

ALAMY ALMOST DOUBLES IMAGES IN 2006

No Indication As To How This Relates To Revenue Growth

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Alamy has released fourth quarter 2006 figures on contributors, percentage revenue and average pricing that show no major trend change from the previous quarter or for the year. Alamy almost doubled its collection in 2006 adding 3,432,808 images to the approximately 4.2 million it had at the beginning of the year. The collection now totals over 7.6 million images according to information on the web site.

Alamy still does not release the one figure that would help to make sense of all the others and that is actual revenue. The fact that 35% of revenue came from RF sales and 65% from RM doesn't really tell contributors much if they have no idea what total revenue was. The fact that these percentages were almost the same as in Q3 doesn't mean a whole lot if we don't know if the revenue went up or down in the quarter.

In November, Alamy conducted several information seminars for contributors in New York and London. At these seminars they displayed a revenue graph that showed generally rising income since the company was founded. However, there was no indication of scale on the graph so it was impossible to tell if the top number represented \$2 million, \$20 million or more. There were occasional dips on the graph, some rather significant for short periods of time, as might be expected from any company. What is impossible to tell from the figures just released is whether revenue for Q4 was declining, flat or rising and by how much.

Having some idea of revenue trends would be very useful to Alamy suppliers. Many agencies and image suppliers have reported falling revenue in Q4, and there is a suspicion that this is the case for significant number of Alamy. The question many have is, "Are royalties going down because of Alamy Rank, or because of a general fall off in overall revenue being generated by Alamy?"

Introduced this summer, Alamy Rank is a new system of ordering images returned as a result of a customer search. The theory behind Alamy Rank is that it will bring the most relevant images in any search to the top and thus make it easier for customers to find the images they need. However, with different images being pushed to the top images that were once near the top are automatically being pushed down to the point where they will never be seen by customers.

The supplier's decision as to how to move forward is very dependent on the answer to the above question. If the supplier guesses wrong he may waste a lot of time and effort trying to correct something that is irrelevant.

Providing Statistics

It is interesting to compare the information strategies of the various players in the industry. Alamy provides lots of detail, but no revenue figures that would help to make that detail

meaningful. Corbis, on the other hand, provides gross revenue figures, but little granularity. Getty provides both, partially because they are required to as a public company, but also because providing additional detail and granularity worked to their advantage when their business was growing. Now they may wish they had not established the precedent of supplying so much detail. Jupiter provides what they are required to be law, but doesn't release anywhere near the detail that Getty does. Each company has a different strategy that works best for them, not necessarily for their suppliers.

Among the things that can be gleaned from the Alamy statistics are that the average photographer uploaded 158 images in the quarter down from 175 in the previous quarter. The average agency uploaded 2,773 images in the quarter up from 2,657 in the previous quarter.

The percent of revenue generated by images from photographers has been going up while the percentage from agencies has gone from 60% in Q4 2005 to 51% in Q4 2006.

The average price for an editorial use of an image was \$132 which has been relatively stable over the last two years with exception of a drop to \$122 in Q2 2006. The average price for commercial use was \$332 and has been trending down, but that could be a result of the number of large sales in any quarter rather than an actual price reduction. The big question is how many sales for commercial use are there relative to those for editorial use and is the actual number of images licensed going up or down.

The following is a detailed chart of the information reported by Alamy.

	2005	2005	2005	2005	2006	2006	2006	2006
Contributor Information	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New RF images from photogs.	53,408	74,008	89,199	83,614	95,940	97,552	95,009	93,510
New RF images from agencies	60,850	140,360	63,451	125,405	152,752	109,935	243,386	246,244
New RM images from photogs.	203,641	258,847	268,147	291,356	450,653	312,170	371,741	349,704
New RM images from agencies	125,688	143,297	120,030	144,433	125,707	192,282	234,914	261,309
% Revenue photographers	38%	39%	41%	40%	43%	44%	45%	49%
% Revenue agencies	62%	61%	59%	60%	57%	56%	55%	51%
	2005	2005	2005	2005	2006	2006	2006	2006
Contributor Information	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Photogs. submitting images	2,030	2,209	2,349	2,452	2,870	2,667	2,667	2,800
Photogs. submitting RM images	1,850	2,001	2,111	2,179	2,569	2,349	2,376	2,470
Photogs. submitting RF images	907	1,041	1,135	1,214	1,435	1,351	1,264	1,342
Agencies submitting images	165	175	179	161	178	165	180	183
Agencies submitting RM images	142	141	142	128	130	126	136	131
Agencies submitting RF images	58	70	72	67	79	74	76	87
RM images submitted in quarter	329,329	402,144	388,177	435,789	576,360	504,452	606,655	611,013
RF images submitted in quarter	114,258	214,368	152,650	209,019	248,692	207,487	338,395	339,754
All images submitted in quarter	443,587	616,512	540,827	644,808	825,052	711,939	945,050	950,767
	2005	2005	2005	2005	2006	2006	2006	2006
Percentage Revenue Info	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Images per transaction – credit card	1.7	1.7	1.8	1.8	1.8	1.7	1.7	1.8
Images per transaction – account	2.9	2.9	3.0	3.3	3.4	3.6	3.6	3.4
% Revenue RF	43.0%	43.1%	42.3%	41.0%	40.0%	38.0%	36.0%	35.0%
% Revenue RM	57.0%	56.9%	57.7%	59.0%	60.0%	62.0%	64.0%	65.0%
% Images sold RF	41.0%	39.0%	39.9%	36.4%	33.0%	29.0%	29.0%	29.0%
% Images sold RM	59.0%	61.0%	60.1%	63.6%	67.0%	71.0%	71.0%	71.0%
% Images sold – credit card	23.0%	21.9%	23.0%	21.0%	18.0%	16.0%	15.0%	16.0%

% Images sold – account	77.0%	79.0%	77.0%	79.0%	82.0%	84.0%	85.0%	84.0%
% Revenue – credit card	25.0%	25.4%	28.1%	25.1%	23.0%	21.0%	22.0%	21.0%
% Revenue - account customer	75.0%	75.0%	71.9%	74.9%	77.0%	79.0%	79.0%	79.0%
% Revenue editorial licenses	67.0%	66.0%	62.7%	65.0%	69.0%	71.0%	72.0%	72.0%
% Revenue commercial licenses	33.0%	34.0%	37.3%	35.0%	31.0%	29.0%	28.0%	28.0%
	2005	2005	2005	2005	2006	2006	2006	2006
Average Price in USD	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Avg RF price – credit card	\$191	\$199	\$206	\$210	\$211	\$235	\$229	\$234
Avg RM price – credit card	\$239	\$276	\$304	\$236	\$225	\$230	\$254	\$224
Avg RF price – account	\$193	\$206	\$114	\$203	\$203	\$221	\$205	\$206
Avg RM price - account	\$170	\$156	\$146	\$162	\$151	\$145	\$151	\$156
Avg RM price – editorial use	\$132	\$137	\$131	\$131	\$126	\$122	\$133	\$132
Avg RM price – commercial use	\$423	\$423	\$425	\$359	\$389	\$364	\$357	\$332
Avg price all RM images	\$177	\$165	\$182	\$170	\$158	\$151	\$159	\$161
Avg price all RF images	\$192	\$203	\$201	\$206	\$206	\$226	\$213	\$215

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