

# WHAT IS THE COST OF VIDEO PRODUCTION FOR THE WEB?

AN ARTICLE FROM HINGE

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In the past, professional-grade video has been an expensive proposition. Shooting, editing and production required specialized equipment and expertise. Now, you have many more options, from low-cost do-it-yourself video blogs to polished corporate overviews.

Fortunately, advances in technology have made even professional videography more affordable than ever. While the bromide “you get what you pay for” still applies, businesses today can get a higher quality product for their money. At the same time, our plugged-in business world is far more receptive to video messages. Online video is gaining momentum every year, and it has entered marketing’s mainstream.

## How Much Will it Cost?

That’s the new first question that professional services firms are asking about online video. It wasn’t always that way.

The question used to be “Why would I want to?” or “How would I use it?” But with the explosion of online video the questions “Why?” and “How?” no longer come up very often. The benefits and uses are becoming self-evident.

The correct answer to the cost question is always... “it depends.” Let’s look at what drives online video cost and how to develop an appropriate budget for your needs.

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## WHAT DRIVES THE COST OF ONLINE VIDEO?

There are three basic factors that drive productions costs. These factors eventually get reflected in dozens of small budget decisions that impact the quality of the final product.

- › **Time.** The more time that is spent in pre-production planning, scripting, location scouting, shooting, special effects and editing the better the final product will be. Adding more people to the production team also increases the total time spent on the project. More time, from more people, equals more money.
- › **Talent.** The greater the talent of the people working on the project, the better it will be. In online video production, as with most things in life, talented and experienced people tend to cost more.
- › **Tools.** You can produce a video with your cell phone. Or you can use a high-end camera with a professional lighting kit and sophisticated post-production motion graphics and animation. Sophisticated tools and the top-level professionals who know how to use them add cost.

Taking these cost drivers into account we can identify five distinct levels of quality and cost.

## Five Levels of Online Video Quality and Cost

### 1. Amateur

- **Description:** The do-it-yourself approach using basic consumer video equipment and self-taught talent. Think YouTube.
- **Benefits:** Fast and inexpensive
- **Risks:** The results often look amateurish and can erode credibility if you're not careful.
- **Best Uses:** Internal training and personal blogs.
- **Cost for 2-3 Minute Video:** Free, once you have the basic gear (and these days, who doesn't?).

### 2. Semi-Pro

- **Description:** Requires someone with some experience or training using somewhat more sophisticated tools (e.g., prosumer camera and video editing software). Talent level is variable and time commitment is often low. Think part-time wedding photographer or hobbyist.
- **Benefits:** Better quality and very affordable.
- **Risks:** Wide variations in quality. Often boring to watch.
- **Best Uses:** Video blog posts, capturing educational events, internal training.
- **Cost for 2-3 Minute Video:** \$200-\$750



### 3. Professional

- **Description:** Solid professional team using professional tools and average level of time. Think typical corporate online video.
- **Benefits:** Predictable quality that conveys basic credibility. No apologies needed.
- **Risks:** May not be exceptional or stand out from the growing crowd.
- **Best Uses:** Case studies, profiles, service or process descriptions, recruiting video.
- **Cost for 2-3 Minute Video:** \$1,000-\$3,000

### 4. Premium

- **Description:** Add top-level talent, high-end tools (such as motion graphics, high-end cameras, a studio) and more time to the mix to elevate a professional production to something exceptional. Use this production level to tell a compelling story and capture maximum attention. Think "Wow!"
- **Benefits:** A 'stand out' piece. This is the kind of video that generates buzz, sets you apart and wins awards.
- **Risks:** Greater cost means you must have confidence in the team and their ability to produce the quality you seek.
- **Best Uses:** Signature pieces such as overview videos, credibility-building case studies, recruiting videos or service introductions.
- **Cost for 2-3 Minute Video:** \$5,000-\$50,000

### 5. Hollywood

- **Description:** Top level, top talent, no-compromises approach. Think ultra premium movie trailer.
- **Benefits:** Competitive at the highest level. Suitable for the largest global firms.
- **Risks:** In view of the costs, you must be clear and certain of the need.
- **Best Uses:** High-end advertising or compelling signature piece for a firm.
- **Cost for 2-3 Minute Video:** \$100,000-\$1,000,000 plus



## Selecting the Appropriate Budget Level

Before you can set a budget for online video you need to clarify what you want to accomplish and determine what resources you have available to you.

For instance, do you want to increase credibility, build your brand, attract new clients or recruit new staff? Do you have an interesting story to tell? For these types of tasks, you'll typically need professional or premium level of quality to get a satisfying end product. If your firm has sufficient resources and wishes to compete at the highest level, a top-drawer studio production will tell your story with incomparable style and class.

If you are simply conveying information to an interested audience, the professional level is often sufficient without sacrificing credibility.

Smaller firms or independent practitioners with limited budgets may have to accept lower production values, but even at these levels video can provide real impact.

As you make decisions about video, be realistic about your expectations. Do not expect to pay a semi-pro rate and get a professional product.

## How to Get What You Pay For

If you haven't been involved in a video production before, it's natural to feel a little daunted by the process. Here are a few tips to get the most out of the experience.

First, be sure you know what you are trying to accomplish. One of the biggest reasons a project falls short of expectations is that the client (in this case, you) can't decide what they want and keeps moving the target during production. This adds cost and erodes quality.

Next, choose your video producer carefully. Look at their past work to make sure it is compatible with what you want. Have them show you pieces that have budgets similar to yours. Make sure they know your industry and understand marketing – not just video production. If your producer simply shoots video without understanding the broader context, your product may miss the point.

Finally, be available to supply the resources that the producer needs. This can include everything from access to people, locations, relevant logos and photography to the prompt review of concepts, scripts and rough edits.

Most video producers want to produce a good product. Help make it easier for them and you will benefit.





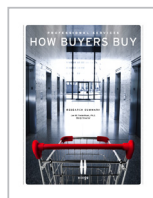
***Spiraling Up: How to Create a High Growth, High Value Professional Services Firm*** – In this book, we distill everything we’ve learned about high growth, high value professional services firms into one compact volume. We explain what operational and marketing tactics high growth firms favor and what they do to gain advantage in the marketplace



***The High Growth Professional Services Firm*** – The high growth firms in this study grew 9x faster and were 50% more profitable than their average growth peers. Yet they spent less than average on marketing and sales. We explore what high growth firms do differently from their average growth peers and we uncover what characteristics contribute to their success.



***Top Dollar*** – We examine firms that achieve premium valuations. Hinge interviewed acquirers of companies and valuation experts to determine the specific factors that drive extremely high multiples (“the Google effect”) and what strategic moves CEOs can make to put their firm in the same category.



***Professional Services: How Buyers Buy*** – For this study, we conducted in-depth interviews with private and public sector professional service buyers. We uncover the full life-cycle of an engagement, including firm selection, expanding the relationship, factors driving referrals, and ending the relationship.



***Defying Gravity*** – This study of 100 professional services firms between \$1 million and \$1 billion in annual revenue focuses on strategy and marketing. We identified high growth companies across all segments and documented what those high growth companies do differently.

## ABOUT THE AUTHOR



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## ABOUT HINGE

Hinge is a branding and marketing firm specializing in professional services companies. They help professional services grow faster and maximize value. Their comprehensive offerings include research and strategy, brand development, award-winning creative and marketing outsourcing.

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