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Charting Industry Revenue Trends

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Now that the first-quarter results are in from all the public companies, plus Alamy, are in, we can chart some interesting trends.

	Q1 2007	Q4 2007	Q1 2008	Percent Annual Growth
Getty Images				
(Gross Revenue)	\$212,600,000	\$218,100,000	\$233,200,000	10%
(Creative Stills)	\$150,940,000	\$131,210,000	\$132,460,000	-12%
(iStockphoto)	\$13,700,000	\$23,640,000	\$30,740,000	124%
JupiterImages	\$27,914,000	\$26,783,000	\$26,142,000	-6%
a21	\$3,168,000	\$2,936,000	\$2,615,000	-17%
Alamy	\$6,866,000	\$7,750,000	\$8,097,000	18%

On a company basis, the best year-to-year percentage of growth overall came from Alamy with 18%, even though Getty Images had a respectable 10% growth overall on a much higher gross revenue. And, of course, one division of Getty, iStockphoto, had an amazing 124% growth.

But we need to examine Getty's revenue more closely. The company acquired WireImage in May 2007 and without the revenue that brand provided during the year and the growth of iStockphoto, the rest of the business would have declined.

This is particularly bad news for all the photographers and image partners providing images to the Creative Stills section of Gettyimages.com. Sales there fell 12% year-to-year; indications are the decline will continue. Based on the [Goldman Sachs](#) estimates, this segment of the business will decline 18% in 2008, compared to 2007, and by 2012, Creative Stills will be 38% below its 2007 level.

Is Better Editing the Answer?

These figures may also have something to say about editing strategy. In the industry today, it is generally believed that there is a huge oversupply of imagery and that to grow revenue, better and tighter editing is required. The big three, and many other distributors, are currently engaged in a process of tighter editing and removing older images from their collections. Also, a movement is beginning to take older and non-selling images and offer them at discounted prices, primarily through microstock.

So far, that plan isn't generating more revenue.. On the other hand, the site with more than 12 million images, one that added 1,396,254 images in the last quarter, is growing fastest. At Alamy, there is virtually no editing. Alamy's image growth may not be good news for existing image suppliers because it reduces the odds that any particular image will sell. But it may be good news for customers, since they are buying more images every quarter. Are Alamy customers finding images that have been rejected by other sites?

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