

It's increasingly difficult to avoid the question of whether to release digital files. But for the high number of studios who do, it can be a profitable practice when wisely executed.

BY STEPHANIE BOOZER

# Selling *out* or selling *up*?

WHEN IT COMES TO RELEASING FILES, STUDIOS ARE MAPPING AN INTERESTING—AND PROFITABLE—MIDDLE GROUND



“Can I get my pictures on CD?” a potential wedding client asks.

If you hand over the files, is the goodwill gesture worth jeopardizing additional print sales? Will you lose a customer if you don't? Many customers now expect to receive their image files as part of a package, or as an add-on purchase, or even as a free service. With the growing demand for this service, it's imperative to develop a strategy for fulfillment that works for your studio.

- Should you release your files at all?
- How will you manage the file delivery so it benefits your studio?
- Is your legal house in order?

## SHOULD YOU RELEASE DIGITAL FILES?

Wedding photographer Doug Gordon, of Lindenhurst, N.Y., doesn't release digital images at all. “Files are cropped and custom sized—something very difficult for retail photofinishers to handle—and high-quality labs handle our printing,” he says.

“We tell our brides how closely we work with only high-quality printers, and we carefully use printer profiles to ensure that our customers end up with high-quality prints,” says Gordon. “We also give our customers a lifetime guarantee on all of their work and we make sure that the customer understands that we'll guard the files of their images.”

For Sam Gray of Sam Gray Portraits, in Raleigh, N.C., parting with digital files for portrait clients is akin to a mechanic giving away his tools. “I try not to go in that direction if I can help it,” unless it's for commercial clients, he says. “I feel like we're shooting ourselves in the foot if we release our digital files.”

Because Gray's portraiture has become more painterly than strictly photographic, he invests a great deal of time and energy in

each image. Clients can't take what he creates to any photo printer and get stunning wall prints. "As the industry changes, and people have their own digital cameras, we have to stay ahead," says Gray. "That's why I went in the direction of painting. About 75 percent of my work involves painting, though I still do standard photos. We do the best quality we can do with our prints, and it's all in-house."

Gray acknowledges that it can be difficult to compete with photographers who charge as little as \$300 for wedding coverage and simply give away the files immediately after the event. "This is devastating to the photo industry, this new breed of digital photographers," he says.

Gray's clients typically purchase large prints, so he sees no real need for them to own their files right away. The question of ownership rarely comes up with his portrait work. He does, however, regularly release licensed files to his commercial clients. The client's need in these cases is usage rights rather than making prints.

"We tell portrait clients we keep everything in-house for a year, then move it to our permanent archive," says Gray. "Before we do, we call the client and ask if they want to come back and look over their files before they're archived. We get a lot of good orders from that, and there's really no extra work involved."

## SPECIAL DELIVERY

In a recent survey PPA conducted of its own membership, 80 percent of the respondents reported they are delivering digital images (either low or high resolution). For these studios, the challenge is to execute the transaction in a way that increases, or at least protects, the studio's existing profits.

A number of photographers include files with certain usage rights in their higher

priced packages and product sales. For example, a wall portrait could come with a CD of other images from the session, along with a limited usage license. It's an effective way to up-sell customers as well as satisfy their requests for digital images.

A high-end wedding photographer in Philadelphia, Faith West, of Faith West Photography in Manayunk, Pa., noted that her average reprint sale was about \$150 when she didn't release files. "I decided to include a limited usage license and raise my prices by \$150. That way, clients can make their own prints, and though I don't get income from reprint orders, I make the same amount money without the extra effort."

West admits it was a scary transition, but says it's paying off. "I make sure to tell my clients that I would like them to order their prints online, and I recommend certain labs that I trust," she says. West has been selling licenses for her files for the past three years, and so far, has seen no negative repercussions. "I'm finding an interesting upshot—I've booked more weddings as a result of this policy. People love it, love it, love it. Now I feel like I'm getting away with something, because the client is doing the work for me."

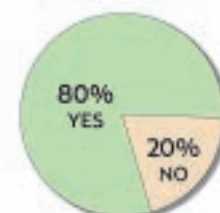
West's clients wind up posting their images online, a service she doesn't provide, as well as doing their own printing. "In a way, I feel like I'm probably a pariah in some peoples' minds, but it's a win-win for me," she says. "Before I had this system, I saw clients go to someone less talented just because of owning the negatives, and it was frustrating."

West still includes an album and parents' albums in her packages, and occasionally has clients who don't want to bother with managing their digital files. But she also notes that the ubiquity of online print services, combined with her clients' average age, 25,

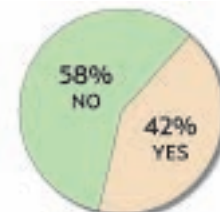
## HOW DO PHOTOGRAPHERS HANDLE REQUESTS FOR DIGITAL FILES?

PPA surveyed its membership and received more than 2,700 responses in five days.

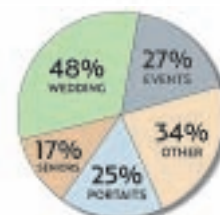
Do you sell, give away or deliver digital files to clients?



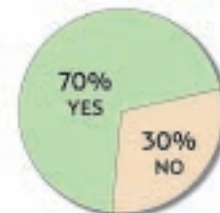
Do you feel you have lost clients because you don't release files?



To what kind of clients do you deliver digital files?



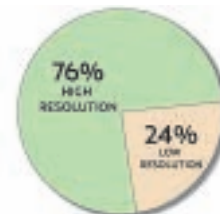
Do you provide either a license or copyright transfer?



How do you deliver the files?



In what format are files delivered?



To read the survey in its entirety, including the comments of the participating photographers, go to the download area of the Member's Only section at [www.ppa.com](http://www.ppa.com).

©Faith West



Faith West packages clients' CDs attractively in a leatherette case or tin. The imprinting on the CD itself is customized for each client.

results in clients who understand intuitively how to handle digital media. "They are happy to do it," she says. "They feel like they have more control. My clients rarely order anything over 8x10, because they consider it ostentatious or gauche to order larger pictures of themselves, so I'm not losing any large wall portrait orders anyway."

Because presentation is essential in photography, West uses attractive packaging for her client's DVDs. Depending on the order, the disks are delivered in a leatherette DVD holder or in a classic tin. West imprints each disk with a detail image from the wedding. "They look beautiful," she says. "We've made a successful transition, and have been able to maintain our presentation."

### Different policies for different clients

For Susan Stripling, of Tallahassee, Fla., parting with digital files depends on the project. "For portraits, I don't give away or sell all of the files," she says. Over the winter holidays, she will license a single file for a client to use in a holiday card. "Most people don't go for that option because I price it

high, and I generally try to sell them holiday cards from me. I license just a handful of files every year, and I don't mind that because of my price point. My portrait session fee is fairly low and I make my money on after sales. I'd have to charge an astronomical session fee to include the files, or else license the files for an enormous amount to make a profit on the work."

Stripling's approach is a little different with weddings. She includes the files right away, and they're usually delivered six to nine weeks after the wedding. "I understand the argument for not including them or even delivering them, 'Oh, I'll lose out on reprint sales!' or 'Oh, my clients will print them at the mini-mart and put my name on those horrible prints,'" she says. "First of all, I don't *give* the files. I raised my rates accordingly, so I'm *selling* them the license. If I'm going to risk losing reprint sales, I want to be compensated."

The images on the DVDs are not final-print ready. They are color-corrected, white-balanced and "lovely," she says, but not fully retouched or edited as are the prints purchased through the studio. "I do explain that to my

clients, and I do have nice re-sales from the weddings, even from the brides and grooms, who have the files," she says.

Many of Stripling's clients express interest in the files not necessarily for printing, but for archival purposes, and she respects that.

"When I deliver wedding files to my client, they are in metal DVD tins with my logo on the front," she says. "I include a postcard with details about the files, how to archive and store the DVD, how to transfer the files to new media as it becomes available and DVDs become passé, how long we store the images for them at the studio, where we recommend having them printed if they choose to print themselves, and so forth. I include a handwritten note thanking them for the honor of working with them on their wedding and wishing them the best, package it all up in a nice envelope, and off it goes."

Most important, Stripling stresses, she retains the copyrights to her images and merely licenses them for client use. Clients can make as many prints of the images as they want, but they cannot sell or license them. "Basically, they cannot make a profit on the images without my consent," she says.

### Copyrights for charity

Mel Morganstein, CPP, Photography by Mel, Charlotte, N.C., has yet another approach to parting with digital files. He appeals to his clients' charitable side. The idea began a few years ago when Morganstein found out about the Pediatric Brain Tumor Foundation, and decided to help with their annual fundraising. He started e-mailing clients to solicit donations, then came up with the idea of tying in a charitable donation with the purchase of digital files or negatives.

"It just hit me one day that I have all these negatives, and what on earth am I going to do with them?" says Morganstein, whose archive



reached back to the 1970s. “I wrote my clients, explained that I’ve been keeping an insurance policy on these albums all these years, and I can no longer maintain the storage space.”

Morganstein offered full sets of negatives or digital files for \$300, or \$100 if they sent along a matching \$100 check written out to the foundation.

“It’s a neat way to raise money for charity, and I clear out my backlog of negatives,” he says. “I tackle about three years’ worth each year, and I’m up to the late 1990s. It’s \$100 I didn’t have, and it’s \$100 that the Pediatric Brain Tumor Foundation didn’t have either.” Morganstein tells current clients about the annual fundraiser, and that they’ll have the opportunity to purchase their files and make a donation later in the year. “The theory is that my clients know their files are safe and they’ll be able to purchase them later on, so there’s no pressure,” says Morganstein. “It’s a good cause that I believe in, and it turns the sale into something better for the clients as well. It also gives me a little breathing room to sell as many prints as possible in the meantime.”

Six years into the plan, Morganstein is averaging \$1,000 in donations annually. “I agonized over how to handle this problem,” he says about clearing out the old negatives and selling digital files. “But I’ve found a way to raise money for a good cause, and I feel good about it too.”

### Living by digital alone

Can a studio make a profit from licensing digital image files alone—no prints or albums? Commercial photographers have been doing it for years. It’s all in how you price and deliver your work. One photographer told us he typically spends 20 hours on pre-wedding and wedding photography and 20 to 25 hours on post-production image processing, album design and order fulfillment. He speculates

that if he cut or drastically reduced the post-production time and spent the time with other paying clients, he could reduce his wedding prices and actually end up with higher profits.

While making your workflow more efficient sounds attractive, if you don’t use the time saved to cultivate additional clients and generate more income, you could end up with fewer expenses, yes, but also with no additional clients, and then your lower prices would actually yield lower profits.

### LICENSE, DON’T TRANSFER

In the vast majority of cases, when you deliver digital files to your clients, it’s wise to avoid transferring copyrights.

Images have value. Your customers know that. Instead of selling your images outright, consider licensing them for your customers’ limited use. Presenting a printed license only adds to the perceived value of your work. The license should clearly list the images in question, state your copyright ownership of them, specify the exact uses the agreement covers, including the length of time the customer may use them, how and where they are to be viewed, and whether the customer is permitted to reproduce them, and in what form. (For sample licenses, visit PPA’s Member’s Only download area at [www.ppa.com](http://www.ppa.com).)

If you just hand over the images, the customer may think she can make reprints, resell or use them in an ad or even a billboard. (We spoke with one photographer who suggests that clients put the CD of their images in their safe deposit box along with the license.)

Asking clients how they want to use the images is always advisable. For one thing, it helps you understand their needs so you can fulfill them. If they desire usage or services that you truly cannot provide, you might

present a customized usage license just for them. If the client wants to send copies of the digital images to a number of friends and family members, it might serve both of you to do the task for them, sending low-res versions or a URL where the images are posted for review to the e-mail addresses your client provides. You can include an order form or direct the recipients to an online ordering system.

Senior portrait photographers are providing clients low-res images for use on their FaceBook and MySpace pages when they’ve met a minimum order amount. Some clients simply want to create a computer screensaver or make prints when they can better afford them. Low-res files might satisfy your clients, as well as provide the perfect opportunity for you to explain the danger of their losing the images at home in a hard drive crash, or with the inevitable failure of CDs or obsolescence of other storage media holding the images. You could offer a credit toward future purchases if they leave it to you to safeguard the files and fulfill their print orders.

Opening this dialogue with clients also gives you the opportunity to explain how you use only a high quality professional lab or calibrated professional inkjet printers and adhere to proper color management practices—something they may not get from the local photofinisher down the street or a photo-printing kiosk in a retail store. Clients may appreciate a warning about how technology changes so rapidly they may have difficulty just finding a piece of equipment to read the CD years from now. ■

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