

What do you do when a client calls asking for a quote to use one of your images? Even if you've been selling rights to your images for several years, are you confident in your method of pricing? Do you find that you often fly by the seat of your pants? Establishing licensing fees can be intimidating, because we never want to lose a sale. By following a few simple steps you can easily determine a fair and justified fee.

THE COMPETITION

First, determine where you fit into the market and who your competition is. Do you photograph the usual subjects or specialize in a niche? Are your images the same or similar to other pho-

tographers' images? Are your wildlife images from a zoo or a game farm or are they taken in the wild?

If you have a niche specialty, then the value of your work within that niche may be higher. A wildlife photographer who specializes in rare monkeys often can demand higher fees than the photographer who has shots of the rare monkeys taken in a zoo. Both photographers may have a rare crested capuchin monkey, but the more valuable image is the one photographed in the wilds of Brazil, in forested habitat, and demonstrating natural behavior. One shot in the Los Angeles Zoo will be in a confined environment where it does not have to procure its own food, and behavior may be a little different from its wild counterpart as a result.

Is your subject specialty easily found in royalty-free (RF) or microstock libraries? A rights-managed (RM) image can sometimes command higher fees. For example, a typical Grand Canyon image can easily be found in RF, but an image of lightning along the canyon rim—a rare and subsequently more valuable image—is likely to be RM only.

You may be able to quote a higher price when you are not competing with other photographers. This happens when a buyer wants your photo, for whatever reason, and may be willing to pay more to get it.

VALUE, RIGHTS AND USAGE

Before deciding on a price for an image, ask the client the following questions: How is the image going to be used? What size?

What is the print run and/or for what duration of time does the client need the image?

What rights does the client need?

Every client licensing a photo receives "value" from the photo. A magazine may sell more issues based on the cover photo, while a company advertisement might sell more products and services. Value is received one way or another but the higher the visibility or circulation, the more value the client receives.

Specialty publishers of calendars, posters and cards sell retail items with a set print run for one production cycle. Photo sales to them are usually for one time and at a set price.

Advertising is designed to continuously generate income for the client as long as the ad is running. Ads are higher profile and have more views, like web page views, so the more page views or the greater the circulation, the higher the value of the usage. An identical ad running in a national magazine has a higher value than one running in a local magazine.

Consider the size of the usage. A cover of a brochure has greater value than a small thumbnail on an inside page. Inside a magazine, a double page spread has more value than a quarter-page use.

Your license fees should reflect how and where the image is being used and in what size. Print run is also crucial in establishing license fees. The value received is much higher with a 500,000 print run than with a 5,000 print run, and that should be reflected in your fee.

For example, a client is placing an ad in three magazines for three months and the combined circulation for all three is 3 million.

The first insertion is full price for 1 million circulation. If you were to establish a base usage fee per insertion, the total would equal three times that for the three magazines. This first usage in each publication is the unique one, seen for the first time by the magazine readers.

The next two months' insertions are not unique because the same audience has already seen the ad and subsequent insertions have less value. A good range is 40-60 percent of the initial fee for each additional insertion. In this example, that would be six more insertions, and if we establish a 50 percent insertion rate that is half the base rate per insertion, the total would be six times the base rate.

What rights is the client requesting? **Non-exclusive** usage rights allow you to continue to license the image to anyone, anywhere. **Exclusive** usage protects the client by preventing you from relicensing based on the terms you negotiated. The client may request **Industry Exclusive**, which means that

the image will not be relicensed within a specific industry. **Total Exclusivity** prevents the licensing of the image to anyone for the negotiated time frame. If the client requests exclusivity in any form, your price should be higher for the potential loss of income as it is removed from some or all of the market. Go to the Picture Licensing Universal System (PLUS) website at www.use-plus.org for definitions of licensing terms and other helpful information on the management of image rights.

UNIQUE IMAGES AND PRODUCTION COSTS

When put on the spot to give a ballpark figure, ask the client if you can call back. Some will pressure you to give a quote on the phone before you have time to evaluate the usage and establish a price, but taking a few minutes to consider all the factors will allow you to establish a fair and reasonable price. Take this time to consider:

How unique is the image? Is it a one-of-a-kind or a dime-a-dozen?

Is there production value? There is often tremendous overlap of images on the market, and when a cli-

ent can obtain a similar image from RF, that's probably what the client will do. Unique and one-of-a-kind images have greater value and should be priced accordingly.

Evaluate your production. What did it cost you to create this image? If you photographed Half Dome in Yosemite, you have little production value in that image. But if you arranged for two models to climb the rocks for you and paid them, you have added production value to the image. Be sure to consider costs associated with creating your images, but don't confuse those added expenses with the cost of doing business.

Photographs have value and you should be paid for the value. There is tremendous pressure on photographers to compete with online pricing, but a transaction involving a human costs more to complete than an automated web transaction. By looking at the service you provide the client and the value the client receives from the image, combined with your cost of doing business, you should reap the profits you deserve allowing your business the profitability required to keep you in the field. ☺

Charlie Borland has been a professional photographer for close to 30 years, and his images have been used in most major magazines, including National Geographic Adventure, Newsweek, Outdoor Photographer, Outside, Women's Sport and Fitness and others. Charlie is vice president and cofounder of www.fogstock.com, an online picture agency. He teaches with www.aspenphoto-workshops.com.



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There are many resources available to assist in determining prices:

Photographers Index, www.photographersindex.com, provides information to help you establish prices based on use, size and print run.

Jim Pickerell's book, *Negotiating Stock Photo Prices*, is the definitive guide to pricing, negotiating tactics and industry overview. See www.pickphoto.com.

ASMP's website (www.asmp.org/links/26) provides a list of resources for photographers, including tutorials on copyright, licensing and contracts.