

Selling Stock



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[Crowd-Sourcing to Crowd-Pleasing: New Agency Dynamics](#)

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It has been suggested that traditional agencies can learn from their younger microstock rivals. A lot of these discussions center on technology, from the ability to sort search results by downloads to the features and widgets available at micro-payment Web sites. The most important lesson may be of a less tangible variety.

Whether exclusive or not, full-time or hobbyist, photographers who supply content to micro-payment Web sites love their agencies and the business of stock licensing. Such devotion is most evident at the top end of the micro niche, among those who contribute to iStockphoto and Shutterstock.

In the traditional segment, this paradigm is inverted. Professional photographers rarely rave about the agencies that represent them. While individual concerns vary, a general sense of discontent permeates the supplier side of the industry. Commonly raised issues include unpredictable editing and image-removal practices, unclear accounting practices, lagging commission disbursements and royalty payments that are perceived as unfair, with agencies and distributors earning a much higher profit than image producers.

The chief supplier complaint is that agencies set the direction of the business without any input from or regard for photographers. Though the recently introduced \$49 Web-use license is now almost universally accepted as pragmatic and necessary, it still offers an excellent case in point: Agencies that adopted the then-new scheme did so without consulting their photographers, despite its revenue implications.

Leading traditional establishments, Getty Images and Corbis in particular, have to contend with the most negativity. One-sided horror stories of unfavorable contractual arrangements and legal issues abound. On the Internet, popular industry blogs routinely attack the two companies' business practices. John Harrington, the man behind the well-read Photo Business News and Forum, is an excellent example of a veteran photographer who often criticizes Getty Images. Paul Melcher's *Thoughts of a Bohemian* takes aim at the Bill Gates-owned stock house with equal fervor and frequency. The fact that the two agencies remain among the top revenue producers for many, if not the majority, of professional stock shooters does not appear to foster a positive image among their image suppliers. Neither do the hundreds of thousands in editorial grants, charity contributions and other goodwill measures.

This negative image is largely discounted by traditional agencies as "just the way things are." While nobody wants to go on record, many say that traditional stock photographers, faced with industry changes that are outside of their agencies' control, are misdirecting their anger. Others think that it is natural for professional shooters, who are more dependent on stock-licensing revenues than their often-amateur microstock counterparts, to speak up. Most say that there is nothing wrong with agencies determining the appropriate course of action for the business; they all have contracts, which expressly allow them to do just that.

From an observer's perspective, such responses may not be entirely inaccurate, but they still miss the point.

While earnings of both traditional photographers and agencies are on the decline, agencies are doing better than photographers for obvious volume reasons. The negativity is also not new; it has only been exacerbated in recent years. Most importantly, there is little difference between the business underpinnings of traditional and microstock agencies. Contributor commission percentages are about the same. While microstocks may be timelier in paying their contributors, iStock does not ask contributor permission to raise or lower prices, introduce new licensing models or implement any other measure it deems necessary.

It seems more logical that the reason for such a stark difference in how image producers perceive traditional versus microstock agencies lies in the two-way communication inherent to the community-based business model. Traditional photographers often say that they hear from their agencies twice a year; microstocks issue monthly newsletters, publish blogs, maintain active online forums, sponsor events on a global scale and take every other opportunity to foster the ongoing involvement of their shooters. While this may not yield higher contributor revenues, it makes photographers feel part of a team.

A couple of newer companies have taken a similar approach in the traditionally priced space.

For example, Alamy has built an exceptional reputation among photographers. The company is often praised for contributor-centric services that are lacking among more established competitors. On a small scale, Alamy allows contributor comments on its corporate blog and regularly communicates by email. It also hosts events, where it shares valuable information on image types that sell, technical subjects and even its revenues, which is highly unusual for a privately held company. When Alamy plans a large change, such as its recently launched Novel Use scheme, it solicits the opinions of its contributors early in the process. While the company still makes its own decisions and universal agreement remains hard to achieve, Alamy managed to build a loyal following among both professionals and semi-pros.

PhotoShelter is a younger company that is actively positioning itself as the alternative to the stock majors. It sports a blogging CEO and another full-time blogger. This week, the company also launched a new sub-site, the School of Stock, to help photographers improve their stock offering. In plans for the summer is a live New York event, catering to 500 PhotoShelter photographers, similar to iStockalypses that have served the same purpose in a different market niche. In all, PhotoShelter is putting significant resources into offering its photographers a level of service similar to that offered buyers.

In the cases of Getty and Corbis, contributor negativity may be a case of hating the top dog. However, smaller agencies discount photographer discontent at their peril. Stock licensing is increasingly moving toward higher volumes of lower-priced image sale, implying that agencies will soon have to maintain larger pools of contributors to remain competitive.

Though amounts remain unclear, traditionals are already losing sales to lower-priced outlets. In this context, it is not hard to imagine a similar migration on the supplier side, toward companies that make photographers feel more appreciated. Revenues are not everything, particularly to creative types. While high revenues keep top revenue producers at a lower risk, smaller agencies should consider how they communicate with suppliers as part of a larger-scope adjustment to the ongoing industry-wide change.

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