

PHO704: Week 8

Presentation 2: Pricing Your Photography

In the previous presentation we looked at the different sectors that buy photography. When a client commissions you to shoot to a brief or wants to buy one of your existing photographs, they are always buying a usage license – the right to use the image temporarily – and therefore they pay a license fee. A usage license permits the buyer to reproduce an image in a specific and restricted way, and the extent of that usage will determine the cost of the license.

It is entirely impossible to say what an image is worth by just looking at it – it always entirely depends on how the image is used, on or in what and for how long. If we understand what the photography will be used for, then we can start to think about how much the client or buyer will benefit or profit from it. The bigger the profit, the larger the usage license and the higher the license fee. The more commercial exposure an image gets, the more expensive it should be. Photography for a worldwide poster campaign will be much more expensive than an image that is used in a magazine to illustrate an article.

Once the usage license expires, the client is not allowed to use the image any longer unless they pay an additional usage fee. When working with large advertising agencies or large businesses you will likely sign an ‘additional usage fee form’, which determines the cost of the additional usages before the images are bought or created.

None of this usually is a legal process, you simply need to agree a fee to cover the usage in writing. Usually this will take form of an estimate to start with and once this has been accepted, you send an invoice clearly stating the usage license agreed upon and granted. You need to have all of this in written form to act as proof.

Pricing in the different markets

To quantify the usage we first need to establish which market the photograph or photography will be used in. This will give us an indication of the purpose for using the photograph or photography and therefore its value to the buyer. The different markets are: commercial, editorial or consumer.

The reason the commercial market uses photography is to promote a product or a service. An example is an image of a happy family on a billboard advertising the services of a bank.

The reason the editorial market uses photography is to illustrate a newsworthy story or something of public interest. An example would be an image of Donald Trump on the front page of a newspaper.

The reason the consumer market uses photography is aesthetic or personal appreciation, or even investment. This includes wedding photography or a print hanging on a living room wall.

The commercial market

As just discussed, the purpose of photography for the commercial market is to promote or endorse a service and is therefore always associated with a corporation or trading business. This can be anything from an advertising campaign for new Nike trainers, to a website for pet supplies. The amount these different businesses allocate for their marketing can vary dramatically. Factors to consider when you are trying to quantify usage in the commercial market:

- Type of business: what type of industry; what size; mainstream or specialist; corporation, education or charity?
- Media: the collateral or marketing communication on which the image will be reproduced – a billboard, a website, a leaflet?
- Territory: in what country / countries will the image be used? Regional, one country or worldwide?
- Time: for how long will the image be used? One year, three years, in perpetuity?
- Audience: who will see the image / images? The general public (consumer), other businesses in the same industry (trade / specialist), employees or stakeholders in an annual report (corporate)

Instead of asking for specific media, many clients will ask for Above the Line (ATL) or Below the Line (BTL) media to be licensed. These two categories are common parlance. The following lists are not exhaustive but give you an idea as to which media belongs in each category:

Above the Line

- Ambient
- Internet
- Point of Sale
- Posters
- Press
- TV (including interactive)

Below the Line

- Brochures
- Direct Mail
- Intranet
- Marketing Aids
- PR
- Video
- Mobiles

I won't attempt to list actual rates because there are so many variations and besides, it's also important to listen carefully to your client's needs and not overprice or underprice yourself. Generally speaking, commercial photography commands higher rates than the other two markets. And within the commercial market, the sliding scale is as follows:

Highest:	Consumer
Middle:	Trade, specialist and recruitment
Lower:	Corporate
Lowest:	Education, charity

The editorial market

Unlike the commercial market, newspapers, magazines and book publishers often have set rates and there is little or no room for negotiation. But still make sure you grant a specific license, and never to sign away your copyright. The following are the factors to consider when quantifying usage in the editorial market:

- Media: where is the image reproduced – a book, magazine or newspaper?
- Territory: where will the work be distributed? Regional, one country or worldwide?
- Time: for how long? One year? In perpetuity? One issue only?
- Circulation / print run: 500 or 4 million?
- Size and place of reproduction: cover, double page spread, 1/8 inside?
- Audience: who will see the image / images?

You will maybe be surprised to learn that often the better-known and more prestigious the magazine, the lower the rates are. However, being featured in these magazines can offer you invaluable exposure, which will help you raise your profile and get better-paid commissions, for example from luxury brands in the commercial market.

The consumer market

Usage in the consumer market is usually easy to calculate. Consumer photography is bought by a member of the public for private enjoyment, or perhaps as an investment (fine art prints). We will speak to Francesca Genovese from Francesca Maffeo Gallery in an upcoming week about pricing photography in the fine art photography market. In the case of other fees of consumer photographers, such as wedding photographers, make sure that the fee covers your time, expenses; the day rate is generally calculated based on skill and experience, as opposed to usage.

Pricing commissioned photography

This is also known as an assignment or commissioned photography and is usually shot to a brief for a specific purpose. You will have to charge for your services and this will include a day rate, or fee, and the different expenses that are required to produce the shoot, such as lighting hire or the services of a stylist.

Fees

The fee covers the time a photographer puts in to provide the final images. I often get a call from someone asking me for the day rate of my photographers – and my answer is always, that it depends on how the images will be used. Some photographers might have a day rate and then add the usage fee on top, but I would suggest to roll the usage into the day rate on a case by case basis. There are a number of fees, apart from the shoot fee, a photographer can charge:

- Shoot fee: the photographer's rate for shooting the images, including usage fees
- Travel fee: a fee to cover any time it takes to travel to the shoot location. Local shoots aren't usually charged.
- Recce fee: sometimes a recce is necessary to make sure the location is suitable.
- Casting fee: if you have to attend a casting then you can charge for your time to do so.
- Pre-light fee: occasionally, on shoots with complex or unusual lighting set-ups, additional time is needed to test the lighting.
- Pre-production fee: if the photographer is required to commit to the production of the shoot, beyond what is reasonable, and aside from the casting and recce.
- Post-production fee: for the photographer's own post-production work, or to oversee a specialist retoucher working on the images to the client's brief.

The following are factors I suggest you consider when quoting fees:

- The usage
- How many hours / days of work will be required

- The 'going rate': this is the rate that others are charging and what clients are generally used to paying. It can be tricky to find out what the going rate is but you can ask peers or check on photography association websites
- Experience and reputation: are you just starting out or are you already well established?
- Current economic climate
- Nature of the client: in the case of editorial and commercial commissions, it is possible to get further information about a client and get a feel for the kind of budget they might have, by looking at their website and their clients.
- The client's budget: there is no harm in asking

The key to quoting fees is to understand how the images will be used and to find a clear and simple pricing structure that suits you and your business.

Expenses

Expenses are any costs that are necessary to produce the shoot. Don't just bill the client for the direct costs of a shoot but also for indirect costs too. This means you might want to charge them for lighting hire, animal hire and digital capture (direct costs), but also a percentage of, for example, your equipment if you own it, or your insurance premium if you pay this as an annual package. You will often be required to estimate your expenses – be careful not to underestimate them. Once a budget is signed off it is unlikely that a client will pay you more than agreed.

Some clients might ask you to quote them an all-in fee or package that includes fees and expenses. If you do this, be clear on what the package includes. Have a look at Lisa Pritchard's¹ estimate template in the resources folder, which has an extensive list of potential expenses you might occur.

¹ Pritchard, L. 2013, *Setting Up A Successful Photography Business*, Bloomsbury, p. 136