

Changes to iStockphoto Royalty Structure

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By Steve GibsonThu, 2010-09-09 05:54

Royalty Rate Levels: Photos		EXCLUSIVE ARTISTS ONLY	
REDEEMED CREDITS	NON-EXCLUSIVE	EXCLUSIVE	VETTA/AGENCY
1,400,000	20%	45%	30%
150,000	19%	40%	28%
40,000	18%	35%	26%
12,500	17%	30%	24%
2,000	16%	25%	22%
Default	15%	25%	22%

Effective January 1, 2011

[istockphoto](#) [3] have announced a [restructuring of their royalties](#) [4] to take effect in January next year. There is quite a lot to digest, if you have not already read this post on their site then get a drink and take it all in.

In trying to think of something positive and objective to write, I'm struggling: It is very interesting that it looks like istock is no longer just a microstock site. I know this has become a cliché, but microstock has become, more than ever, 'mainstream'. Just like when [Veer \(re\)launched their marketplace](#) [5], from 2011 it looks like istock will be a significant seller of [macrostock](#) [6] and microstock side by side. Prices are not confirmed, nor are exact details of the images but they will be selling the "agency collection" (Getty) along with a collection of crowd sourced images from their contributors (the current istockphoto collection).

I do hope for the sake of budget conscious buyers that a 'sort by price' feature is added, we can never go back to the days of a good sized image for \$1, but increasingly over the years I've found buying from istock (noted that only a handful of images per year) has become more and more tedious. My dollar now brings me a just about big enough web-res image after fishing through pages of results sprinkled like a minefield with images that cost \$20 for XSmall. There are not many eCommerce sites that don't allow you to sort by price, or filter out the highest priced collections if they are not in your price range.

15!

I can't think of anything pleasing to write about non-exclusives royalties dropping to an all time low of 15-20%. These sound like small percentage changes but represent 15% decrease in your income. Exclusives fare better when it comes to royalties but those who have been contributing for many years, it looks to me, will lose out in terms of not reaching a royalty rate that matches their currently canister level rate.

Dangled Carrots are now Moving Goalposts

Canisters have been a feature of istock for many years. There, presumably like every other website that offers such a tally of sales (or other metric) to motivate contributors into uploading more images. More sales will eventually bring you a higher royalty for those sales. This worked well for istock because most users upload images and don't get past the first or second canister and istock can increase the number of sales needed to reach a canister level at any time. From 2011 Canisters no longer figure in your royalty level, your royalties will be based on the value of the images you sold in the previous year. From one point of view the changes now more fairly factor in value of the sales so you get closer to your next royalty level if you sell lots of expensive images. But the motivation for hobbyists (even the serious ones) has now all gone, those that have been slowly working their way towards that next canister are left dead in the water at 15% if they don't sell 2000 credits worth of images a year.

Community Voice

"Not happy Jan" seems to be what a lot of people think. Call me cynical or just pragmatic, but there is nothing I can do about it. It's very hard to be sure if this will be a decrease in earnings for me as a non-exclusive, certainly it's a decrease in royalty per sale. The commission structure was not exactly straight forward before, adding extra terms and complication to it has not helped - perhaps only to obfuscate what has happened.

Even if contributors leave in droves and istock cannibalize themselves, Getty will still be making a pretty penny while they do so. It's not like there isn't a track record of cannibalizing agencies. Perhaps istock will one day be included in the long list of agencies who's home pages now point to getty.com or just resell their images. I've written before that in a few years I don't think microstock will be 'microstock' and that we live in a short/medium term phase where stock images come from two separate streams, eventually that will only be one stream - perhaps with multiple facets.

Opinions on other microstock blogs:

An explanation of Redeemed Credits:

mystockphoto.org/istockphoto-contributor-royalties-major-changes [7]

Entertaining post from Matt: niltomil.com/microstock-world/istock-royalty-structure [8]

Funny if you know the industry well: stockphototalk.com/phototalk/2010/09/why-.html [9]

People I've never seen
comment came out of the

woodwork: microstockgroup.com/istockphoto-com/istock-changing-royalty-structure [10]

And finally, from the same MSG thread... [a little smile to end with.](#) [11]

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