

# Photography Entrepreneurship 101: How to Create Value

Dear friend,

I wanna write you an essay, or an attempt, at understanding this concept of "value"-- how you can create value, how you can value yourself, and why value is important in today's capitalist society.

## What is "value"?

Okay first of all, what is "value"?

To me, there are two types of value:

1. *Intrinsic value: What you feel like **you** and your work is worth. Self-defined value.*
2. *Extrinsic value: What the rest of the world think you're worth, in terms of your "market value"*

So for me, I think extrinsic value is bullshit. I only believe in intrinsic value.

The problem with a lot of modern economics: **the economic machine is not rational.**

Economics: a bunch of human beings, running around with their heads cut off like chickens. No rationality.

## Why I believe in intrinsic value

Okay so, you cannot go to Starbucks and order to be paid \$5,000 an hour. It won't happen.

But the fun thing: if you start your own business, you can one day charge \$5,000 an hour, and actually (possibly) find someone to pay you for your time.

How do you know what your intrinsic value is? You just gotta follow your heart, have an ego, and a big self esteem.

For myself, I stick true to this saying by philosopher Publilus Syrus, 2000 years ago in the Roman empire:

A thing is worth what the buyer is willing to pay for it.

So if I get someone to sign up for a \$5,000 USD workshop for a week, a week long workshop with ERIC KIM is indeed worth *at least* \$5,000.

Another saying about marketing from Publius Syrus:

You don't need to hang the vine over the wine that will sell.

My interpretation: if you are dope, make good art, and create valuable information-- you don't need to *overly* market yourself. Your stuff will sell itself.

Thank you for bearing with me.

Okay so in this essay I'm gonna contradict myself a lot. But it's an essay-- Montaigne concept of "attempting to realize some deeper truth."

Let's continue.

What is your time or life worth to you?

Problem in modern society: we only think of our time as hourly wage.

For example, I remember when I was a kid, and I was amazed that you could be paid \$10 an hour just to flip burgers at In and Out!

I was also amazed when I was working as a busboy at a sushi restaurant at age 15-- I could get extra money by getting tips. My income wasn't just restrained to my \$7 an hour minimum hour wage.

Even when I got my first job out of college (Online Community Manager at ehow.com, part of Demand Media) I was frustrated by my limited \$20 an hour wage, around \$40,000 USD a year. I literally grew their social media channels by 1,000x. I thought my meager wage was bullshit. I thought I was worth more.

Of course, my company thought otherwise. After a year of hustling, I got a raise-- I now earned \$40,800 a year. I then realized:

Ok, this is bullshit. I hustled so hard, answering emails on weekends, just to make an extra \$800 a year, maybe an extra \$500 a year after taxes?

I also then realized, if I stayed at a company, I would be a prisoner:

Even if I get a raise and make \$50,000 a year, that is a few hundred bucks a month that won't change my life. Even if I got a job making \$200,000 a year, I'd have to work 100 hours a week.

I realized: I value my freedom, time, and mental focus more than money.

Money is good, when used wisely.

I like money, but I also hate it.

Money: if you don't thirst after it, you don't need much of it.

Modern consumerist society: creates all these false cravings, which makes you a prisoner to your job and money, just so you can earn more money, to hopefully buy a BMW M3 and finally be "happy."

Money is a good tool: I can focus on what I'm good at (creating and sharing ideas and blogging and teaching) and exchanging my money, to get an espresso at the coffee shop. I also can exchange my money for food. I don't need to waste time cooking or making my own coffee.

So money is good: it helps me save time and effort, and helps me focus on the work which is important to me.

Money is created in the mind

I also realized money wasn't evil. Money was just another tool-- a tool of exchange.

Also, money is just trust. There is no inherent value in a green hundred dollar bill. That \$100 is just a trust in the American government.

Even today, all our currency is digital. When I started to accept money via PayPal, I realized:

Money is just 1s and 0s in some computer server somewhere. Why should I become a slave to a computer blockchain?

Money isn't necessarily freedom.

Transitioning: I realized the fun fact:

Freedom: lowering my living expenses to the minimum, then using money as a tool to do whatever I wanted to do.

For example, I know I can survive off \$6 a day in coffee, \$20 a day hotel, and I can survive on \$4 a day in eggs and pork belly. I can live comfortably for \$30 a day, or \$900 a month. Of course, after expenses and other stuff, it is more realistically \$2000-3000 a month.

So my goal as an entrepreneur was this:

All I need is \$3,000 USD a month to buy my freedom. That is \$36,000 USD a year. After I hit that financial goal, I don't *need* to earn extra money. Having extra money is nice-- I can use it as a tool to liberate and buy the freedom of my sister and my mom.

I've long ago broken that income ceiling. But still, I fell victim to fear-- fear that I would go broke, and fail.

So I realized: **true income and financial freedom is all in the mind**. Because no matter what your income, if you live in fear, you're still poor.

- So you can earn \$30,000 a year and be rich-- if you keep your living expenses low, and if you don't worry about finance a
- Also, you can earn \$500,000 a year, if your expenses are \$501,000 a year-- you're poor, in debt, and a slave.

Because money is still a valuable tool in the modern capitalist economy, **I will still choose to earn more money, when given the choice. But I will seek to minimize my downside of the poison of excess wealth.**

## My personal recipe for wealth:

So the recipe for me has been easy:

1. Reduce my expenses, and live *below* my means.
2. Increase my income, and use money as a tool to buy the freedom of my loved ones.

As long as I do this I will never go broke.

## Value creation

Okay, so how can I get people to give me money and trust me?

- **Branding:** another word for "trust"
- **Marketing:** another word for communicating a message, and getting it into the eyes, ears, and hearts of your audience

To create value to me is this:

Value: create more than you consume.

For me, I blog a lot. I have released over 20 books (from 2011-2017) and have written over 2,800+ articles. A lot of free information, and value in these articles, books, and in my 500+ YouTube videos.

So because I have "proven" myself, via my information I give for free and openly-- I have built **trust** with my audience.

## How to build trust

Building trust takes a long time. Most people who attend my workshops have read my blog for at least 2 years.

Another secret that has helped me:

When in doubt, be generous.

For example, when I'm at a coffee shop and not sure whether to tip \$1 or \$2, I will tip \$2.

When I'm teaching a workshop, and I'm tired, and not sure whether I should devote the energy to look at the photos of a student-- I take the generous route. I ask my student to look at their photos, and I give them constructive critique.

## Money is a pledge of belief / People vote with their dollars

I once read online by someone that said:

For every 10 things you give for free, self-promote yourself 1 time.

So for example,

For every 10 blog posts that you write that is useful information, write 1 blog post advertising your own product or workshops.

It was good advice. Because I realized, **people like to pay money and support creators and artists they believe in.**

I realized this myself: I like to pay rappers whose work I like. I have actually paid real money for Kanye West's THE LIFE OF PABLO album for \$20 USD (digital download)-- because I wanted to support him. He doesn't need my money, but it was a selfish thing:

I felt like a "true" Kanye fan, because I actually paid for his money.

Even for Steve Jobs Walter Isaacson Biography, I paid \$30 for the hardcover version. But because I loved the biography and Walter Isaacson so much, I paid \$10 for the Kindle version. And I also

paid \$10 for a Nook version. They don't need my money, **but my paying money was a pledge of belief.**

## Value is created in the mind

Another thing I learned, is that value is created in the mind.

Why? **We find "value" not through objects measures, but by comparison and subjectivity.**

For example, if I saw a \$200,000 Lamborghini in a showroom, I would think it's too expensive. But then if you showed me a \$50,000 BMW, I would think it were a much better "value."

But let's say that you first showed me a \$20,000 Honda, then showed me the \$50,000 BMW. I would then think the BMW was a horrible value, and the Honda was a great "value".

The lesson is this:

## Value is all relative.

What we determine in terms of "value" is affected by the *order* in which we are shown prices. Psychologists and economists call this "price anchoring."

For example, it's easier to sell a \$20 toaster, if you're first shown a \$50 toaster. If you were first shown a \$10 toaster, you would be less likely to buy the \$20 toaster.

## Value of cameras

We make the sucker mistake of price "anchoring" with cameras and equipment.

If you're first shown a \$7,000 Leica, the \$3000 Canon is going to seem like a much better deal, or value.

But if I show you a \$600 Ricoh GR, then a \$3,000 Canon, you're going to think the Canon is a horrible value.

So if you're a smart camera salesman, your strategy should be: **always to show the more expensive priced camera first.**

## Pricing for photography services

If you want to sell your photographic services, I say do this:

- Expensive option
- Middle priced option
- Budget option

Most people will probably pay for the middle priced option. This is what people usually do with car sales:

- Expensive option: BMW 7 series
- Middle option: BMW 3 series
- Budget option: BMW 1 series

Most people won't buy the 7 series. Most will opt for the 3 series.

Same goes with Apple devices:

- Expensive: 15 inch MacBook Pro (maxed out specs)
- Middle: 13 inch MacBook Pro
- Budget: 13 inch MacBook Air

It seems a lot of Americans and creative folks like to pay for the 13 Inch MacBook Pro. But the funny thing is, the "budget" option for Apple MacBook laptops are still quite expensive, compared to Windows computers.

The genius of Apple: pricing *all* their products high, but *within* their product line, have certain products more and less expensive.

So what you should do in your photography pricing:

Charge a lot of money for *all* of your photographic services. But have some cheaper and some more expensive options.

And how much should you charge for your photographic services?

My suggestion: **charge 25% more than you think you should.** Why? We tend to under-sell ourselves. Never sell yourself for cheap.

## Sell the experience

Remember as a photographer, you're not just selling images or information. Rather, you're selling an *experience*.

For example, as a wedding photographer, you're selling the *experience* of the good memories of the wedding couple's special day.

As a photography workshop teacher, you're selling the *experience* of feeling inspired, meeting other passionate photographers, or perhaps experiencing an exotic city or place.

So when you're marketing or advertising your product or services as a photographer, don't just say what you're gonna do.

Rather, **sell the experience.**

Above all, sell the *emotions* and *feelings* you want your client to experience. The best companies that do this include:

- Apple: Selling you the feeling of being more creative and artistic.
- Nike: Selling you the feeling of being more athletic, fast, and strong.
- Lamborghini: Selling you the feeling of ego, pride, and power.

For me, I sell *empowerment*. When I teach workshops, I'm not actually teaching my students how to make photos. I'm teaching my students to be more confident, courageous, and brave.

I'm selling:

Conquer your fears and meet new peers.

Rhymes are also more memorable. Funny enough, we rate things that rhyme more as more truthful.

In my workshops, I want to help people conquer their personal fears, but also to meet new peers, without fears of negative looks or jeers. During critique sessions, there is only mutual help, no sneers.

## Conclusion: What are you really selling?

To end this chapter, I just want you to consider and ask yourself:

What am I really selling as a photographer?

Be strong, I'm on your team. Keep hustling hard, and you'll see a lot of green, and build your self-esteem.

Always,

Eric