

How to Mug a Big Fish

In terms of percentage return on my initial investment, one of the most profitable purchases I ever made was a Royal Doulton mug. I had collected Royal Doulton for quite some time, and had established a reputation in our area as one of the most knowledgeable people on the subject. Even though my collection of figurines and Doulton Lambeth would never match most of the important collections to be found, I never had much interest in the mugs. However, I always keep my eye out for the special mugs by Doulton.

One day, my wife was in Atlanta doing an audit for her firm, so I decided to go out and see if I could find something to buy. After spending most of the day unproductively searching the places where I usually expected to find bargains, it was time to try a different area. The North Shore area of Chicago had always been good to me and seemed like a sensible place to go to spend the rest of the day.

Most of the shops I visited had few items of interest and my watch warned that closing time was fast approaching but there was still time for one more look in a little shop not far away. Immediately after entering the front door, I spotted a Royal Doulton mug and picked it up to check the condition and the information on the bottom. As I examined the specimen, the owner who had been standing in the corner approached me and asked if I was interested in the mug. Before I could even respond to his question, he told me he could only discount 10% off the asking price, which seems to be the standard discount for most dealers. That percentage is supposed to make you feel like you are getting a bargain, even though they usually are willing to take off much more than that if you only ask.

At the discounted price of \$165, prudence insisted that I purchase the piece, so I bought it immediately without seeking any further discount. Suddenly the day was like a fishing trip where I was getting ready to pull up anchor and head for shore. But there was still one more important cast left in me that I must make. I now had the bait that would produce the biggest fish of the day.

Fishermen are notorious for telling tales about “the big one that got away”, but I was bubbling from excitement because that last cast landed me a very big one that didn’t get away. Arriving home with that next prize, I could hardly stand the wait for the call from my wife in Atlanta. Finally the phone rang and the first question she asked was what had I done all day. I told her I spent the day antiques, and of course she had to ask if I had bought anything. Relishing an opportunity to tantalize, I responded blandly, “Yes—a Royal Doulton mug.”

Her attack was immediate: “You better not have. We don’t even collect those.” Her next words set her up for the kill: “What did you pay for it?” she asked.

Now it was my turn at the bat. I calmly responded, “I paid \$165.” Then I paused a moment before continuing—“but one hour ago I sold it to a dealer in Miami for \$6500.”

The silence on the other end of the phone must have lasted two minutes before I heard her say, “Do you have the money?”

There’s No Substitute for Knowing Your Stuff

You must be asking how this could have happened when the mug was in an antique shop owned by a well-known dealer. After all, he had done his homework and gone to the Ruth Pollard Price Guide of Royal Doulton to look up the price. If you looked up that piece today, you would see that the guide even shows a picture of the piece. The name of the mug is “Arry”, and the number is D 6207. The price that he had quoted was \$185, just like the dealer’s price guide shows.

One of the most important skills you need to master in order to maximize the best opportunities you will encounter is to know the rare, not the common, items you are searching for. The dealer knew the right place to look, but he didn’t take the trouble to discover the correct price on this mug. Had he gone further into the guide, he would have found another listing with the same picture and the same number D 6207, but with a very important difference. The name: Pearly Boy.

The only difference between the two pieces is the decoration. The Pearly Boy has pearl buttons on its collar and a row of them on the hat he wears. Both pieces in the guide came out of the same mold, but value often depends greatly on the decoration. The guide priced the large Blue Pearly Boy, which is the one I bought, at \$7,500 to \$9,000. I got a wonderful price for the mug, but I am sure the dealer did quite well too, because he must have had a customer waiting for an opportunity to purchase this rare piece from him.

Stories like this can be yours. You will have even more than I if you master the principles....