

A response to the proposed merger between Getty Images and Shutterstock

INTRODUCTION

We are aware that the consultation is largely centred around the effect that the proposed merger would have on the market for buyers of stock and commissioned photography.

The British Press Photographers' Association has over four hundred members, the majority of whom would be affected in one way or another should the proposed merger go ahead. We have members who are:

- Staff photographers directly employed by both Getty Images and Shutterstock
- Freelance photographers who supply images through both Getty Images and Shutterstock
- Freelance photographers who undertake commissioned photography for Getty Images and Shutterstock
- Freelance photographers who are contracted to work for Shutterstock on a seasonal basis
- Staff and contract photographers who work directly for other agencies and newspapers
- Photographers who supply images to and through other stock and news agencies who are rivals to both Shutterstock and Getty Images

Whilst we are not a trades-union we do seek to represent the best interest of members. We feel that those needs are best served by pointing out how the proposed merger would affect them.

THE MARKET AND THE EFFECTS THAT A MERGED AGENCY WOULD HAVE

1. The livelihoods of photographers working directly and indirectly in the market sectors that would be dominated by a merged Getty Images/Shutterstock business would be adversely affected. The few photographers directly employed by – or who rely upon the existing agencies - might see little change to start with. In the medium term it is highly likely many would no longer be needed, given the cost savings a merged agency could leverage by reducing the duplication of photographer and editor time when covering events.
2. The reduction in the number of agencies and the resultant reduction in the numbers of photographers working on news, sports and cultural assignments would lead to a further reduction in the independent coverage of those events.
3. Where coverage of events is controlled by private organisations who exclusively licence their events to Getty Images/Shutterstock, there would be an increase in the practice of limiting unfavourable reporting. Coverage is already being limited to just approved,

commercially beneficial images, which are presented as 'impartial news'. This problem would get worse.

4. Given the history of agencies reducing the percentage paid to photographers while discounting prices, there is every likelihood that our members earned fees would follow the historical precedent and fall even further. In the middle, a dominant agency would be able to claim a higher percentage for themselves and their customers would find fewer places from where they can source competing images.
5. The concentration of the market following a merger between two of the largest global players wouldn't benefit anyone other than the merged business itself. Its dominance in the news and sports markets virtually impossible to match.

All of this begs the question that with sports, culture and politics already in danger of being dominated, what effective long-term safeguards could the CMA impose that would halt or even reverse this?

When speaking with our members and with other photographers working in similar fields only a small percentage believed that the mergers' outcome would benefit them. The majority believe that their livelihoods and the editorial integrity of the news that the public sees would be adversely affected.

IT'S NOT JUST ABOUT INCOMES

It is important to note that the threat to the way that news and sports images are delivered to the market and onwards to the public is as major a cause for concern to our members as the threat to their livelihoods.

Photographers and photographic buyers have seen the number of agencies and stock libraries drastically decline. Many small and medium sized businesses have been taken over by larger multinational competitors, whilst others have seen loss-leading pricing strategies by competitors drive them from profitability. Principal amongst these competitors have been Getty Images and Shutterstock. As a result, many photographers react to the proposed merger of these two giants with fear and scepticism.

PRICING

The nature of the current market is precarious when viewed from the angle of those who provide images to either the two agencies concerned, as well as to smaller agencies, who compete in the same and adjacent markets.

Prices paid to suppliers have gone down over the last twenty years with something of a "race-to-the-bottom" taking place as Getty Images and Shutterstock have acquired many smaller agencies

and libraries whilst at the same time becoming the dominant forces in the areas of delivery and distribution.

Whilst there are direct competitors in the major news and sports fields such as Reuters, Associated Press, Press Association, European Pressphoto Agency and Alamy none of them have the market penetration of Getty Images and Shutterstock.

The prices paid by buyers of stock and news photography are historically low. The old phrase “pile it high and sell it cheap” has never been more relevant. Prices have fallen to unsustainably low levels as the two giants have slugged it out with Alamy for sales - a large proportion of which are priced in pennies.

From the point of view of many of our freelance members this is no longer a viable market. A substantial number have withdrawn from it altogether whilst other have stopped supplying new work. One of the effects of this is to further reduce the diversity of voices and visions providing images to the market.

Prices paid to photographers are unsustainably low. Whether the merged agency would raise prices or hold them at this unsustainable level is something we can't predict, but the percentage of any rise that would trickle-down to the producers would very likely be somewhere between tiny and non-existent. This view is based on historical precedent.

EMPLOYMENT

Getty Images is one of the largest employers in the industry. The agency has grown over the last thirty years by acquiring smaller agencies and libraries.

Shutterstock employs fewer photographers. They use freelancers who work on a seasonal basis to fulfil the agency's sports and cultural contracts.

Many freelance photographers supply their images through one or other of the two platforms. If the competition between Getty Images and Shutterstock effectively disappears the combined entity would be unlikely to need as many freelancers. A small number of our members think that a combined buyer platform might be of benefit.

In sports, and especially in football, Getty Images has contracts with a majority of the Premier League teams whilst Shutterstock has a contract with the EFL (English Football League). That level of market dominance could easily be used to squeeze out the smaller agencies and independent freelancers.



DISTRIBUTION

The speed with which news and sports images can be distributed is a major factor in making sales. The other major factor is the platform upon which the images appear and this is where the merged agency would have major market dominance. Clients who buy news and sports images from agencies would cease to visit multiple vendors.

This has already started to happen in the last ten years. As things stand Getty Images already hosts the work of AFP (Agence France Presse) and Shutterstock has distribution deals with AP (The Associated Press) and EPA (European Pressphoto Agency). A single platform that hosts all that content would almost certainly become the first (and often only) port of call for picture buyers for both news and sports images here in the United Kingdom. That would leave any new or existing competitors at a massive disadvantage.

CONTRACTS

Getty Images and Shutterstock pursued large organisations, notably in the sports and cultural markets, to sign exclusive multi-year contracts. They use their distribution networks as major selling points and then shut out small agencies and independents, limiting coverage to just themselves, in a large number of markets and at many events. Even where competition exists, it is often at a much lower level, giving Getty Images and Shutterstock photographers the ability to exploit exclusive positions and opportunities not available to their smaller competitors.

This area of the business is where the growth is and is where the most lucrative opportunities can be exploited. That this work also feeds into the less predictable stock imagery market is a bonus. Selling their news feeds at or below the cost of creating and marketing them serves as a loss-leader for the access and allows them to dominate more lucrative area of the wider industry.

The two separate businesses already dominate these markets in the United Kingdom and abroad. Should the merger go ahead, the resulting entity would wholly own and control this sector of the market.

CONCLUSION

This is not about sales of £0.50 or even £50.00 images. It is about domination of the entire distribution and contract markets. Getty Images and Shutterstock already hold a massive percentage of the market for photography. Any merger between them would mean a total distortion of this market. Beyond that, it would also result in a media landscape dominated by fewer voices, with less diversity



What this merger would mean for our members varies between categories. However, a large percentage of our freelance members see no cause for optimism, on any level.

The bottom line is that a merged Getty Images and Shutterstock agency would hold unprecedented power to control the industry. The effects on prices paid to suppliers and by customers are hard to judge, but the dominance of any combined distribution platform would be hard to deny and its marketing and sales power in the contract sector would be without equal.

It is hard to see what safeguards the CMA could impose that would mitigate the distortion such an entity would impose, should this merger be permitted.

It is our submission that a merger between Getty Images and Shutterstock would represent an unhealthy and unfair dominance of the market and an unhealthy obstacle to a free and fair media.

ABOUT THE BPPA

The British Press Photographers' Association was formed in 1984 to promote and inspire the highest ethical, technical and creative standards from within the profession and raise awareness and appreciation of our industry outside it.

Please visit <https://thebppa.com/about/> to find out more.