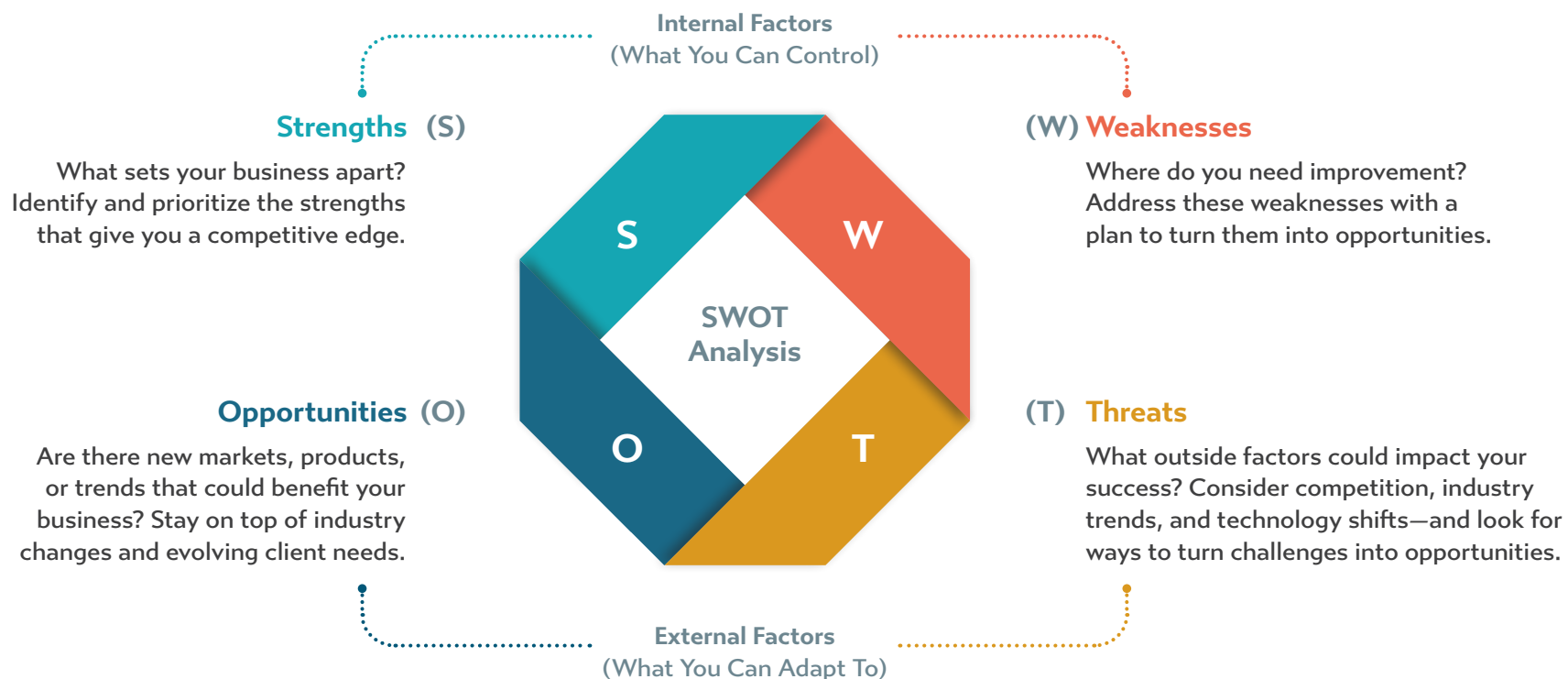
To build an effective marketing plan and calendar, you must first know your numbers.

Step 1: Revisit Your Sales & Sessions Projection

- Using your Square One calculation (or manual projection), determine how many sessions you need to book at a given sales average to reach your financial goals.
- This helps you understand how much marketing is necessary to bring in the right number of clients by applying the PPA benchmark for marketing expense.

Step 2: Conduct a SWOT Analysis

A SWOT analysis helps you evaluate your studio's position in the market and develop a strategic approach.





Marketing cont.

Identifying & Understanding Your Target Market

Assessing Your Ideal Client

- Think about your favorite clients — the ones you wish you could clone. What traits do they have in common?
- Consider their buying behaviors, preferences, and lifestyle choices.
- Think beyond demographics—where do they shop, dine, and spend their free time? What non-profit organizations are they passionate about?

Analyzing Your Ideal Client's Influence & Preferences

- What retail brands resonate with them (home décor, clothing, dining)?
- What hospitality brands reflect their lifestyle and values?
- What websites and social media do they visit for inspiration?

Understanding these details will refine your brand and help you create marketing messages that connect with your audience. Speak directly to your ideal client in every piece of marketing—it's the best way to attract more clients like your favorites.

Leveraging Strategic Partnerships

Co-Vendors: Partnering for Mutual Growth

One of the most effective ways to expand your marketing reach is by collaborating with like-minded businesses that share your target audience.

Ideal co-vendors include:

- Home décor stores
- Boutique clothing shops
- Event planners
- High-end salons or spas
- Other service-based businesses catering to your clientele

How Co-Vendor Marketing Works

- Cross-promote each other's services to expand your reach.
- Share referrals and collaborate on events or promotions.
- Offer joint discounts or exclusive offers for each other's clients.

Combining efforts allows you to increase your exposure while reducing costs.

Explore PPA's consumer research for the latest insights on photography consumers at [PPA.com/Research](https://ppa.com/research).





Marketing cont.

Defining Your Marketing Strategy

Once you’ve analyzed your ideal client and potential co-vendor partnerships, it’s time to align your brand identity with your marketing strategy.

Your marketing plan should outline:

- Your marketing channels (social media, email, print, referrals, in-person events)
- Your messaging (what resonates with your ideal client)
- Your outreach schedule (when and how you’ll promote your services)

A well-structured marketing strategy ensures you’re attracting the right clients, investing in the right channels, and growing your business in a sustainable way.

Product Line	Target Client*	Social Media	Co-Vendor	Charitable	Promotions
Children	Moms with their own income and at least one child.	• Blog • Email newsletter • Facebook	• Children’s boutique • Pediatrician • Interior decorator	• Private school auction • Local children’s hospital gala	• Annual discounted sessions for current clients benefiting a charity consistent with our brand
Seniors	Moms of high school Juniors who are active in sports.	• Facebook • X (formerly Twitter) • Instagram • Threads	• Teen boutique • Locally owned coffee shop • Dance school	• High school auction • Volunteer day at local nonprofit	• Model program

**The more specific you get with your target client, the more specific your marketing message will be.*



Marketing cont.

Creating Your Marketing Calendar & Tracking Success

A marketing calendar helps you plan how many sessions you need each month and align your promotional efforts accordingly. By organizing your marketing in advance, you can ensure a steady flow of clients and maximize your sales potential.

Step 1: Set Your Session Goals

Start by determining:

- How many total sessions you need to reach your annual sales goal (from your Square One calculations).
- How many sessions you want to book per month to stay on track.

Break this down by product line (e.g., family portraits, seniors, weddings, commercial photography) so you can tailor your marketing efforts accordingly.

Step 2: Plan Your Promotions

For each product line, plan marketing campaigns that will drive inquiries and bookings.

- Start promoting six weeks before you need to fill sessions.
- Follow your main promo with one or two quick follow-ups to keep momentum with the same audience.

Step 3: Track & Analyze Performance

After each campaign, evaluate how well it performed:

- Did you meet your session goal? Compare actual bookings to your projected target.
- Which marketing efforts worked best? Track which campaigns, ads, or partnerships generated the most inquiries.
- How did each product line perform? Identify which session types had the highest demand and adjust future marketing efforts accordingly.

The more data you collect, the better your future marketing decisions will be. Over time, you'll be able to fine-tune your strategies and invest in the promotions that bring the best results.





How About Your Social Media Presence?

Social media marketing is a powerful tool for connecting with your audience, but it only works when used strategically and consistently. The photography industry evolves rapidly, and staying up to date with new platforms and trends is essential.

Random posts are a shot in the dark; they won't generate engagement or leads. Instead, build a consistent social media plan that aligns with your marketing strategy.





How About Your Social Media Presence? cont.

Build a Strong Social Media Presence

Social media is essential for photographers—it's where your audience finds, connects with, and trusts your brand. Here's how to use it strategically and authentically:

1. Plan with Purpose: Create a Content Calendar

- Stay organized and consistent by planning your posts ahead of time.
- **Aim for:**
 - **Weekly Original Posts:** Showcase your photography, behind-the-scenes, or client testimonials.
 - **Curated Content:** Share relevant articles, inspiration, or community highlights that resonate with your audience.

2. Engage Authentically & Consistently

- Share genuine stories behind your images—clients love authenticity.
- Respond promptly and thoughtfully to comments and messages.
- Regularly interact with your audience's posts to build community.

3. Optimize Your Profiles

- **Instagram:** Use professional images, clear bios with searchable keywords, and highlight Stories for showcasing portfolios, client testimonials, and FAQs.
- **Facebook:** Maintain an up-to-date Business Page with contact details, regular posts, and reviews.
- **Google Business:** Keep your profile accurate, post fresh content regularly, and actively encourage client reviews.

4. Leverage Video Content

- Short-form videos (Instagram Reels, TikToks, YouTube Shorts) are engaging and help reach new audiences.
- Simple content ideas:
 - Quick editing tutorials
 - Behind-the-scenes of photo shoots
 - Day-in-the-life glimpses

5. Storytelling & Personal Branding

- Share the “why” behind your photography—personal stories resonate deeply.
- Maintain visual consistency across platforms to strengthen your brand identity

Quick Tips for Success:

- Consistency over frequency: Regular posting beats random bursts of activity.
- Quality first: Professional visuals and thoughtful captions always stand out.
- Use scheduling tools like Meta Business Suite, Later, or Buffer to streamline your workflow.



Workflow & Efficiency

Why Documenting Your Workflow Matters

Understanding your workflow and production time is essential for:

- Accurately calculating cost of sales
- Setting profitable pricing
- Identifying inefficiencies
- Determining whether outsourcing or hiring makes sense

How to Analyze Your Workflow

1. Track all production time. Identify where bottlenecks slow you down.
2. Write down each step of your workflow and how long it takes.
3. Look for inefficiencies. Are there processes where you're spending more time than you're being compensated for?

Making Workflow More Efficient

- If certain tasks take too long, consider outsourcing to free up time for more revenue-generating activities.
- If workflow issues are slowing production, you may need to hire an employee. A documented workflow helps define job responsibilities and sets clear expectations for production times.

By tracking and refining your workflow, you can work smarter, not harder—freeing up time while maximizing profits.





Step 5

Your Ongoing Pursuit of Success

Owning a business is not for the faint of heart—it requires dedication, adaptability, and a willingness to embrace change. But once you develop the habit of strategic planning, it becomes second nature, driving your business forward with purpose.

Success isn't about setting a plan and forgetting it; it's about continuously refining, adjusting, and improving based on what you learn along the way.

By applying the principles outlined in this guide—and leveraging the resources available on PPA.com—you'll stay on track, navigate challenges, and build a photography business that thrives for years to come.





Tracking Financial Progress

Why is Tracking So Important?

If you're not actively monitoring your business performance, you won't be able to make informed decisions that lead to sustainable growth. Tracking helps you see where your business is thriving and where adjustments are needed to stay on course toward your sales and sessions projections.

Tracking Income

To track income effectively, your books should be set up using managerial accounting, which helps you understand where your income comes from.

Track your income by:

- **Product line: Which services or products generate the most revenue?**
- **Number of sessions photographed: Are you meeting your session targets?**
- **Average sale per session: Is your pricing strategy working?**

A visual income tracking chart helps you compare actual sales and sessions against your projections. If sales are lower than expected, reviewing your marketing strategy can help you adjust and refocus your efforts in time to meet your goals.

The key takeaway: Keeping a close eye on your income allows you to pivot when necessary—before it's too late to make adjustments and get back on track.

Totals		January	February	March	Total
	Sales Goal	\$7,200	\$7,200	\$4,650	\$19,050
	Sales Actual	\$8,254	\$6,124	\$1,488	\$15,966
	Session Goal	9	9	6	24
	Session Actual	5	3	6	14



Tracking Financial Progress cont.

Tracking Expenses

Tracking expenses is as critical as tracking income. A healthy business depends not just on increasing sales, but on controlling costs.

Expenses should be tracked in the following categories:

- **Cost of Sales:** The direct costs associated with producing your products/services
- **Administrative Expenses:** Office costs, software, business fees, and other general expenses
- **Employee Expenses:** Wages, payroll taxes, and benefits (administrative and marketing employees only, does not include owner pay)
- **Marketing Expenses:** The money spent to attract new clients
- **Depreciation (Capital Expenditures):** Large purchases such as equipment, furniture, and technology investments
- **Overhead:** Fixed costs like rent, utilities, and insurance

By using managerial accounting, you can track not just how much you're earning, but also how effectively you're managing expenses.

A financial tracking chart helps you see patterns, evaluate your business's profitability, and adjust as needed to ensure your business stays financially healthy.

By regularly tracking both income and expenses, you'll have the clarity needed to make smart business decisions, control costs, and reach your financial goals with confidence.





Tracking Financial Progress cont.

Example Tracking Spreadsheet

Income/Expense	March: Projected		March: Actual		Avg. Retail Studios	Top Performing
	Dollar Amount	Percent of Income	Dollar Amount	Percent of Income	Percent of Income	Percent of Income
Total Income	\$24,300		\$27,598			
Cost of Goods Sold	\$4,763	19.6%	\$4,144	15.0%	21.9%	21.2%
Gross Profit	\$19,537		\$23,454			
Administrative Costs	\$3,230	13.3%	\$4,655	16.9%	15.7%	14.0%
Employee Expense	\$2,182	9.0%	\$2,178	7.9%	4.1%	3.8%
Marketing Expense	\$2,000	8.2%	\$1,970	7.1%	4.1%	2.9%
Depreciation Expense					3.2%	2.4%
Overhead Expense	\$1,125	4.6%	\$1,058	3.8%	11.9%	9.9%
Total General Expenses	\$8,537	35.1%	\$9,861	35.7%	38.9%	33.1%
Owners Compensation (OC)	\$9,750		\$11,387			
Net Profit (NP)	\$1,251		\$2,206			
NP + OC	\$11,000	45.3%	\$13,593	49.3%	39.2%	45.7%



Final Steps: Staying on Track

Tracking Your Progress Monthly

Your financial tracking should be a monthly (or better yet, weekly) habit, not a one-time effort. Keeping an eye on your spending and regularly comparing actual sales and sessions by product line to your projections allows you to:

- Stay on top of your spending so you know what you can (and cannot) afford.
- Identify trends and adjust your strategy before problems arise.
- See which areas of your business are outperforming or underperforming.
- Ensure you're on track to meet your overall financial goals.
- If you find that weekly or monthly bookkeeping doesn't fit into your schedule, consider outsourcing to a bookkeeper who can keep up with the financial records you need to manage your business on a regular basis.

Understanding the Numbers

The sample spreadsheet demonstrates how this tracking works in action:

- The studio's revenue is ahead of projections through March—a great sign of financial health.
- Cost of sales is at 15%, well below the benchmark of 20%, meaning the studio is maximizing profitability.
- General expenses are higher than projected, which is common in slower months. The studio owner should plan to smooth out these expenses in the coming months to stay on track.

The most important number in this analysis is Net Profit + Owner's Compensation—which is ahead of both projected amounts and benchmark percentages. With careful management and regular financial analysis, this studio is well-positioned to meet its financial goals for the year.





8 Helpful Tips for Increased Profitability

1. Mix It Up

- Increasing sales doesn't always mean raising prices.
- Offer add-on products and services to increase your sales average.
- Look for ways to automate or outsource tasks to cut costs.

2. Separate Yourself from the Competition

- Enter photographic competitions to refine your craft and gain credibility.
- Increase your social media presence to build brand awareness.
- Align with a charitable cause to make an impact and differentiate yourself.
- Remember, YOU are the differentiator in your business.

3. Streamline Production Costs

- Regularly track and assess workflow for inefficiencies.
- Productivity tracking helps identify cost-saving opportunities.
- Optimize your workflow to save time and money.

4. Is Rent Killing Your Business?

- Look at all options before committing to high fixed costs.
- Explore co-leasing a space with a like-minded business.
- Consider moving your studio home to reduce overhead.

5. Keep Clients Coming Back

- Improve client touchpoints and take customer service to the next level.
- Retaining clients is easier and more cost-effective than acquiring new ones.
- Offer a referral program to encourage word-of-mouth marketing.

6. Sell Every Step of the Way

- Sales start with the first client interaction.
- Train everyone in your studio to understand your sales strategy.
- Ensure all staff can explain session options and product offerings confidently.

7. Make It Easy to Buy

- Keep pricing clear and simple to reduce decision fatigue.
- Offer incentives for purchasing at the ordering appointment.
- Use session fees with print credits or payment plans to help clients make larger purchases.

8. Understand Your Cash Flow Challenges

- Photography businesses often experience seasonal highs and lows.
- Plan promotions during off-peak times—especially ones that support a cause to increase engagement.
- Build cash reserves during peak season to avoid relying on credit cards.

Congratulations!

You've completed the essential steps to building a profitable, sustainable photography business. The journey doesn't end here—success comes from continuously learning, tracking, and adjusting.

Excellent job, your business is on the path to success!





Appendix

Benchmark Tables and Supporting Data

This appendix presents selected tables from the 2024 Financial Benchmark Survey, providing data to support the financial metrics and trends explored in this business guide. Designed as a resource for Professional Photographers of America (PPA) members, the appendix delivers a clear, data-backed reference to contextualize the core financial benchmarks featured in the guide.

Key metrics include:

- **Cost of Sales (COS)** – Direct costs associated with delivering products and services
- **General Expenses (GE)** – Operating costs such as sales and administrative labor, marketing, overhead, and depreciation
- **Net Profit + Owner Compensation (NP + OC)** – A comprehensive measure of profitability

Where appropriate, comparisons are made to 2014 data to highlight longer-term trends.



Industry Context: Then and Now

The Photography Business in 2024

Over the past decade, the photography industry has undergone significant transformation. Since 2014, the marketplace has become increasingly digital, efficient, and shaped by evolving client expectations. Key industry shifts include:

- A growing preference for digital file delivery
- Increased reliance on automation and outsourcing
- Streamlined product offerings and leaner staffing structures

Between 2014 and 2024, these shifts contributed to a more agile and cost-conscious business landscape. Studios that adapted to these changes—by refining operations, managing expenses, and responding to client needs—were better positioned to maintain profitability.

Despite ongoing economic and competitive pressures, the 2024 data reflect a maturing and resilient industry. Today's successful studios are leaner, more strategically managed, and powered by entrepreneurial innovation.



Methodology Summary

Methodology

Data presented in this appendix comes from the 2024 Financial Benchmark Survey, a quantitative survey of PPA member studios. Studios provided financial information from their 2023 tax year, which was analyzed in 2024 to produce the findings in this 2025 report.

Participants submitted data covering gross sales, direct costs, general expenses, and owner compensation. Responses were segmented by:

- **Sales Volume**
- **Ownership** (Couple/Partner vs. Individual)
- **Years in Business**
- **Sales Process** (In-person vs. Online)
- **Studio Type** (Wedding vs. Portrait)
- **Location**

Analysis examined these segments across different performance tiers, with a particular focus on top-performing studios. Wherever possible, comparisons are made to 2014 benchmark data to illustrate long-term trends in studio operations.

Note: Percentages may not total exactly 100% due to rounding.



2025 Core Metrics by Studio Type

Core Metrics by Studio Type: 2024 vs. 2014

2024	Home	Retail
COS	21.0%	21.9%
GE	34.9%	38.9%
NP + OC	44.1%	39.2%

2014	Home	Retail
COS	23.8%	27.7%
GE	36.4%	39.6%
NP + OC	40.0%	33.3%

2025 Guide	Home	Retail
COS	20%	20%
GE	35%	40%
NP + OC	45%	40%

Both home and retail studios improved profitability, primarily by reducing cost of sales:

- **Home studios:** Cost of sales decreased 2.8 points.
- **Retail studios:** Cost of sales fell 5.8 points.

These gains translated to higher net profit + owner compensation, particularly for retail studios. These efficiency improvements likely came from smarter pricing, outsourcing, and faster production.



Top Performer Summary

Top Performer Summary: 2024 vs. 2014

2024	Home	Retail
Sales	\$202,327	\$351,698
COS	21.8%	21.2%
GE	28.8%	33.1%
NP + OC	49.4%	45.7%

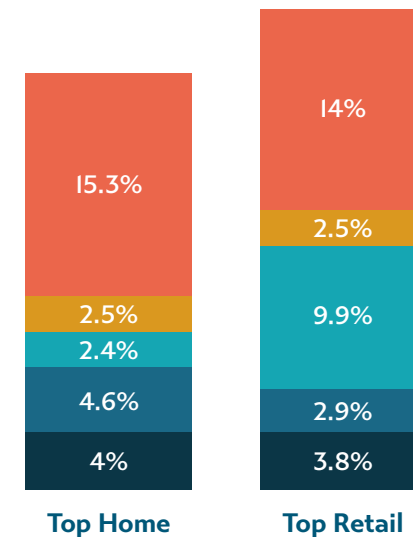
2014	Home	Retail
Sales	\$187,582	\$322,417
COS	21.1%	25.0%
GE	23.8%	29.2%
NP + OC	55.1%	45.8%

Both home and retail studios among top performers showed strong growth in average sales over the past decade:

- Home studios increased revenue and maintained profitability, despite higher general expenses.
- Retail studios improved cost of sales and sustained a strong net profit + owner compensation margin.

What's in General Expenses?

General expenses include employee costs, marketing spend, overhead, depreciation, and admin.



- Employee
- Marketing
- Overhead
- Depreciation
- Total Admin



Performance Tier Comparison

Performance Gap: Average vs. Top Studios

Top-performing studios earn significantly more than average ones—with noticeable increases in profitability.

This suggests scale efficiency: higher revenue leads to more take-home profit without proportional cost increases.

2024 Average vs. Top Performer Comparison

2024	Home		Retail	
	Average	Top	Average	Top
Sales	\$106,572	\$202,327	\$217,770	\$351,698
COS	21.0%	21.8%	21.9%	21.2%
GE	34.9%	28.8%	38.9%	33.1%
NP + OC	44.1%	49.4%	39.2%	45.7%

In both home and retail segments, the performance gap in net profit + owner compensation narrowed between average and top studios.

Retail studios showed particularly strong progress, with average performers gaining ground by controlling expenses more effectively.



Detailed Findings: Home Studios

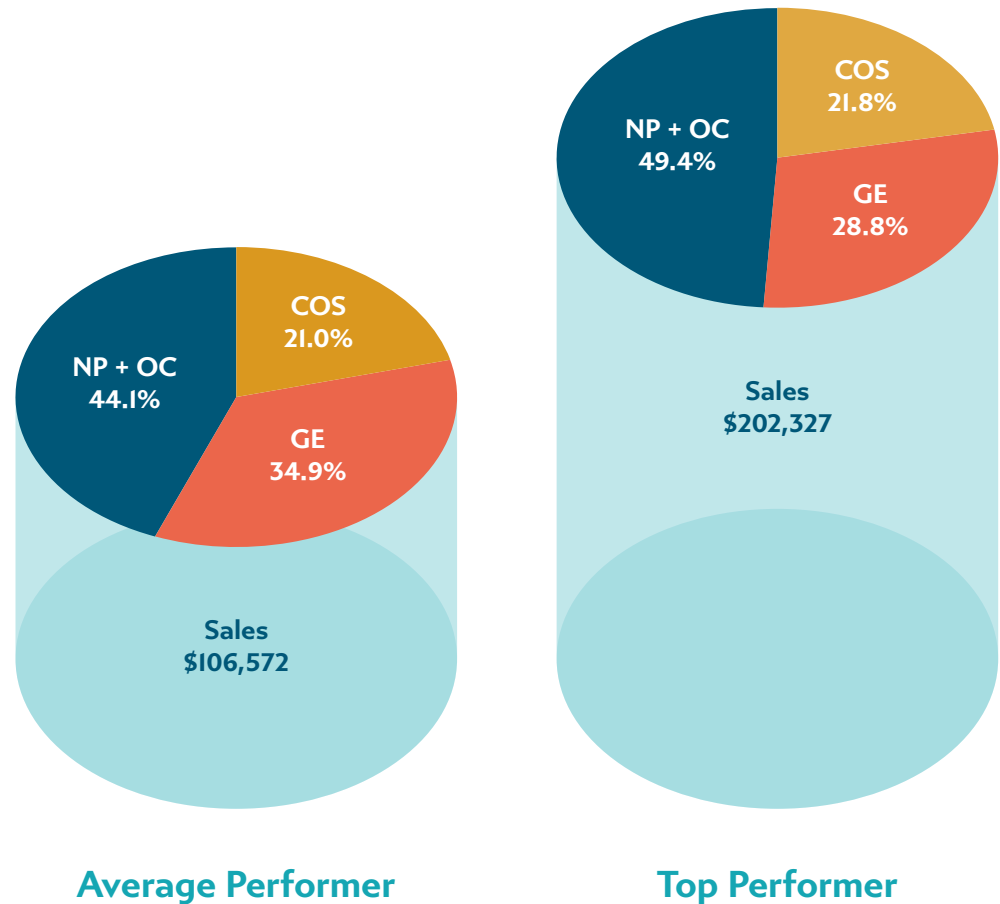
This section examines financial performance benchmarks for home-based studios, highlighting key differences between average and top-performing businesses. Metrics focus on sales volume, cost of sales, general expenses, and overall profitability.



Home Studios Average vs. Top Performer Comparison

Top-performing home studios earned nearly twice the revenue of average performers, while maintaining a similar cost of sales percentage. Their stronger profitability (49.4% vs. 44.1%) was driven by leaner general expenses—particularly in administrative and employee-related costs. These findings suggest that growth and efficiency can coexist when spending is strategically managed.

2024	Home	
	Average	Top
Sales	\$106,572	\$202,327
COS	21.0%	21.8%
GE	34.9%	28.8%
NP + OC	44.1%	49.4%



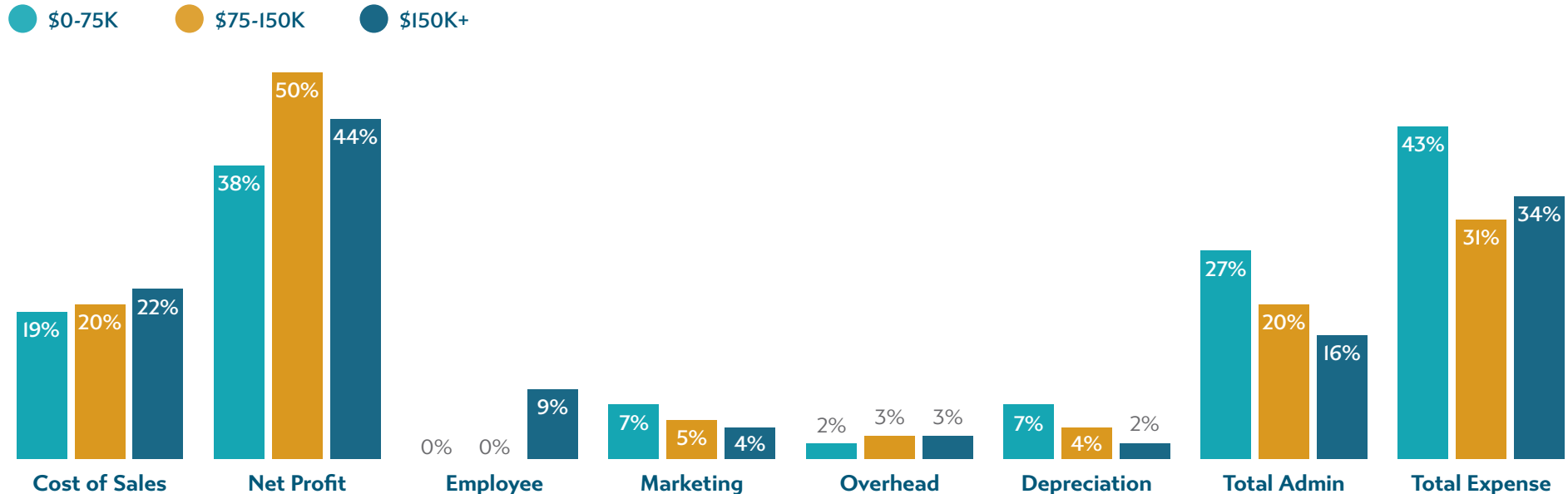


Home Studios by Sales Volume

2024	\$0-\$75K	\$75-\$150K	\$150K+
Sales	\$46,955	\$101,803	\$239,651
COS	19.3%	19.9%	22.4%
GE	43.1%	30.6%	33.5%
NP + OC	37.6%	49.5%	44.1%

Studios earning between \$75K and \$150K reported the highest net profit + owner compensation (49.5%). These mid-volume businesses appear to achieve the best balance between cost control and revenue generation, optimizing efficiency.

2024 All Home Studios by Sales Volume

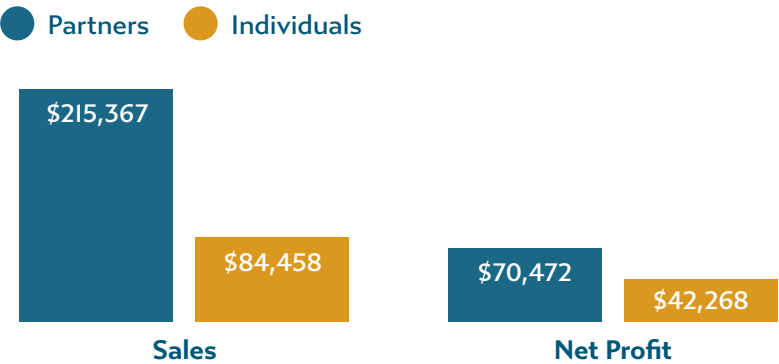




Home Studios by Ownership

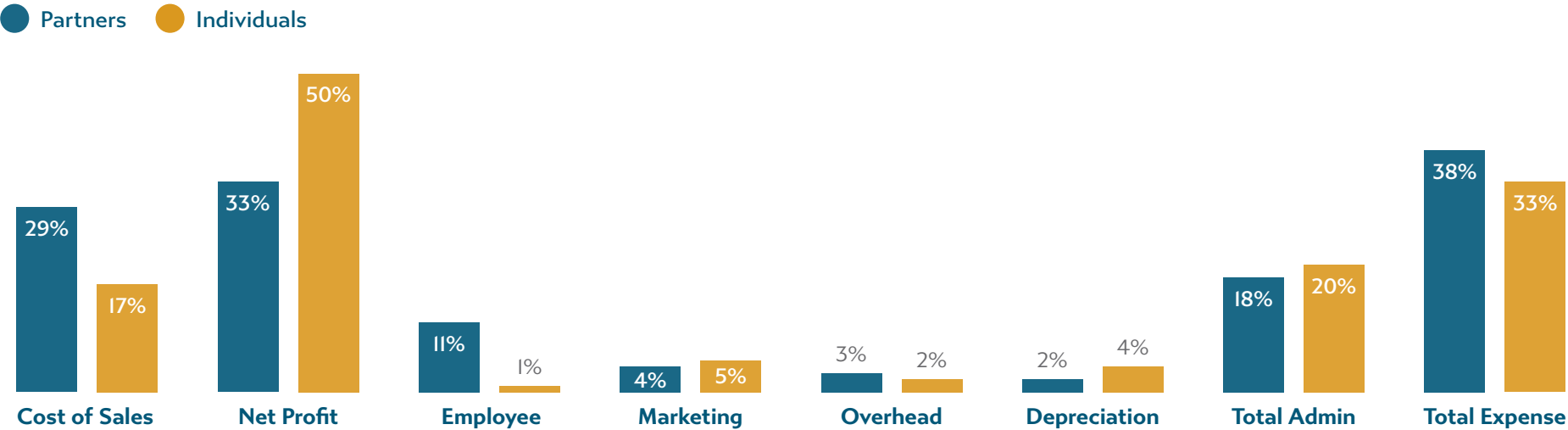
Partner-run studios generated significantly higher revenue, while solo-run studios maintained stronger profit margins. Leaner operations and lower cost of sales contributed to the efficiency of individual owners.

2024 All Home Studios by Ownership



2024	Partners	Individuals
Sales	\$215,367	\$84,458
COS	29.3%	16.8%
GE	38.0%	33.1%
NP + OC	32.7%	50.0%

2024 All Home Studios by Ownership





Home Studios by Years in Business

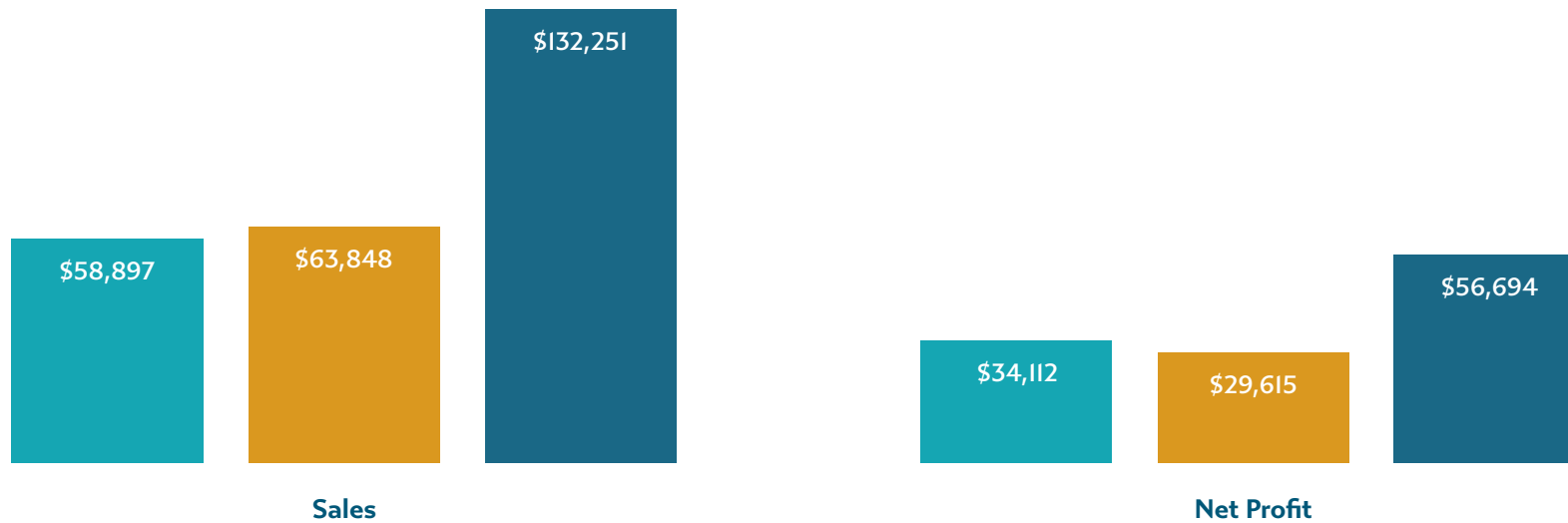
2024	3-5 Years	6-10 Years	10+ Years
Sales	\$58,879	\$63,848	\$132,251
COS	13.1%	18.3%	22.2%
GE	29.0%	35.4%	35.0%
NP + OC	57.9%	46.4%	42.9%

Newer studios (3–5 years) reported the highest net profit + owner compensation margin (57.9%), likely due to leaner operations.

While mature studios earned more revenue, higher general expenses reduced their profitability—suggesting a need for cost review.

2024 All Home Studios by Years in Business

● 3-5 ● 6-10 ● 10+





Home Studios by Type of Sales Process

2024	Online Only	In-person Only	Both
Sales	\$90,614	\$100,395	\$119,290
COS	19.5%	21%	21.8%
GE	30.4%	37.4%	34.5%
NP + OC	50%	41.6%	43.7%

Home-based studios solely using online galleries reported a net profit margin of 50%, the highest among all process types. However, they also had the lowest average sales, illustrating a clear trade-off: reduced overhead and streamlined delivery can yield higher profit percentages, but may limit income potential.

By contrast, in-person and online hybrid models generated higher revenues but at a slightly lower profit margin (43.7%). These models may better support upselling and client engagement, despite increased effort and cost.

2024 All Home Studios by Type of Sales Process

● Online Only ● In-person Only ● Both





Home Studios by Type (Wedding / Portrait)

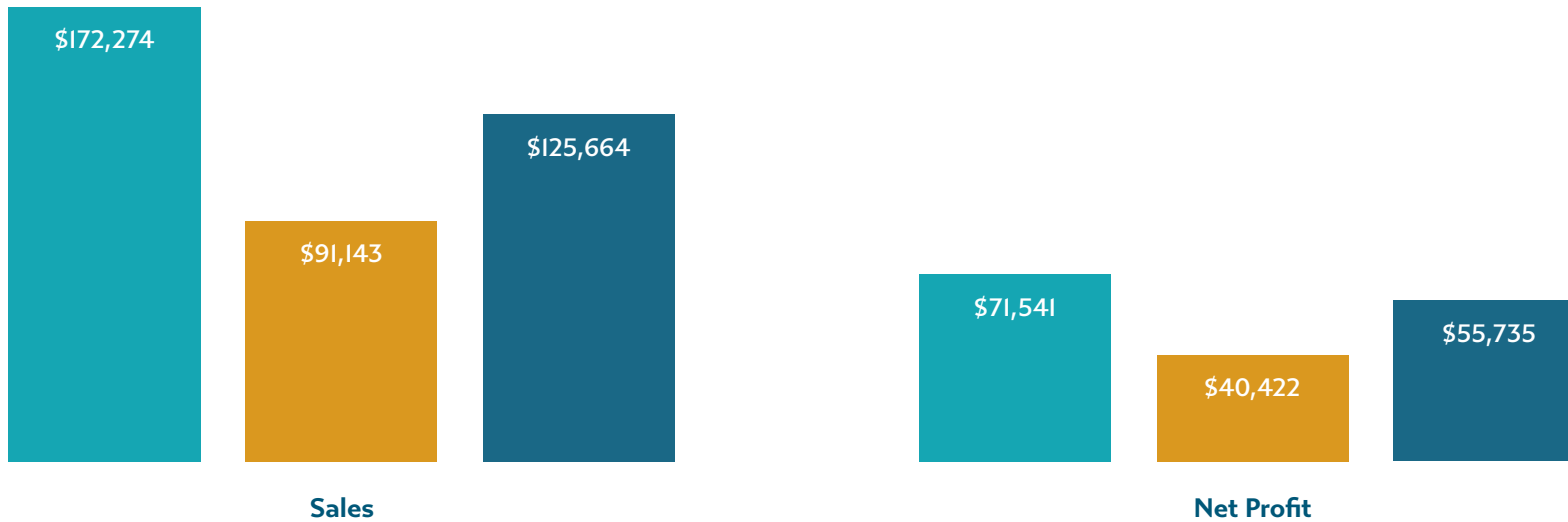
2024	Wedding	Portrait	Both
Sales	\$172,274	\$91,143	\$125,664
COS	27.5%	19.3%	21.9%
GE	31%	36.3%	33.8%
NP + OC	41.5%	44.4%	44.4%

Home-based studios offering both portraits and weddings saw the highest combined average sales and net profit (44.4%).

Studios specializing exclusively in weddings had higher per-studio sales but slightly lower margins (41.5%), while portrait-only studios matched the dual-offering model on profitability percentage but operated with lower revenue.

2024 All Home Studios by Business Type

● Wedding ● Portrait ● Both





Home Studios by Location

2024	Rural	Suburban	Urban
Sales	\$78,700	\$110,502	\$99,787
COS	24.5%	22%	12.8%
GE	44.3%	35.5%	27.1%
NP + OC	31.2%	42.5%	60.1%

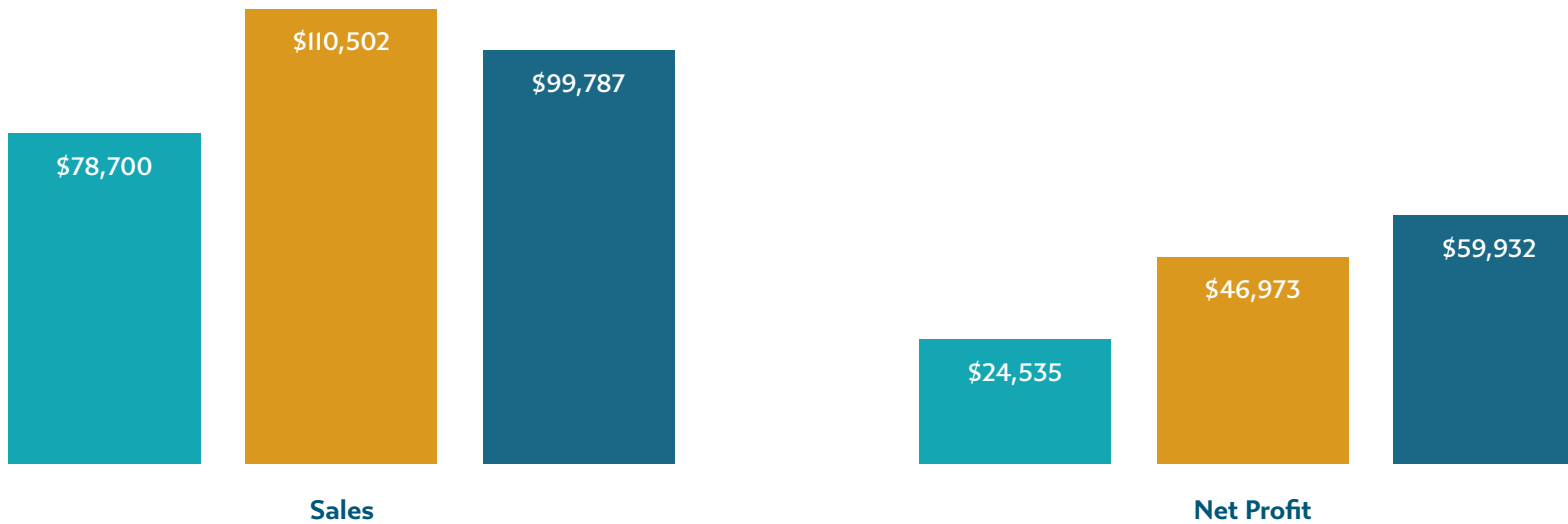
Rural home studios achieved the highest profit margin (44.3%), suggesting strong efficiency despite lower sales volumes.

Urban studios reported the highest net profit in dollars (\$59,932) but with a lower margin (27.1%) due to substantially higher general expenses.

Suburban studios, which accounted for approximately 80% of home studios in the survey, balanced higher sales with moderate profitability.

2024 All Home Studios by Location

● Rural ● Suburban ● Urban





Detailed Findings: Retail Studios

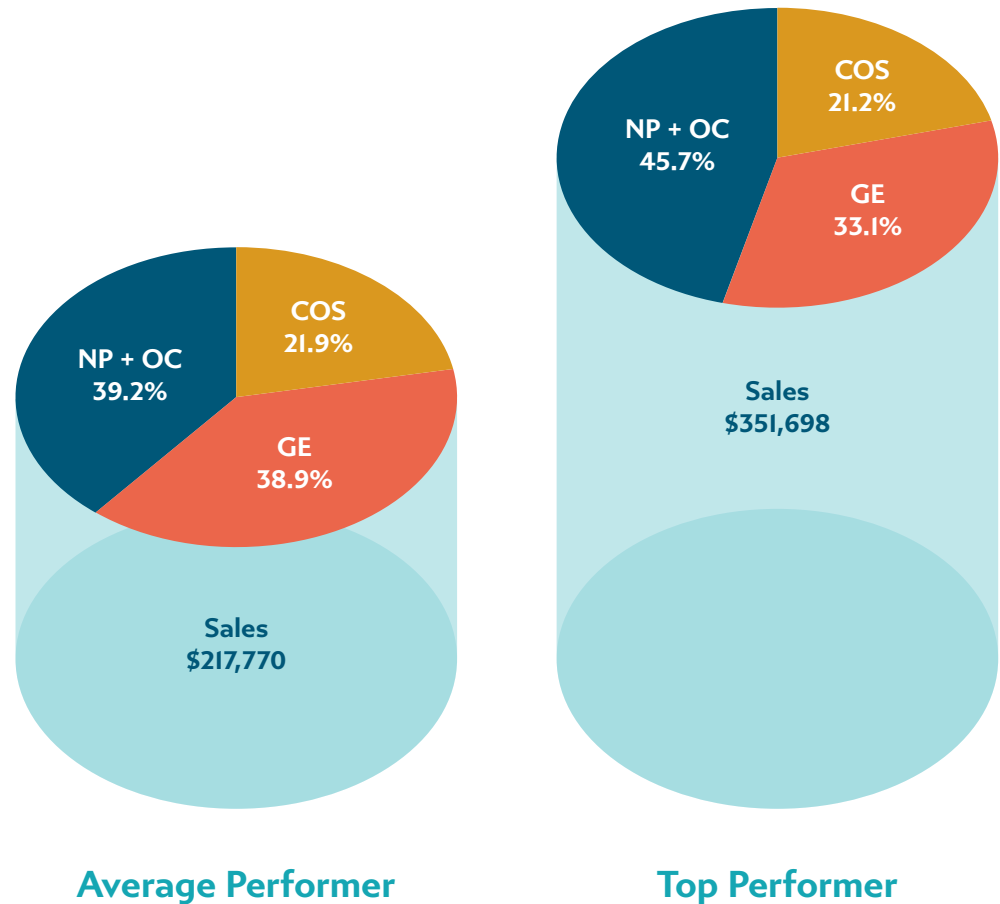
This section presents benchmark comparisons for retail studios, contrasting average performers with top-tier counterparts. The analysis focuses on revenue, cost structure, and profitability to illustrate operational trends within retail-based businesses.



Retail Studios Average vs. Top Performer Comparison

Top-performing retail studios achieved higher sales with modest improvements in cost of sales and general expenses. Their profitability advantage (45.7% vs. 39.2%) reflects tighter control over operating costs—particularly in administrative and employee areas—despite the inherent overhead of retail environments. These results underscore the impact of expense management on profit sustainability at scale.

2024	Retail	
	Average	Top
Sales	\$217,770	\$351,698
COS	21.9%	21.2%
GE	38.9%	33.1%
NP + OC	39.2%	45.7%





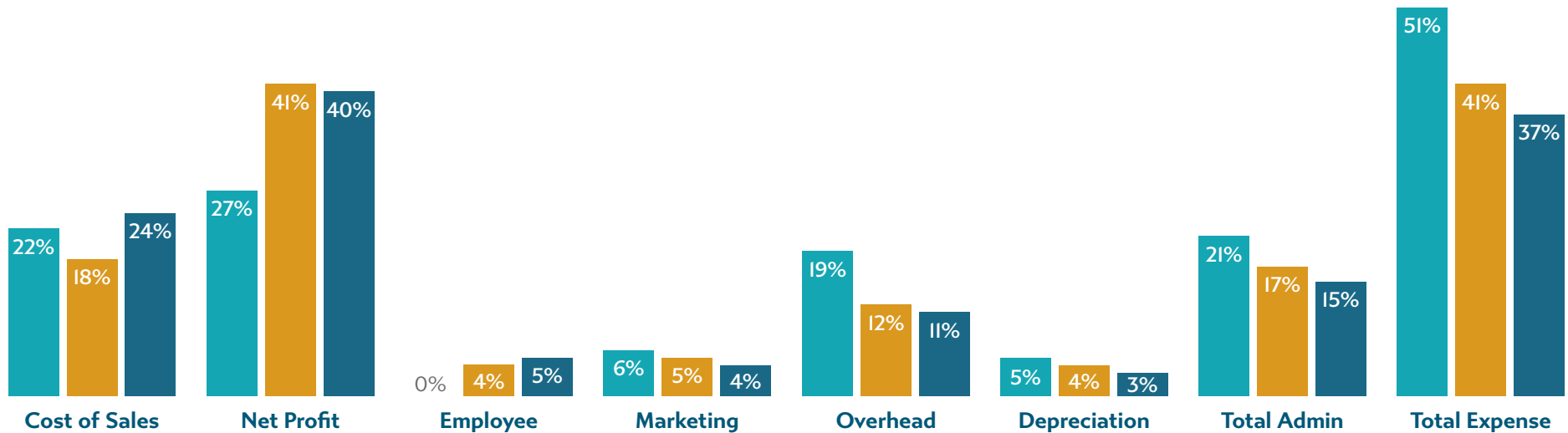
Retail Studios by Sales Volume

2024	<\$100K	\$100-\$200K	\$200K+
Sales	\$74,041	\$152,228	\$360,760
COS	21.8%	17.7%	23.5%
GE	51.1%	40.9%	36.7%
NP + OC	27.1%	41.4%	39.7%

Mid-range studios (\$100K–\$200K) showed strong profitability. However, higher-revenue studios (\$200K+) reported increased cost of sales, indicating possible workflow inefficiencies or missed pricing opportunities.

2024 All Retail Studios by Sales Volume

● \$0-100K ● \$100-200K ● \$200K+



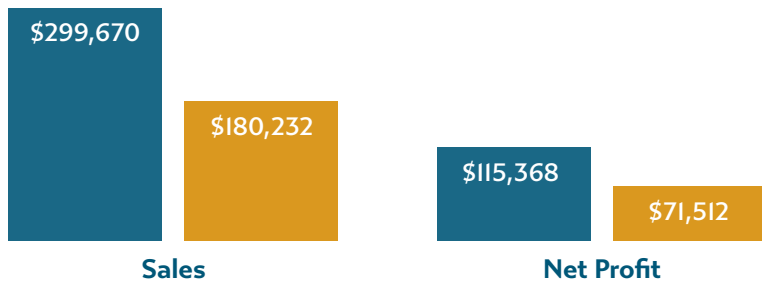


Retail Studios by Ownership

As with home studios, partner-run retail studios earned higher average sales. However, individuals achieved comparable net profit + owner compensation percentages through tighter cost control.

2024 All Retail Studios by Ownership

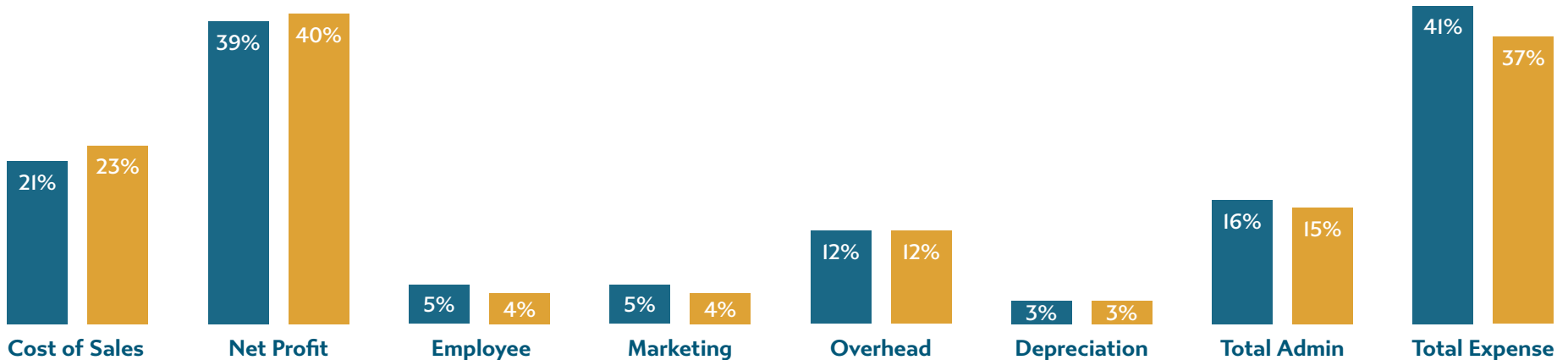
● Partners ● Individuals



2024	Partners	Individuals
Sales	\$299,670	\$180,232
COS	20.5%	23%
GE	41%	37.3%
NP + OC	38.5%	39.7%

2024 All Retail Studios by Ownership

● Partners ● Individuals





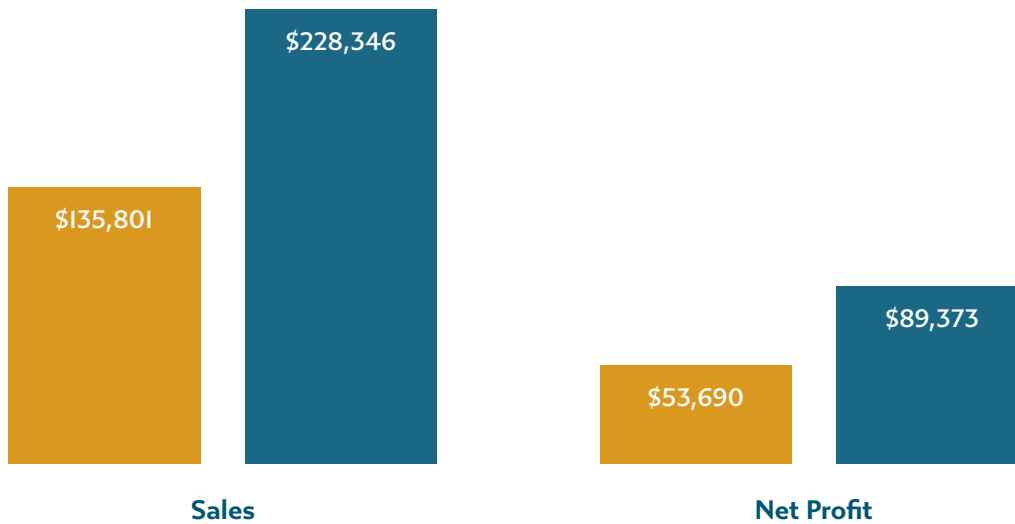
Retail Studios by Years in Business

2024	6–10 Years	10+ Years
Sales	\$135,801	\$228,346
COS	16.2%	22.3%
GE	44.3%	38.5%
NP + OC	39.5%	39.1%

Older studios earned more but struggled to control cost of sales. Studios in business 6–10 years showed the best balance, with solid sales and improved margins. Long-term sustainability requires ongoing expense management.

2024 All Retail Studios by Years in Business

● 6-10 ● 10+



Note: No retail studios in business fewer than 6 years participated in this year's study, potentially reflecting a shift toward newer businesses starting at home rather than in retail locations.



Retail Studios by Type of Sales Process

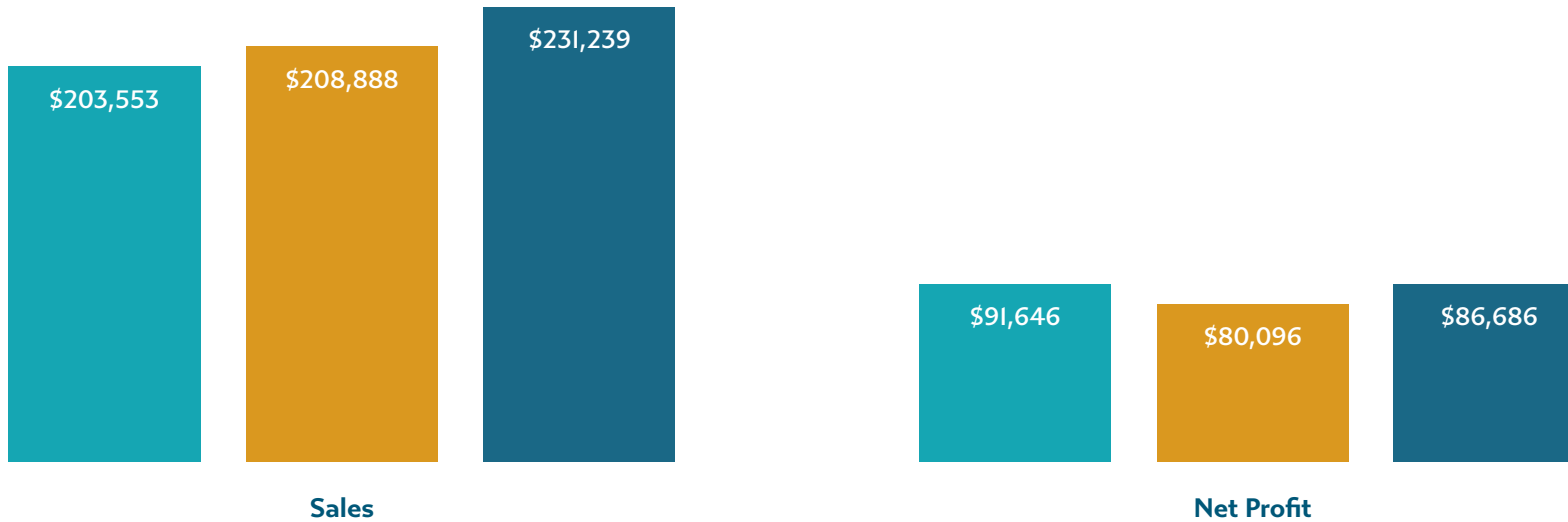
2024	Online Only	In-person Only	Both
Sales	\$203,553	\$208,888	\$231,239
COS	20.4%	19.8%	23.7%
GE	34.6%	41.9%	38.8%
NP + OC	45%	38.3%	37.5%

Retail studios using online gallery only sales achieved a strong net profit margin of 45%, slightly outperforming hybrid and in-person only models.

Interestingly, hybrid models led in average revenue, suggesting that blending in-person consultation with online convenience may optimize both client experience and sales volume.

2024 All Retail Studios by Type of Sales Process

● Online Only ● In-person Only ● Both





Retail Studios by Type (Wedding / Portrait)

2024	Portrait	Wedding / Portrait
Sales	\$211,391	\$156,573
COS	20.2%	28.3%
GE	39.9%	44.2%
NP + OC	39.9%	27.4%

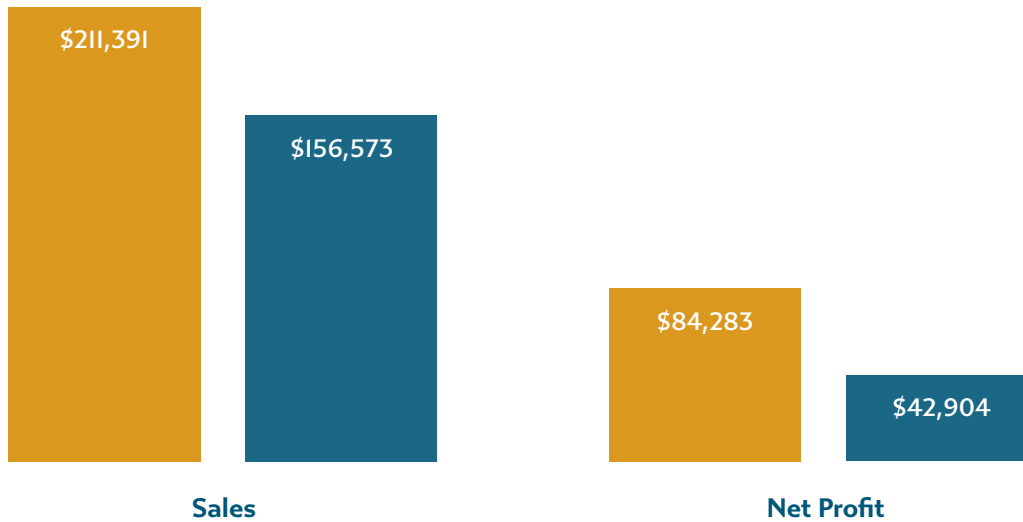
Retail studios focused solely on portrait photography generated both the highest profit margins (39.9%) and greater average revenue.

By contrast, studios offering both weddings and portraits reported lower profitability (27.4%) and smaller average sales, pointing to the potential operational advantages of specialized service models.

2024 All Retail Studios by Business Type

Portrait

Wedding / Portrait



No data available for 2024 Wedding-only retail studios



Retail Studios by Location

2024	Rural	Suburban	Urban
Sales	\$181,325	\$207,806	\$233,786
COS	23.9%	19.6%	23.1%
GE	34.1%	41.2%	38.3%
NP + OC	42%	39.2%	38.7%

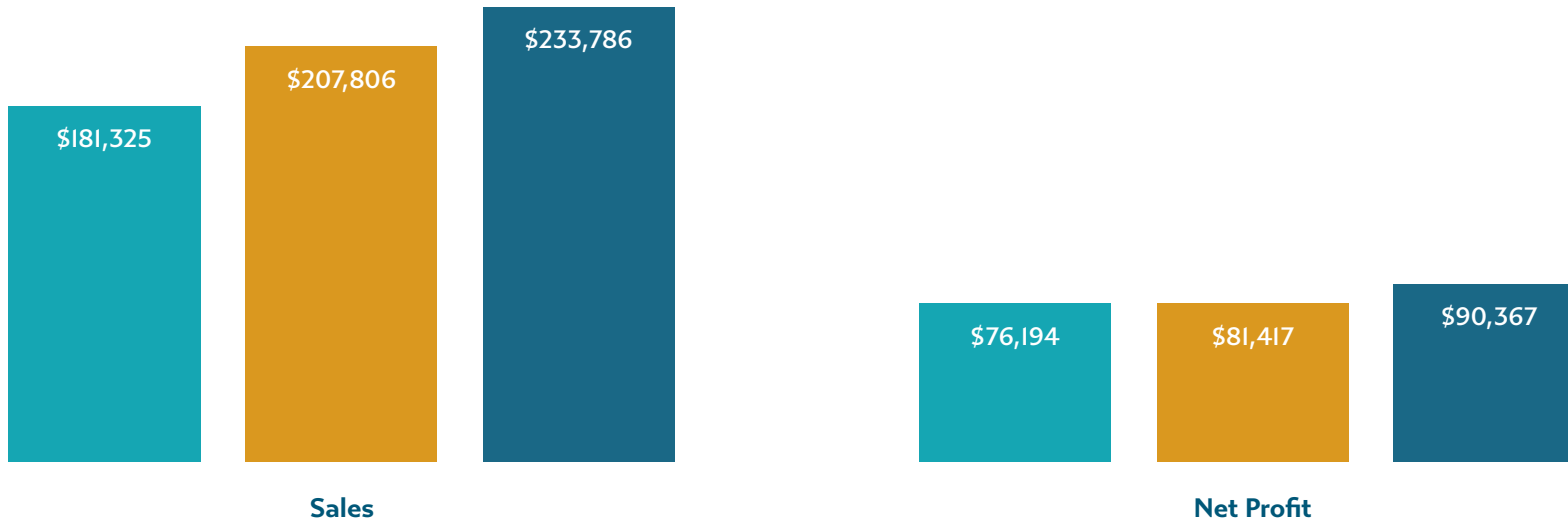
Rural retail studios achieved the highest profit margins (42%), outperforming both urban and suburban peers.

These results were driven by lean general expenses (34.1%) and solid cost control despite lower average sales.

Urban studios led in average revenue but trailed slightly in margin (38.7%), while suburban studios posted moderate performance on both profit and sales, suggesting some opportunity for margin improvement.

2024 All Retail Studios by Location

● Rural ● Suburban ● Urban





**This business guide
was released by PPA in
conjunction with the 2024
Financial Benchmark Survey.**

As a nonprofit, PPA is committed to assisting photographers and studio owners in defining success and implementing strategies to achieve it.

For more tools, resources, and education, visit [PPA.com](https://www.ppa.com).

