

December 2011 Microstock News

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By Steve GibsonSat, 2011-12-31 04:46

Well the holiday season certainly does compress time doesn't it!

Sadly it I fear that my planned in depth review of the microstockexpo has been a casualty, although a draft post is well under way, I don't think it's going to see the light of day in a reasonably timely manner. To encapsulate it in a nutshell - it was an excellent event, you can [watch the videos on the website](#) [3], and like any conference most of what I learned (and most of the value) was from conversations outside of the organized sessions. Again, thanks to all those who I met who shared their insights with me.

The (New) Istockphoto Referral Program

last month istock announced some changes to their referral program, some rather inconvenient ones. After several weeks of chewing over this I still can't work out what on earth they are thinking...

First point to make clear is that the new program is much better than the old one, (I feel the old one was little more than lip service so that's little consolation)

<p>✓ YOUR CURRENT PAYOUT PLAN</p> <p>\$20 FLAT RATE</p> <p>Earn \$20 USD for every new customer you refer who makes a purchase of 26 credits or more within 30 days of clicking your link.</p> <p><input checked="" type="checkbox"/> Choose Flat Rate Payout Plan</p>	<p>20 CREDITS</p> <p>Receive 20 credits (a \$30+ USD value) for every new customer you refer who makes a purchase of 26 credits or more within 30 days of clicking your link.</p> <p><input checked="" type="checkbox"/> Choose Credits Payout Plan</p>	<p>20% COMMISSION</p> <p>20% on the sale of a new customer's first credit pack purchase within 30 days of clicking your link, with no minimum purchase and no cap on your commission.</p> <p><input checked="" type="checkbox"/> Choose Commission Payout Plan</p>
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2. Spread The Word

 <p>Share Where You Want To</p> <p>Whenever you're logged in to iStockphoto.com, simply look for the social buttons above to share files, articles, and profile pages. You'll earn your referral payout for everyone who signs up and makes a purchase after clicking your link.</p>	 <p>Referral Link</p> <p>Use a referral link to turn banners, photos and other files on your website or blog into solid gold.</p> <p>Generate a Referral Link</p>
	 <p>Email</p> <p>Choose between 4 custom-designed email templates that will make an easy sell even easier.</p> <p>Send an Email</p>
	 <p>Banners</p> <p>Select a Banner from our collection of pre-built designer options. No animated GIFs, guaranteed.</p> <p>Choose a Banner</p>

The new referral scheme offers users a choice of 20 credits, a flat referral fee of \$20 or a 20% cut of the first sale of referred buyers with 30 day cookie length. This replaces the previous offer of a flat \$10 for referred buyers.

Inconveniently after accepting the new referral program the old referral links no longer operate. I can't see a good reason why the old links could not remain in operation (with the old \$10 referral if that's easier).

To confuse the situation istock are also offering an affiliate program via link connector (which I joined earlier in the year) this offers a similar 20% rate for new buyers and also 10% for existing buyers.

I then received a message from istock:

"The Affiliate acknowledges and agrees that, with respect to the promoting of iStockphoto's Services and/or iStockphoto's Site through LinkConnector, the Affiliate may not also: i) be a member of any referral program operated independently by iStockphoto, ii) promote iStockphoto through any affiliate marketing network other than LinkConnector, or iii) be part of or a member of any other organization or entity that agrees to pay, give, distribute, reward or otherwise provide any kind of benefit, in any manner whatsoever, for promoting iStockphoto's Services and/or iStockphoto's Site."

I asked istock why this was:

"Both the affiliate and referral programs are available to any partner wishing to promote iStockphoto. However, we've made a business decision to not pay the same partner more than once for a single sale. We needed to update our terms and conditions both on the affiliate and referral programs to reflect this policy and then leave the choice up to you. Since you are currently enrolled in both programs, you will have 30 days to choose which program to continue promoting iStockphoto by updating your links to those available for that program."



I thought this reply was more of a brush off than an answer. "we've made a business decision". It would be easy to believe that it might be because there is a risk of a double payout. But unless I'm mistaken, if two different sites send a buyer to istock using referral or affiliate links, only one gets paid (usually the most recent to send overwrites the cookie).

The whole thing makes me think of the response [I wrote to someones comment](#) [4] about istock earlier in the month: "*partially paralyzed by what seems like an internal morass of 'big business'*".

To sum up the new programs:

Referral Program (on istockphoto)

New Customer = \$20, 20 credits or 20% of the sale

Affiliate Program (link connector)

New Customer = 20% of the sale

Existing Customer = 10% of the sale.

Almost everyone I have met feels that the old istock program was the worst in the industry, most refusing to ever use the links due to the conversion rate.

Over the past couple of years there has been much debate about exactly how much (if any) istock is loosing ground to it's competitors (the results of any one individual always being conveniently obfuscated by differences in exclusives and non-exclusive earnings). Implementing a new referral program to try and [match the competition](#) [5] (one that people might actually want to use) is one of the clearest signs of seen so far confirming this. I'm certainly not convinced that buyers will be persuaded, if istock is loosing buyers (perhaps deservedly so) more advertising will bring them back but is not guaranteed to make them stay. Their own sponsored own surveys have shown that most of their customers buy from multiple agencies and have little loyalty.

News from other Agencies

[123rf](#) [6] announced they are accepting footage submissions. According to a press release they have approximately 30,000 videos their database and are planning to launch the collection to buyers in January 2012.

[Stockfresh](#) [7] published some leaderboards of contributors <http://stockfresh.com/artists> [8]

[Panthermedia](#) [9] announced a relaunch offering 13 million images, 40,000 contributors.

[Deposit photos](#) [10] reached 5 million images, adding 1 million in the last three months. Their press release went on to tell us that Yuri has uploaded his latest collection of 17,000 premium microstock images to their site. By virtue of upload so many images Yuri holds the honor of adding the [5 millionth image](#) [11]. Impressive stuff for an agency launched in 2009.

Deposit photos also launched a tax centre to match most of the other major agencies and also announced it was accepting editorial images.

[Photodune](#) [12] increased commissions for non-exclusive artists, increasing from 25% up to 33%.

Blog Highlights

[Power of the crowd on microstockposts](#) [13]

[2011 review infographic from picniche](#) [14]

[My Experience creating an industry conference from microstockdiaries](#) [15]

[Licensing images in today's market on the microstockgroup blog](#) [16]

[Monthly marketplace sales record from envato](#) [17]

2011 Wrap Up

Two things stand out in microstock for me over the past year:

First, the continued homogenisation on the industry. (shutterstock on demand v. veer subscription, and almost everyone offering video, editorial etc). It seems this will move ever further with sites like [envato/photodune](#) [12] offering a single place to download a wide range of creative related digital products. The playing field among the big 3/4 microstock agencies seems more level than it ever was.

Second was the contrast in the ways that agencies are managing their 'crowds' of contributors and communicating with them. The larger agencies feel ever more distant. This might be because of an influx of 'new' agencies (deposit photos and others) who, perhaps by virtue of being smaller at present feel 'friendly'. This was for me highlighted in the various pieces of 'bad news' announced over the past 18 months, istock and their [commission structure](#) [18] contrasted with veer and their [introduction of subscriptions](#) [19]. Both handled in different ways. It might be a little unfair of me to compare the two; one was hard-face profiteering, the other was just plain stupidity(?) and that might account for the differences in response.

It's a little like communist dictators facing civil unrest, either send in the troops and stamp it out callously; or risk showing some weakness and back down to maintain order; essentially the agencies are stuck between a rock and a hard place, and once the crowd gets militant there is little anyone can do to stop it.

If an agency is at the edge of a cliff, then taking a step too far means there is no easy way to take step back...

Wishing you all a creative and fruitful 2012 - Steve.

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- [16] <http://blog.microstockgroup.com/licensing-images-in-todays-market/>
- [17] <http://notes.envato.com/milestones/peerapong-breaks-monthly-marketplace-sales-record/>
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