



## Alamy's Unique Success . . .

*By Ron Rovtar  
Managing Editor  
December 28, 2005*

[FIRST CATALOG PAGE](#)

Once upon a time, if you were starting a new business, you worked hard, listened to your instincts, provided exceptional value and spent some sleepless nights figuring out what your customers really needed.

[CONTENTS](#)

[ABOUT THE PHOTOGRAPHERS](#)

Maybe you brought in quality technology, but you also spent much time building enduring relationships and, eventually, you were successful.

[FIND A PHOTOGRAPHER](#)

Sounds almost quaint, doesn't it?

[FIND AN AGENCY](#)

In an age when computers answer phone calls, and when "buzz" is often more important than substance, it is refreshing to see a company like Alamy having some success by working hard and acting like it really cares about its customers and suppliers.

[HOME](#)

Try calling Alamy on the telephone. A real person answers, which is something that happens at none of the big three stock photography distributors where recorded messages very efficiently greet you.



Alamy really is one of the most interesting stock industry success stories of the last decade, if only because the British company does so much its own way.

The company currently employs 106, of which 46 are in the United Kingdom and 60 are in India. Its sole investor and majority shareholder is Mike Fischer, former CEO of RM PLC, an educational services provider.

The Alamy name is a made-up word. The company wanted a short name, beginning with the letter "a." It had to be pronounceable in many languages, but it couldn't mean anything bad in those languages and it had to be available as a "dot-com."



© Ron Niebrugge



© P. & G. Bowater

"When we formed the company in 1999, we predicted that the internet and digital photography were going to transform the way images are traded," says Alamy Chief Executive Officer James West.

"We started this business thinking that we would be doing something unique, something that we would enjoy," asserts West. "We are still doing that."

While other successful stock suppliers reached their current positions by purchasing smaller companies, Alamy built from scratch its library of four million images from 5,500 photographers and 340 distributors.

As competitors skillfully improve their bottom lines by reducing payments to image suppliers, Alamy routinely pays suppliers 65 percent of sales revenues, which is actually an improvement on the 50-50 split that was the industry-standard until a few years ago.

West says Alamy decided to return higher percentages because, "While it might be tempting to offset the high set-up costs of an internet company by passing that cost on to suppliers, we felt that, in the long run, it was important to recognize that successful markets are ones that are attractive to buyers and suppliers alike."



In fairness, Alamy contributors edit, caption and keyword their own submissions, which results in a substantial savings for the company.

But, if this results in more work for photographers, it also means photographers have little trouble getting images accepted -- a significant problem at some traditional distributors who now create much of their own content and are becoming less interested in free-lance imagery.

While Alamy's approach can mean that some mediocre work gets into the collection, it also allows for rapid growth of the library. Currently about 200,000 images are added each month. Much of the imagery is of high quality.



"We don't think there is anything contradictory in saying you should have a lot of pictures and you should deliver quality results," contends West.

He believes good search software can make up for careless editing on the part of suppliers.

"A good search engine accomplishes the same task as a good editor," the CEO asserts. "The first pages show the best images. I think it is actually irrelevant whether you deliver 1,000 images or 100,000 images. What is important is which images come up first."



No matter how unusual, the Alamy approach seems to be working.

Alamy suppliers do express concerns. Some worry about "dilution" of the collection brought about by the continuous uploading of new images. Others are concerned about lower licensing fees paid by the editorial clients that Alamy currently focuses on.

But, at the same time, many photographers praise the company for the speed with which it uploads new images, the efficient way it responds to questions and for the Alamy web site itself, which keeps photographers abreast of image sales on a daily basis. Interestingly, West promises to make even more information available to photographers in the future.

Few complain about the checks they receive from Alamy. Figures supplied by several professional, rights-managed stock photographers indicate that quality work produces an average of about \$15 in income per image per year.

This figure is considerably less than what these same photographers get from larger distributors like Getty Images. However, most Alamy photographers have far fewer images with the picky large distributors, making the Alamy checks a significant and welcome part of their income.

"Our goal was to make the business of supply a no-brainer for photographers," says West. "Our contracts are deliberately non-binding, we report sales in real time, we pay monthly and, as of this year, we've started to share some general Alamy trading information with our contributors."



Alamy does not release financial results. However, the company clearly licenses a lot of imagery, especially in Europe where sales efforts are strongest. West says Alamy is profitable and growing significantly each year. He identifies two major challenges for his company.

First, he says, Alamy must improve the software that runs its online operation. "We're working on a system that we think will profoundly improve the experience for our customers," West notes. He says Alamy is keeping quiet about details, but adds, "We've taken on a fairly large engineering team to focus entirely on this."

Second, West says, the company wants to increase its sales in the United States. "We have a team that is concentrating entirely on customer acquisition in the United States. We are physically introducing ourselves to customers."



Since search speed is an important factor for image buyers, West says Alamy will place copies of its web site in the United States, which should improve download times considerably.

Currently, the Alamy web site originates in London where the company's server is located. The first U.S. copy will be in New York City, where many Alamy customers are. The company has not decided where other copies will go.

"Our business is about getting the customer to the image in the shortest

amount of time," says West.



Besides helping customers, West sees improving the Alamy search engine as a key to keeping good photographers engaged with the company.

"We always expected that we would reach a point where we were adding images at a faster rate than we were selling them," says West. "We are now at the point that our collection is growing faster than our business is growing."

"The thing we're interested in is rewarding people who send in high-quality images," said West. "One of the roles of the new search engine will be to penalize photographers whose images are taking up valuable real estate when they shouldn't be."

The new programming also will provide photographers with more information about the popularity of individual images. This, West says, should help photographers decide what to shoot.



Looking further ahead, West says Alamy could explore some of the new licensing models like subscription services.

"We have no specific plans right now," he says. "We will look at some of these new licensing models. But, if we do decide to do something like this, it is going to be done the Alamy way. We will let our contributors decide if they want to participate."

West shrugs off a question about the likelihood that Alamy could be purchased during this current round of industry consolidations.

"Nobody could afford us," he asserts. "Besides, how could they integrate us into their current collection?"



The Alamy web site is at: <http://www.alamy.com>