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Feb 2013 Microstock News Digest

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By Steve GibsonTue, 2013-02-19 06:10



It's certainly been an interesting start to the year. The period from Jan to March has often been the time when agencies announce changes to commission structures and pricing, often choosing a nice time in amongst some other controversy to quietly slip a press release out. Note: even if you only skim over the threads and blog posts linked to here, this post will take a long time to get through!

D-Day a.k.a. Deactivation Day

Unless you've been a long way away from civilization (and yes it does happen... life often gets in the way of the blogosphere!) you will probably already be aware of the events surrounding iStockphoto and Google docs, here's a recap:

In August last year Google <u>announced a scheme</u> [3] where users of Google docs could browse for images on the Gettyimages site thinkstock.com for a stock image that they would like to use in their Google docs presentations for free (<u>explanation via the istock forum</u> [4]). Google docs users could request that those images be added to a collection of images that were freely available to use by all users of Google docs. <u>Lheard this story several times</u> [5] - as I recall it was peddled by all involved on various occasions and I (feeling rather guilty about this now) completely dismissed it as "marketing waffle"; not the first story like this [6]. I assumed there must be strings on the image use, or that the photographers involved would be fairly compensated (noting that you could request images to be added rather than any guarantee of getting a specific chosen image).

In early January the story came to the attention of the wider <u>microstock</u> [7] community. A <u>post from Sean Locke</u> [8] on his blog sums up the story quite well at that time with some good links to related



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posts.

Microstockers <u>organised themselves en-masse</u> [9] to demonstrate their upset by deactivating the images they had on istockphoto on the 2nd of Feb. People talked of 'revolt', although I thought it was perhaps a bit far to describe it as the "<u>Getty/IS/Google atrocities</u> [10]", but I do understand the upset.

So what happened as a result?

Initially it was all a bit like the feeling you get the day after a big party. MicrostockPosts wrote a <u>review of it all</u> [11]. At that stage there was not really a conclusion; neither 'side' had much to say.

About a week later Sean Locke and several others were unceremoniously ousted from the istock ranks with a <u>30 day notice of termination</u> [12] (link to Sean Lockes blog). There has been fair representation in the comments on many sites about this event from both pro- and (quite a lot of) anti-microstock.

Regardless of whether you sit in the "serves you all right don't bite the hand that feeds" or "I can't believe they did that to you Sean", I can't see a benefit for either party in this besides some corporate muscle flexing and perhaps a new creative direction for the contributors involved, nobody won anything:

The winner, if there is one, might, out of all of this be the fortuitously timed project from iStock founder Bruce Livingstone <u>stocksy.com</u> [13]. Very little is publicly known about this photographer co-operative start-up but it's probably the most exciting start-up prospect since depositphotos entered the industry throwing money at everyone.

To take away from all this?

Getty have signalled that they are willing to loose huge numbers of stock photos, and all the sales from one of their top-five selling photographers rather than bend to the opinion of their contributors.

Shutterstock Referrals and Bigstock Subscriptions

Shutterstock have been 'tweaking' their referral system. The process started last year when they announced they were closing their in-house buyer referral system (pdf file) [14] at affiliate.shutterstock.com; to all those who were not also Shutterstock contributors. Those with contributor accounts were unaffected so Shutterstock are still tracking buyer leads with their own in-house system. In almost fifteen years of making money via referral marketing I've never seen any good come from a company that outsourced what was a perfectly operational in-house managed program; to me it makes little sense to outsource when you have already built a working platform that you still plan to run (for the time being at least). It took me the best part of a month to get in touch with someone at shutterstock. Their previous referral marketing manager had left the company; no one was checking his or his assistants shutterstock emails, no replies to the form on the affiliate.shutterstock.com or emails to the address listed. I do now have a direct contact with someone at shutterstock, but if everyone else was in the same position surely a lot of work has been done to undo the network of affiliate websites the previous manager had drawn into the shutterstock fold.

You might be asking what all this means to you as a photographer, and while you can draw your own conclusions, to me this is a bad news sign for all involved with Shutterstock. iStock appeared to all but destroy then own buyer referral system a couple of years back by needlessly breaking/changing links, and by adding another outsourced system to confuse things some more. At the time some people suggested that istock had achieved exactly what they intended to do by making the system so inconvenient and so unlikely to pay out that few people would actually need to be paid anything.

To chase this up Shutterstock then went on to <u>announce changes to their in-house photographer</u> <u>referral system</u> [15]. Contributors were paid a small commission on downloads from each



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photographer they referred, for life. (perhaps it was too good to be true) those commissions will now end after two years. A admit that this does bring Shutterstock into line with the other top agencies who have in many cases simply closed their photographer referral interests. The single benefactor here being Shutterstock, they no longer have to pay as much money.

Finally, and perhaps the most disturbing considering the ownership of Bigstock by Shutterstock, an announcement about a new subscription offering at Bigstock [16]. Recalling that it was not so very long ago that Bigstock was a nice complementing site to Shutterstock, SS being primarily subscription and BS being credits/downloads based. What was disturbing was the numbers here: 25c per download, tiered up to 38c if you achieved a (fairly unachievable) 50k downloads in the previous year.

The less cynical among us didn't read too many negative things into the Shutterstock IPO when it was announced "it will all be about the shareholder and profits from now on" etc. I thought the IPO was mostly good news; I might be changing my mind a little. There did seem to be a time when Shutterstock stood out as an example of an agency that got the business model just right; I remember thinking at one time that 38c was not really enough compensation for a high resolution download, but as other agencies dropped their rates Shutterstock started to look more and more attractive. I can't help but have a somewhat uneasy feeling about that 38c figure and **any mention of change at an agency whose subscription model has been virtually unchanged for eight years**. If 25c works on Bigstock then it might work on other sites too, not a happy prospect.

And Finally...

It almost seems trivial to talk about a new yaymicro ipad app, a <u>roundup of 2013 prices</u> [17] on mystockphoto, or a <u>pond5 review on microstockdiaries</u> [18]

Microstock group did however post a rather interesting infographic, as a <u>taste of the results of their</u> <u>contributors survey</u> [19].

0 Comments

It's quiet in here!

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[11]

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- [12] http://seanlockephotography.com/2013/02/11/a-change-in-things/
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