

Selling Stock



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Alamy Reaches 10 Million Images, Reveals Financials

Posted October 8th, 2007 by Julia Dudnik Stern

A little under eight years since its founding, the Oxfordshire, U.K.-based Alamy uploaded its 10-millionth image today. To celebrate, all of today's sales will pay an additional 10% photographer commission. The company also publicly disclosed its revenues and financial projections for the future.

Established in 1999 by CEO James West and his uncle and company Chairman Mike Fischer, Alamy remains privately owned. It represents over 10,000 photographers and some 400 picture libraries whose images are marketed globally. The company's U.K. headquarters employ over 50 people, and another 100 work in Alamy's India-based offices.

Though frequently criticized by professional shooters for accepting images of relatively poor quality, Alamy remains focused on its vision of creating a large, open and unedited online collection. This seems to be working, as the growth rate of Alamy's collection reportedly has been unparalleled by any other online stock-image retailer, whether traditional or microstock. Alamy passed the 8-million-image milestone earlier this year; today, the company contends that it has the Web's largest stock-photo inventory.

In large part, such growth can be attributed to Alamy's business practices. It accepts contributions from anyone, as long as images meet the specified technical requirements. Photographers retain ownership and control, along with 65% of each sale. Though this commission has been reduced from Alamy's initial 80%, it remains among the highest in the industry.

In addition, Alamy management and staff make it a point to maintain open and ongoing communications with its contributors through public blogs and email. Beyond announcing upcoming changes, the company seeks, responds to and endeavors to integrate individual contributor feedback.

Alamy reported \$24 million in 2006 revenues and projects \$28 million in 2007. When speaking of his

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plans to disclose company revenues, West said the figures were bound to please some and disappoint others. While \$24 million is a very small part of what *Selling Stock* estimates is a \$1.8 billion market, Alamy comfortably outpaces a number of important players, including a21, which reported under \$12 million in stills licensing in 2006. Still, it remains behind The Big Three, and either behind or on par with Getty's micro-payment property iStockphoto.

Alamy first became profitable in 2004, proving that "it is possible to offer customers an encyclopedic collection, pay photographers the lion's share, and still be profitable," according to its CEO. Shortly thereafter, the company became philanthropically active. Since 2006, it has been contributing \$1 million to \$2 million per year to medical research projects. One of these involves a therapeutic cancer vaccine.

Recently, Alamy made a significant investment in new search technologies. Further improvements are in the works, particularly in bringing new products and services to market.

This entry was posted on Monday, October 8th, 2007 at 5:20 pm and is filed under News Story. You can follow any responses to this entry through the RSS 2.0 feed. You can leave a response, or trackback from your own site.

5 Comments »

1. [...] CBC Employee wrote an interesting post today! Here's a quick excerpt It represents over 10000 photographers and some 400 picture libraries whose images are marketed globally. The company's UK headquarters employ over 50 people, and another 100 work in Alamy's India-based offices. ... [...]

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2. Congratulations Alamy, your fresh concept changed the industry !

Comment by frank chmura — October 9, 2007 @ 9:31 am

3. Photographers don't get 65% of the sale. For each sale a 5% Account Fee is being deducted as well.

Comment by Wolfgang Kaehler — October 9, 2007 @ 10:43 am

4. For sales Alamy makes themselves they take 30% commission from the net sale price and an additional 5% account fee from the gross sale price (which might include VAT) giving an actual return to the photographer of very close to 65% (mine is 64.6%)

For sales through their distribution network Alamy takes a 15% commission and the distributor gets another 40%. The return to the photographer is 45% of the sale price.

For their new "novel use" scheme, for those photographers who opt in, Alamy has announced 50% to the photographer, rather than 65%.

Their initial Alamy Red, now discontinued, was 85% to the photographer (including the account fee) but also had a 10 cent a month

storage charge per image.

That was followed by Alamy Green, also discontinued, with 75% to the photographer plus 10 cents a month storage fee plus \$2 per image submission.

Still not the 65% is indeed one of the best in the industry

They also pay exactly the same royalty for RM and for RF, unlike large agencies which have greatly diminished RF royalties as low as 20 or 20%

Comment by david sanger — October 9, 2007 @ 1:26 pm

5. Still now the 65% is indeed one of the best in the industry

(correction)

Comment by david sanger — October 9, 2007 @ 1:27 pm

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