

ALAMY ANNOUNCES EXPANSION

January 24, 2004

Alamy Images (www.alamy.com) has announced that its 2003 revenue from licensing stock imagery was four times that of 2002 (400% growth). In addition in April the company will expand its business with news offices in the U.S. and India and increase its customers service operations in the U.K.

Alamy offers customers access to hundreds of thousands of images from 150 agencies and 1900 photographers located in all parts of the world. Alamy started offering imagery online in February 2001 and is headquartered in the UK. Despite its European focus, since its inception it has had a strong U.S. customer base that is currently responsible for over 40% of its revenue. The company expects the new sales office located in the New York area to generate a significant increase in revenue from the U.S. market.

The U.S. operation will focus on signing up new customers. Staff working out of this office will reach out to customers across the country, not just those in the New York area. James West, CEO of Alamy also pointed out that, "One of the benefits we expect to realize as a result of our salespeople meeting regularly with U.S. customers is that we will get better feedback as to how to adjust our product offering and pricing to better meet the needs of the U.S. market."

(U.S. image suppliers have complained for some time that Alamy's usage fees in the U.S. market are often lower than they need to be. It would seem likely that prices might increase once management starts receiving feedback from their sales staff. On the other hand, if prices remain about the same Alamy should be very competitive and volumes may increase dramatically.)

Customer service will continue to be handled in the UK where every customer has a specific named contact person. Alamy's current staff of 24 will be expanded to meet the demand.

One of the major distinctives Alamy offers its customers is a very eclectic selection of imagery with great variety and depth in both the major subject areas as well as those subject areas where there is lesser demand. Most stock agencies, and even some portals, have a few editors who tightly control the type and style of content accepted. But, the hundreds of thousands of customers worldwide have many different ideas about what makes a good image, and what makes an image right for their specific project.

Alamy has a different strategy. Photographers edit their own work and the 150 agencies represent at least 150 different editing philosophies. Thus, in specialized subjects areas, Alamy often offers a greater variety and choice than on many other sites. Customers have a better chance of finding what they need.

Many customers in the U.S. have begun to complain that they tend to see the same things over and over again when they search Getty and Corbis. They say they want something

different. They want more depth of coverage in the specific subject areas they happen to be researching. They complain that too much of the editing on many sites is concept driven, and that either the images available or the keywording doesn't deal enough with specifics. Alamy may offer them a welcome alternative.

Alamy offers not only rare and specialist imagery, but extensive coverage of the major high demand subjects often used in advertising. Thirty percent of the imagery on the site is Royalty Free.

From the start Alamy has emphasized technology and has managed to run its operations more cost effectively than its competitors. The new Asia Pacific office, based at a leading IT park in Kerala, India will be responsible for programming and technology development as well as back-office support functions. One of the focuses will be to improve the technology product with a new suite of contributor tools that provide more information with greater granularity. Such tools should help suppliers better understand customers needs, and thus be better able to target their production and supply. Another goal is to continually improve search engine performance and make the site more attractive and easier to use. By choosing India for this work Alamy has once again sought the most cost effective way to accomplish the task. By keeping its costs low Alamy is able to pay image suppliers a higher percentage of the licensing fee than most other brands are offering.

The India office will also open in April 2004, and approximately 30 staff will be taken on. In the future, staff will be also added to provide local offline customer support specifically for the Asia Pacific region. The UK staff and the new US team members will provide the management backbone for these additional engineering and operational support staff.

James West, CEO of Alamy Images, commented, "A recent survey conducted by Alamy showed that 61% of our customers feel that strong offline support is just as important as online excellence. With the opening of our new offices and the expansion of our core team in the UK, we are better poised than ever to maintain our high standards in both of these areas of our business."

The company currently has a network of distributors worldwide and plans to extend its distribution operations in continental Europe and Asia Pacific to meet growing demand.

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