

# Selling Stock



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## [Alamy iStock Comparisons](#)

Posted January 22nd, 2008 by Jim Pickerell

Some photographers on the [iStock \(IS\) forum](#) are having great fun pointing out that they make more on iStock than the average [Alamy photographer](#). They focus on the statement I made that “the average gross RPI for all images on the (Alamy) site is about \$2.80.” Since Alamy photographers get at least a 65% royalty, that comes out to a photographer royalty of about \$1.80 per image annually.

Not much, but let’s take a closer look at the numbers.

iStock has 2,603,000 images on its site. Alamy has four times as many at 10,790,000. The \$2.80 number is based on a gross revenue of about \$30 million. Getty won’t release the gross revenue of iStock in 2007, but there is good reason to believe it is around \$2.25 per download, with the total number of downloads for 2007 being around 16 million. That works out to gross revenue of about \$36 million.

Divide 2,603,000 into \$36 million, and you get an average RPI of \$13.83. Since most non-exclusive photographers get a 20% royalty that’s \$2.77 to the photographer. In some cases, they get as high as 40% or \$5.44. Just like Alamy, a few make a lot and the vast majority make a lot less. Alamy contributors need to note these differences and recognize that a lot of contributors selling into the traditional market aren’t making as much as at least some photographers selling microstock.

However, as Paul Cowan points out to his fellow contributors on the iStock forum, it is “much more complicated than (many) suggest.”

If iStock had 10 million images on its site, the average gross RPI would be about \$3.34 and at 20%, the photographer would be getting an RPI of \$0.67. Or looked at another way, if Alamy had tightly edited its collection down to 2,603,000 images, the average RPI would be about \$11.50, and the photographer’s share would be \$7.49 per image.

iStock has a much more tightly edited file than Alamy, which makes its higher RPI possible. Adding more images doesn’t mean sales will increase at the same rate, but the odds of the customer finding something they like may be better, at least that is Alamy’s strategy. In addition, it is a lot easier to get an image accepted on Alamy than iStock.

Most iStock photographers know that some images that have been rejected by iStock turn out to be good sellers elsewhere. When thinking about average RPI, the photographer needs to give some consideration to the cost and energy expended producing images that are eventually rejected, not just the images actually accepted by the agency.

Let’s also take a look at what the top earners make. At Alamy, the top photographer earned about \$163,000 and the 100th on the list earned \$15,600. Lise Gagne probably earned more than \$163,000, but she is also exclusive with iStock. How many at iStock earn more than \$15,600 annually? What about the next 100? Alamy has 15,127 photographers. iStock has about 47,000, according to last

count. A huge percentage of photographers at both agencies aren't earning very much. If 100 iStock photographers make less than \$15,600 annually, that's a much smaller percentage of total contributors than 100 from Alamy.

It should also be remembered that Alamy is only one source of revenue for its photographers. All Alamy photographers are non-exclusive. Most have their images with many other agencies. A photographer's gross annual revenue is the sum total from all sources.

On the iStock forum Paul Cowan said, "I don't think it is any disgrace to supply less mainstream market sectors." I agree. But here's what's troubling: when an image is sold for \$20 or less for use in a magazine, a major brochure with a circulation of 500,000, or for a billboard. Why should these commercial users get such valuable use for so little money? At Alamy these customers would pay a lot more. The average RF license at Alamy in Q3 2007 was about \$235, and the average commercial license was \$393.

Have any iStock photographers ever received this kind of money, or more for a single download? Images used for commercial purposes supply significant value to users, and such users are willing to pay significantly more than iStock prices when they use an image in this manner. Just because an image is produced by an amateur doesn't mean it has less value for the customer. Wouldn't it be great if you could sell to non-mainstream market sectors at iStock prices and commercial sectors at Alamy prices?

A final factor to consider is that soon Alamy will be launching its Novel Use Scheme (NUS) that will be selling images into some of the same markets as iStock at similar prices, although probably not as low. Details have yet to be announced. Alamy contributors have already committed over 3 million images to the NUS project. When NUS is launched, Alamy should begin to get a share of the microstock market. Will that hurt microstock sellers?

If Alamy can afford to pay contributors 65% of gross, why can't iStock?

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