

Service Business

Week 1: Personal Responsibility & Locus of Control



Service Business

Overview

- To put the lessons from this course into a concrete example, we will simulate building a video editing business.
 - This business will offer **short-form** and **long-form** video creation.
 - The services will be aimed at businesses wanting to expand their social media presence.
 - Fast turnaround time.
 - Possibility for scaling by hiring subcontractors.
 - This business will be called **Remote Editing Solutions (or RES)**.



Service Business

Goals



- By the end of this course, we want to have a **video editing business generating positive cash flow and profit margin of at least 20% to 30% (this is the general range for this sort of business).**
- We want to have one found at least one high-performing contractor to outsource work to.

Client Avatar



Video Editor Business

Client Avatar



- A client avatar is your model of a client to which you will tailor your marketing.
- We will build out the demographics of this hypothetical person so that we have a better idea in our mind of how to tailor or brand communications.

Service Business

Client Avatar

- Male/Female business owner
- 30-50 years old
- Makes \$100k - \$200k per year but should be making \$600-\$700k (Take home salary from business)
- Lacks the ability to show people the amazing value their company provides. They have a value conveying issue.
- Knows that they need marketing help, but have no idea where to start with filming, editing, and posting.
- Business Gross Revenue - 2-5 million



Service Business

Client Avatar



- **Pain Points:**
 - Struggling to stand out on social media
 - Not enough time / will to manage social media content himself
 - Knows he is leaving money on the table with unoptimized marketing channels
 - “I know my marketing sucks, I don't have time to do it, I know bigger businesses are out competing me and taking my business”
- **Online Activity:** Creates content and follows creators in his business niche space
- **Content preferences:** Wants to post both long-form and short-form content

Service Business

Client Avatar



- **Client Avatar's Goals:**
 - Build a stronger online presence
 - Drive more followers and regular viewers
 - Increase engagement on social media
- **Budget:** \$300-\$2000/month if ROI visible
- **Objections:** Past bad experiences with contractors, uncertainty about ROI

Service Business

Client Avatar

- **Buying behavior:** Purchases after a moderate amount of research
- **What makes them buy:** Promised speed of delivery, social proof
- **Motivations:** Wants greater time independence and scalability of his business
- **Objections:**
 - Concerned about cost without guaranteed results
 - Skeptical of freelancers overpromising and underdelivering
 - May want to ask his wife first (happy wife happy life)



Service Business

Niches we want to cover

- Niches we want to tackle:
 - Restaurants, coffee shops, food trucks
 - Mechanics shops, detailers/car modifying shops
 - Private Schools/Daycare centers/Childcare
 - Theatres, concert venues
 - Nightlife venues



Sales Funnel



Video Editor Business

Frontend of Sales Funnel



- Utilize our Unique Selling Proposition: Consistent delivery of clips that give a higher return on ROI than our competitors.
- Website showcasing portfolio and result-based testimonials
- **Call to action:** Book a strategy call now
- **Hook Offer:** \$2 Single short-form video
- Add each new prospective client to mailing list

Video Editor Business

Backend of Funnel

- Content package (4 advertisement videos for \$397)
- Includes editing, subtitles, platform optimization, 1-2 revisions
- **Upsells:**
 - Motion graphics, branded templates
 - Rush delivery
 - Thumbnail creation



Video Editor Business

Recurring Model



- Monthly Plans:
 - **Tier 1:** \$397 – 10 short-form videos
 - **Tier 2:** \$797 – 20 short-form videos + 1 multi-format advertisement + basic motion graphics package
 - **Tier 3:** \$997 – 30 short form videos + 4 multi-format advertisements + extended motion graphics package + analytics review + advertisement management

Market Research



Service Business

Market Research

- The global video editing market was worth \$2.5B in 2023 and is projected to rise to \$6.3B by 2032, giving a compound annual growth rate of 10.7%
- High demand in marketing, entertainment and education
- Growth prospects come from the ever increasing amount of digital content and new AI tools



Service Business

Market Trends



- AI integration means you can get more done faster but sometimes that comes at the cost of accuracy. You need to know how to use these tools correctly.
- Short-form content and mobile-optimized edits are still growing in popularity.
- Motion graphics are of importance for most adverts.

Service Business

Buying Behavior



- Clients value portfolios and speed of delivery.
- **Key decision factors** include reliability, communication, past client feedback
- Challenges in Process: Time-wasting prospects, clients may want to establish contracts upfront for clarity...

Service Business

Pain Points

- Hard to find dependable talent.
- Clients with a deadline will want a quality product in time, not a product they have to make revisions to.
- Saturated market means options can be overwhelming for a client expressly seeking video editing services.



Service Business

Platforms and Competitors



- Sources of clients could include Upwork, Fiverr, Mandy, Contra and Toptal.
- In the beginning though, we'd like to just reach out directly to clients since they're less likely to come to us as compared to competitors before we have a proven track record.

Service Business

Week 2: Cognitive Biases



Cognitive Biases



- **Reciprocity Bias:** By delivering more value than what we're charging for, there's a tendency for clients to feel some obligation of reciprocity, helping to push them further down our funnel. This is a big part of what makes a 'tripwire' effective.
- **Loss Aversion:** A potential client is nervous about spending money on editing because they're more focused on the risk of wasting money than on the potential growth from better content. To mitigate this, point out the longterm benefits and potential ROI of the marketing campaign and minimize the upfront cost.
- **Anchoring:** Initially assigning a monetary value to the service before introducing the price at a lower point can make the price appear lower. (e.g., This type of service generally costs \$5,000 to complete we are doing it for \$700).
- **Confirmation Bias:** If we believe small businesses are our best clients, we may pursue information that confirms this, which could lead to us disregarding the potential benefits of investing in our relationships with bigger businesses.

Cognitive Biases



- **Scarcity Bias:** A client sees an offer on the website that says “Only 3 spots left for this month’s discounted package.” Even if they weren’t ready to buy, the sense of limited availability pushes them to act quickly.
- **Status Quo Bias:** A small business who could be a client will keep posting low-quality videos because changing their process feels overwhelming or they may think they are going to lose money and not see an ROI without ever testing to see if the data supports that
- **Endowment Effect:** If a client makes their own video that sucks, they may value it more than a better video that you make because they made it themselves, despite the fact that their video sucks. If you point this out such a client is likely to get offended.

Cognitive Biases



- **Authority Bias:** A potential client may choose us over our competitors if they notice that we are a more established brand, even if other editors seemingly provide similar quality at a lower price.
- **Sunken Cost Fallacy:** Client may continue to use old video service even though it's not getting them the results they want because they have invested time and money into getting videos made by them before.
- **Availability Heuristic:** We may remember landing a client easily through cold emailing once, so we could assume it's the best strategy and keep doing it, even if other methods like cold calling or ads could perform better.

Service Business

Week 3: Branding



Service Business Branding

- Company Name: Reel Impact
- **Domain Name:** reelimpactvideo.com

reelimpactvideo.com

↻ More Like This

~~\$21.99~~ **\$0.01**
1st yr only with 3 yr term ⓘ



Service Business

Logo



Service Business

Week 3: Fallacies of Thought & Cognitive Distortion



Fallacies of Thought

Appeal to Perfection



- **The appeal to perfection** is a fallacy where you expect to attain perfection in some regard.
 - A client might think *“If I don’t find the perfect editor, I’ll just do it myself”*
 - But no editor is ever going to be flawless, so the client may delay on their purchasing decision or eventually just give up.
 - Furthermore, the client is sure as hell not going to do a perfect job themselves.
 - From the business side, getting things done well and on time beats “perfect but never delivered” every single time.

Fallacies of Thought

Overgeneralization



- **Overgeneralization** means drawing broader conclusions than you should from the data points you have.
- Having one client ghost you, does not mean that all clients are unreliable.
 - Therefore, a client ghosting you shouldn't make you think that it's time to stop outreach.
 - Track your metrics and test different approaches. A single data point is worse than no data point at all.

Fallacies of Thought

Catastrophizing

- **Catastrophizing** is when you inflate the gravity of your fuck-ups.
 - You're going to fuck things up somewhere.
 - Messing up one project doesn't mean your reputation is ruined forever.
 - Don't get depressed, fix the mess quickly and make sure it doesn't happen again.
 - Own your mistakes and fix them to build trust with clients.



Fallacies of Thought

All-or-Nothing Thinking



- **All-or-nothing thinking** is when people think if they can't have optimal results, they can't get any results at all.
 - For example, if you can't land big clients right away, that doesn't mean your business is never going to work.
 - You need to remain consistent.
 - Remember that the pain you're feeling is where most people stop.

Fallacies of Thought

Takeaway



- Fallacies and distortions affect both the clients and you.
- Recognizing will help you:
 - Make better decisions
 - Communicate better
 - Develop stronger client relationships

Service Business

Week 7: Marketing 101



Service Business

Creating a Website



- This week we will plan out a website in line with the lessons learned this week to walk clients through our sales funnel.
- We need to decide on a domain name, our hosting needs and budget.

Service Business

Creating a Website

- We can use Wix, Squarespace, Bolt or Webflow to build our website.
- We need to ensure our website has:
 - Mobile responsiveness
 - Video hosting integration
 - SEO optimization.
 - Contact form



Service Business

Creating a Website

- The homepage should have a low-cost, high-value product or service offered to a prospect immediately after they've opted in for your service (this often called a tripwire offer) as part of the hero section.
- People should then be able to scroll down and see the portfolio and testimonials.
- We want to select 5 of the best videos we made in week 1, and any other high-quality videos we've made since, to be showcased on the website.
- Keep things simple.



Service Business

Tripwire Section



- The hero section tripwire should make it as easy for people to get the tripwire as possible.
- We want them to click a big button on the front page that takes their money as quickly as possible.
 - Then they can go ahead and upload the footage they want uploaded etc.

Service Business

Tripwire Section



- **Bandwagon effect:** Highlight that many people are choosing to work with this company. We can do this by using many testimonials.
 - You don't want people to feel like they're delving into unknown territory by purchasing from you. It should look like many have done it before.
- **Planning fallacy:** Prospective clients may overestimate their ability to just handle their social media themselves.
 - We want to address this by arguing this will yield lower results for them and consume massive amounts of precious time when they could simply delegate this responsibility to professionals at a high value rate.