

The commoditization of images: the changing landscape of photojournalism

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The photography business: current trends and evolution

This is an ongoing research project about the changes that are occurring in the photography industry. Particularly, this working paper will outline some general features of the industry and highlight both the effect of the digital revolution on the specific field of news photography and the role of traditional photo agencies¹.

“Just as traditional journalism has slipped from the hands of an elite into the hands of many, thanks to the empowering, networked nature of the internet, now the same is happening in the world of news photography. The news industry has an insatiable appetite for fresh material, and if you happen to snap an exclusive image using your mobile phone’s camera, it could well earn you a tidy profit”².

In the face of image revolution is there any possibility for traditional photo agencies to remain sustainable?

Looking at the current situation, the answer seems to be a negative one, since some of the most important photo agencies have closed due to financial troubles (see Gamma, Sygma, Grazia Neri). By considering the Italian market, during September 2009 the famous photo-agency Grazia Neri, after 43 years of activity at the top of Italian photographic market, has been put in liquidation. The crisis of the Italian publishing (printed newspaper are losing readership all over the world) and advertising market has engraved on the agency with a 40% drop of sales.

Nowadays a steady increase in the demand of images is registered because of the rising significance of iconographic and visual contents in the mass media industries. Photos are playing a bigger role in newspapers, magazines and particularly online, where news

¹ Sontag, Susan, 1973, *On Photography*. New York: Farrar, Straus and Giroux, fifth printing:1978; Newhall, Beaumont, 1982, *The History of Photography: From 1839 to the Present*, New York: The Museum of Modern Art, sixth edition (1997), revised and enlarged.

² “How to sell your photographs online: a citizen journalist’s mini-guide to monetizing your camera-phone content”, www.mastermedia.org

sites frequently feature extensive galleries of imagery. Analysts at BCC Research estimate the global market for digital photography will be worth more than \$230 billion in 2013, up from \$155 billion in 2008. Another change is the increasing importance of video and sound: online newspaper and magazines are moving from print towards online content and video is being considered a better way to tell stories than still photography.

Paradoxically if on the one hand customer growth has been registered, on the other image diversity has diminished and the industry is now dominated by a small number of multinational superagencies.

This working paper aims at exploring the complex relations among new technologies, economic and cultural factors in the production of visual content, taking into account news photography industry. The issue is crucial for the cultural debate, since on still photography we mostly depend for reliable information about the social and political context (Amelunxen, 1996; Lury, 1998)³. “Documentary”, “photojournalism” and “press photography” are drastically changing as a result of complex interactions between digital avalanche, the editorial/distribution system, the expectations and desires of the audience (Schiller 1991; Chaplin, 1994; Frosh, 2003). While images demand dramatically raises, prices of photos dropped and image quality and variety has diminished. From an economic point of view, this happens because new suppliers are coming into the industry, thanks to digital technologies. The need to reduce costs pushes editors to use and re-use cheap photos offered by amateurs or stock agencies (i.e Getty, Corbis). This phenomenon throws away photo agencies, traditional gate-keepers in this industry (Negus, Nixon 2002)⁴. But without photo agencies and professional photographers, the richness and depth of images’ contents is missing⁵. At this point it’s important to give a definition of photojournalism: “If with the reportage the photographer shoots specific fragments of reality that have social, political, subjective

³ Amelunxen, Hubertus v., 1996 "Photography *“after”* Photography: The Terror of the Body in Digital Space" in Hubertus v. Amelunxen, Stefan Ighlhaut, and Florian Rötzer (Eds.), *Photography After Photography: Memory and Representation in the Digital Age*. Amsterdam/Munich: G+B Arts, pp. 115-123.

⁴ Negus, K., 2002 'The Work of Cultural Intermediaries and the Enduring Distance Between Production and Consumption', *Cultural Studies* 16(4): 501-15; Nixon, S. and du Gay, P., 2002 'Who Needs Cultural Intermediaries?', *Cultural Studies* 16(4): 495-500.

⁵ Price, Derrick and Wells, Liz, 1997, "Thinking About Photography: Debates, Historically and Now" in Wells, Liz (ed) (1997) *Photography: A Critical Introduction* London: Routledge pp. 11-54; Ritchin, Fred, 1991, "The end of photography as we have known it" in *Photovideo: Photography in the Age of the Computer*, ed. Paul Wombell. London: Rivers Oram Press, pp 8-15.

meanings, in the case of photojournalism the photographer wants to tell a story with semantic value, particularly historic, social and political value”⁶.

Traditional players in the industry

Since the turn of the last century pictures have become one of the sources of information newspaper readers have grown to rely on (Lebeck & Von Dewitz 2001)⁷. Editors soon realized that photographs were important additions to their journalistic textual input.

In 1921 Fred Barnard, a writer for Printer’s Ink, coined the phrase “A picture is worth a thousand words” and put the place of photojournalists firmly into history.

Traditionally, the history of photojournalism starts during the ‘20s in Germany and the US. In the ‘30s two important magazines were founded: Life (New York) and Look (London) were dedicated to the investigation of current affairs and big world events. Photojournalism was recognized as a form of journalism. Thanks to high circulation, these magazines were able to build a strong structure, hiring the best journalists, writers and photographers. The most important novelty in the sector was the foundation of Magnum agency. In 1947, the first photographer-owned photo-agency was constituted as an association among some of the most famous photographers like Robert Capa, Henri Cartier-Bresson, David Seymour, George Rodger, Maria Eisner and Rita Vandivert. The aim of this agency was to become free from magazines and newspapers and to increase their bargaining power by building a strong group able to produce reportages to be offered on the market, thus maintaining the property right of films.

So, why do traditional photo-agencies exist? Photo-agencies help photographers to go over two historical major barriers: cost and time. In the days when film was the only medium available, it was difficult for the photographer to deal manually with each customer. In order to be profitable, the photographer should have moved enough product to cover expenses like portfolio production, making prints, marketing, delivery. This required considerable capital investment. Photo-agencies solved the twofold problem of time and cost, building a scalable infrastructure where they could streamline processes, increase volume and keep cost down; they were able to deal with several clients at a time. Photo agencies became gate-keepers between photographers and

⁶ De Paz A., 2001, *Fotografia e società. Dalla sociologia per immagini al reportage contemporaneo* (Liguori, Napoli).

⁷ Lebeck R. and Von Dewitz B., 2001, *A History of Photojournalism*, (Steidl)

customers and were considered the main repository for news and other life images used by newspapers and magazines worldwide.

It is possible to single out three main typologies of agencies:

- Agencies that produce images about the news of the day. In this specific sector competition is very high.
- Agencies that are oriented to the editorial market: they produce reportage and stories with a journalistic standard.
- Agencies that are oriented to commercial sector: they produce pictures for catalogues, depliants, advertising.

An agency can specialize in one of these segments or can cover all the different markets. In Italy there are 37 photo-agencies. On an international level, there are 21 photo-agency in the Us and 31 in Europe.

If we look at the activities carried out by an agency, we can distinguish between:

- *Representative photo-agency*: these agencies invest on the valorization of photographers and their portfolios. They promote photographers specialized in still-life and fashion images.
- *Production photo-agency*: they produce images and reportages with two different directions: they realize reportage with an anthropological, social, natural, scientific, political point of view; or they produce images for current affairs with an editorial purpose. These agencies can also promote a single photographer; they are like “agents”.
- *Photo-journalist agency*: these agencies are specialized in current affairs, news stories, culture, social and political events. Grazia Neri was founded in 1967 as a photo-journalist agency with an exclusive representation of many of the most famous international photographers. Then the agency widened its range of operations developing its own photo production and assignments and producing books with the best Italian publishing houses. A department devoted to commercial sales and advertising production in addition to annual reports has also been set up.

If we look at the production side, there are different possibilities.

A newspaper/magazine can commission a reportage to an agency. In this case, costs are entirely supported by the newspaper and the contractual agreement between the

agency and the photographer is 50-50. It could also happen that the photographer decides to make on his own a specific reportage: the agency can decide to take part of the risk and divide costs and revenues or the photographer has to cover all the production costs.

In the current days, it is difficult that an agency promotes the production of a new reportage, due to financial difficulties. So the main activity is the representative one (the photographers give to the agency their portfolio in sales account): in this case the agency promote the portfolios of different photographers and contractual agreement is based on 30-70; 30% to the photographers and 70% to the agency (sometimes, in French agencies, the agreement can be 50-50).

The digital avalanche and the rise of stock agencies

Before the digital avalanche, it is worth noticing that photojournalism suffered competition from the Tv during the '60s (Goldberg 1991). Even if photojournalism has the possibility of going more in depth, this however costs money that is getting a scarce resource in a world of strong competition like the media industry⁸.

The photography industry has been turned upside down by digital technology shift. The economic dynamics of the industry has changed in a way that existent positions and business models lost their value. The changes brought about by digital technology are usually referred to as "Moore's Law": the price and the performance of digital technology has been improved at a furious pace to the point were virtually everything can be substituted with electronics⁹.

Changes in the market occurred when two technologies came to the fore: digital imaging and the internet. New technologies entered the market in 1991-1992 and the prices of images started to decrease. Thanks to digital camera amateurs can make their images available for commercial uses; so they are potentially in competition with professionals.

⁸ de Mul, Jos, 1997 "The Virtualization of the World View: The End of Photography and the Return of the Aura" in *The Photographic Paradigm* eds. Annette W. Balkema and Henk Slager. Lier en Boog, Series of Philosophy of Art and Art Theory, Volume 12. Amsterdam: Editions Rodopi, pp. 44-56.

⁹ Ritchin, Fred, 1990, "Photojournalism in the age of the computers" in *The Critical Image: Essays on contemporary photography* ed. Carol Squiers. Seattle: Bay Press, pp 28-37; Ritchin, Fred, 1991, "The end of photography as we have known it" in *Photovideo: Photography in the Age of the Computer* ed. Paul Wombell. London: Rivers Oram Press, pp 8-15; Winston, Brian, 1996, *Technologies of Seeing: Photography, Cinematography and Television*. London: British Film Institute; Willis, Anne-Marie, 1990, "Digitisation and the living death of photography" in *Culture, Technology & Creativity in the Late Twentieth Century* ed. Philip Hayward. London: John Libbey & Company Ltd., pp. 197-208.

Of course there are certain subject areas where amateurs' competition is much more intense than others, like scenic, nature, wildlife, travel, still life. Of course professionals will not be completely substituted but it is worth noticing that before the digital avalanche this situation was unthinkable.

The other fundamental turning point is the diffusion of internet which allows high quality pictures to be distributed directly and inexpensively all over the world. "As the flood gates opened, the supply of images skyrocketed, causing swift downward pressure on prices"¹⁰. If a magazine/newspaper used to buy an image from an agency for \$100, the photographer usually got \$40, after commissions. Nowadays the photographer can sell on his own the same picture for \$50. In the 90's, about 90% of images were obtained from photo agencies, compared with less than 30% nowadays.

In those years, digital imaging and the internet fostered the rise of two great giants, Corbis and GettyImages (Getty has an archive with more than 70 millions of images) that made huge investment for the digitalization of images and hit the market with the first royalty free offerings: images became marketable – they were paid for once and could be used without restraints – and prices dropped. Stock photography had overtaken the use of contract photography especially in the commercial sector. It is estimated that today GettyImages is controlling, directly and indirectly, more than 60% of the market.

The pervasive emergence of web-based image sharing marketplace has revolutionized the market, making it increasingly difficult for traditional photo agencies to compete with both free image sharing alternatives and powerful web-based stock image services like Corbis and Getty.

The new players that entered the market can be divided into two main typologies:

- *Archive photo-agency* (i.e. GettyImage, Corbis, Aefotostock): these agencies manage the rights for using images that are usually sold to newspapers, magazines, books. Images are sold both as "royalty free" or as "rights-managed". With the first typology, you pay for once and you can use the image without restrictions, but you don't have the exclusive right. With the rights-managed, images are "rented" for a specific purpose at a specific price. Once you negotiate a fee with the agency (or photographer) for the specific use you have in mind, any other use is subject to an additional fee.

¹⁰ Heller D., "The five truisms of the photography business".

- *Microstock-photo agency* (i.e Fotolia, IstockPhoto, Shutterstock) : these agencies are similar to archives where it is possible to find millions of images for every purpose. The core elements of micro-stock success story are: sale of high-quality and value-for-money images at competitive prices; use of crowd sourcing to build image stocks; consistent use of the internet along the whole process. Images are usually sold “royalty free”. Customers typically include advertising and PR agencies, publishers, companies and private individuals - anyone with a need for high-quality photography for publication or merchandise. Reports available on the web counted about 15 micro-stock agencies.

The shift from film-based to digital photography has been described on the one hand as a great opportunity for a more globalized market of images, on the other as a threat for intellectual property and de-professionalization. Traditional photo-agencies and even professional photographers themselves have become minor players in the overall economic activity of photo sales.

Customer growth – explosions of customers that want to use images, but the majority of these new customers have very small budgets for photography. Meanwhile, sales to traditional customers show a steady decline.

Thus, what have profoundly changed is not a decreased demand for images, but a revolutionized approach of *how* and from *whom* these images are taken from. In fact, demand and use of images has probably increased tenfold in the last few years while the online "*sources*" from which such images could be taken has exploded from hundreds of physical outlets to tens of thousands of online virtual light tables.

If the quality of traditional pictures could not often be easily matched by these new cheap alternatives, in order to face the crisis, a lot of publishers and online media got accustomed to these new sources firstly because of cost-effective advantages.

Traditional photo agencies and photographers long thought that the quality of their work could be a guarantee for a safe competitive advantage and they probably underestimated the power of the digital revolution, thus falling in a sort of organizational inertia that prevented them to innovate their business model to survive in a changed market.

The loss of market shares is just a side of the coin. The other side concerns with who plays the role of gate-keeper and warrantor of image quality. The web is increasingly getting as the main source for consuming information, thus replacing the printed media

and exposing at risk the role of photo-agencies as intermediaries between photojournalists and media publishers.

The crisis of news photography is always depicted as strictly linked to the one in newspaper industry: newspapers are facing grim times because of the internet revolution. Circulation drops and advertising revenue falls and for this reason newspaper have dramatically cut investments in their visual content. Print journalism lives thanks to advertising; currently there are very few publications that are able to survive thanks to subscription fees. The world of publishing and advertising has changed its source of images supplying. Publishers usually bought from agencies or established photographers. With the advent of television and then the internet, the printed press suffered losses in selling advertising spots. Newspapers and magazines lost readership and advertising. Statistics show that people are not spending as much of their free time reading publications as they have in the past. They spend a lot more time watching TV (video and sound), getting information online and playing games. The editorial crisis and the progressive need for expense reduction led the publishers to favor the acquisition of royalty free photos or repertoire images, that is they are seeking more cost effective ways to source images.

Another important point is that since the '80s newspaper and above all magazines rely more and more on advertising that influence the final content. Thus social and political reportage are rejected because they could not properly fit with advertisers' aims.

From being one of the main sources of unbiased public information, newspaper have undergone significant changes both in their organizational structure and in their role and probably also for this reason "photojournalism has been consigned to history because it is no longer regarded as an important medium of information for mass readership" (Lebeck & Dewitz 2001). Many publications have cut staff photographers because it is more value for money to have pictures from a freelance; to buy them from stock agencies or from Reuters and AP, instead of paying a photographer for a specific reportage: "As a picture editor, I found it very difficult to send photographers anywhere because the pictures arrive as soon as something happens. Is anybody going to go out and take great pictures anymore? AP and Reuters have great photographers. The quality of pictures and speed of delivery is superb and for whatever trouble zone there are

seven or eight god-quality pictures on my desk by 7 p.m. I just wonder where it's all going to go now and whether there's another way"¹¹.

On the one hand large media companies are building their own photo libraries to meet all their visual content needs, on the other a large amount of hard news pictures are now taken by breaking news agencies: Corbis is partner with Reuters and Epa to provide clients with the latest current news picture. Usually the newspaper makes a monthly or yearly subscription to use a certain amount of picture taken from a huge database.

A consequence of these changes is that image quality and image diversity have diminished. The world of publishing seems to be more interested in having a breaking news picture rather than focusing on picture quality.

Is photojournalism dead?

Having depicted such a scenario, lot of professionals in the industry ask if photojournalism is dead. The crisis is a sum of different factors and each of these factors can have a less or more impact depending on the specific country. By looking at the Italian situation changes in the industry occurred due to: the deep changes in the newspaper industry; the crisis of visual content started in the '80s with the growing influence of advertisers; the readership crisis; the role of photographers as journalists (cultural legitimacy has lacked); the advent of technology; a broad moral crisis of Italian society.

From the interviews made with some Italian and international professionals what emerged is the necessity for traditional agency and photographers to find new and sustainable business models in order to adapt to the current trends.

Two alternatives are now emerging:

- Photographers are looking for new purchasers: from traditional publishers to not for profit organizations, foundations, art market, exhibitions;
- The photographic collective: "unity is strength". The collective is made by a group of photographers (that in most cases have been previously hired or were working for an agency) that define their own editorial imprinting and produce reportages by risking on their own or by getting financed by public or private subjects.

¹¹ "The power of pictures: photojournalism in the digital age", The Freedom Forum European Centre, April 24, 2001.

Photographers are independent and can manage the property rights of their productions.

These changes are strictly linked to a major issue, that is, who is determining the look, the advertisers or the public?. "I'm wondering whether the public has made this decision or whether is an editorial decision in conjunction with advertisers who are not completely aware of what stories the public is interested in or what would still have an impact"¹². The problem is the production of news: images are getting more and more standardized and this has an undoubtedly influence on the depth of world visual history. The next steps of this research are based on a better definition of the theoretical framework, on the access to the archive of some Italian photo agencies and on interviews to both Italian and international professionals.

¹² Said, Edward W., 1983, "Opponents, Audiences, Constituencies and Community" in *The Anti-Aesthetic: Essays on Postmodern Culture* ed. Hal Foster. Seattle, WA: Bay Press, sixth printing: 1989, pp. 135-159; "The power of pictures: photojournalism in the digital age", The Freedom Forum European Centre, April 24, 2001.