



## Alamy faces the music

Long a favourite with editorial photographers, stock specialist Alamy raised eyebrows recently when it bumped up its commission rate. But, says Pete Jenkins, there's method in it's madness

You have to admit, James West, chief executive officer of Alamy, was brave to meet his London contributors so soon after announcing he was going to 'up' the commission his company takes from them. The 'meet the team' conference is an annual event but although it was as slick as ever, this year it was different. Last year the venue seemed to be packed; this year there were sizeable gaps amongst seated throng.

First thing to be discussed was the biscuits, which we were proudly told had cost £600. But having broken the ice, the youthful-looking CEO tackled the topic we were all there to discuss; why Alamy decided to increase the percentage it takes from photography sales from 35% to 40%. It's a move that, on the face of it, has just brought Alamy down to the level of the pack, because while 35% was probably the best deal around for stock photographers, 40% is nothing special. And it's not the only unpopular change. Alamy is still one of the most useful outlets for reselling editorial stock images, but it's tested its photographers' patience of late.

To his credit, West met the criticisms head on. 'In the early days of Alamy, it was expected that the bulk of sales would come from the US market,' he told his audience, adding that this idea was based on the fact that the US is the world's largest image market. In practice, with the majority of its suppliers based in Britain and with a UK web address, it was soon clear that most of the work was created and sold in the UK.

Even so the US market makes up 30% of Alamy's turnover, but the company isn't going to leave this lucrative pot of gold at that. It's actively going to chase it, said West, with a new approach funded by the commission increase.

### Future growth

Up until now, Alamy's growth has been organic. The portal has expanded year on year, without a large dedicated sales force pushing the product, and it's fair to say, it's defied critics' expectations. But over 2008 its increase in turnover slowed, and the ratio between the increase in numbers of images and revenue per image has decreased.

A new strategy is required, and the US market is now the number one target. With a market potential three times the size of the UK (\$750 million compared to \$250 million, according to Alamy), West is opening a US office manned by 20 members of staff. He himself will relocate to Manhattan next year.

This bold new marketing strategy, its new sales force and the anticipated aggressive marketing is expensive, and is going to be funded by increasing Alamy's portion of revenue from sales.

The marketing team will sell new 'commercial' and 'editorial' sections of the library, and photographers will be able to upload images much faster via a new, invite-only upload facility.

So far so sensible, and West admitted that he'd been 'gobsmacked' that news of the commission increase had been so badly received. Perhaps that was because it was badly delivered - even West conceded that next time he needs to announce something like this, he'll do it 'more nicely'.

## Subscription fee

Since the contributors' meeting, Alamy has made a further announcement regarding Novel Use Schemes, and has launched a corporate subscription service in conjunction with the Copyright Clearance Center. The latter move seems to be a radical departure from its core business, the reselling of secondary editorial publication, and an attempt to challenge the power of 'micro-stock suppliers'.

The Copyright Clearance Center is a US-based business built on the cheap licensing of creators' work. Much of the material it sources comes from magazines and newspapers, but it has now, apparently, added Alamy to its list. The CCC website is coy about pricing, but theoretically the creators set their own prices for the licenses provided. The principle is to provide very easy licences, and the CCC is closely linked with Creative Commons licensing - something that might make many photographers raise an eyebrow or two.

Images aren't bought for purpose and charged accordingly; instead, the buyer does a deal for a service and gains access to a pool of images. Alamy contributors will get paid a fee per picture, according to the service charge and the images accessed. Pricing structures have not yet been released but working from previous arrangements and fees, it seems that photographers' fees are likely to be in pence not pounds.

Since announcing the subscription service. Alamy looked at removing non-released material from contributors in the Novel Use Scheme. This seems plain daft - why remove contributors' work from the more lucrative editorial collection when the subscription service will raise such small sums?

## Novel use

The Novel Use scheme was first announced back in September 2007, but it wasn't released until June 2008. It's received a rocky ride from contributors, partly because while West denied it was Micro payment, the payments to photographers started at just 30p, with the percentage of the fee charged to the client that photographers received reduced from 65% to 50%.

Another problem, and possibly a more serious one, was that both 'licensed' and 'royalty free' material was sold together, as if there were no difference between them. And thirdly, Alamy had no mechanism in place to ensure that clients couldn't abuse the licences, even at these low rates.

Contributors voted with their feet and removed themselves from the scheme in their hundreds, in what was ultimately an entirely unnecessary spat. The principle of selling licences according to use is well established, and there's no reason why it can't be applied in low-fee markets just as well as in high. There's also no reason why it can't be done profitably, in a manner acceptable to Alamy's contributors.

## Conclusions

Despite the difficulties, Alamy is still one of the best stock outlets for many UK editorial photographers. Many more photographers could market their work through the portal than currently do, and Alamy could also massively expand its client base. The company recognises the need to make changes, including improving the quality of its offerings, and although targeting the US is a bold move, it's also one that could considerably increase its profile. Breaking into the commercial sector could prove a revelation.

How all this will affect those of its contributors whose key (stock) market remains secondary editorial has yet to be seen. So it's fingers crossed.

## COPYRIGHT CLEARANCE CENTER

CCC creates innovative licensing solutions for the seamless sharing of knowledge. CCC's licensing services, combined with its web-based applications, allow millions of people to use and share published information. Founded as a not-for-profit company in 1978, CCC has created and expanded the markets that facilitate content reuse and the distribution of royalties to rights holders. Visit [copyright.com](http://copyright.com).