

Usage fees and image licensing

When it comes to pricing your photography, two terms you likely would have heard of are 'day rate' and 'usage fees'. A day rate is what you charge for any photography job — these cover the cost of your time for that day's work. Many commercial photographers will include some limited form of usage in their day rate, while others will charge their set day rate plus additional usage fees. What you choose to do depends on you as a photographer and the needs of your client.

What are usage fees

Put simply, usage fees (or licensing fees) are what the client pays to use your image. They're based on the amount of exposure the image is going to get and how long they will be used for. Usage fees are generally only applied to images that are going to be republished or used over a long period of time (and as such, are generally only used when shooting for larger campaigns or clients).

For example, if Karl were to shoot an image for a local company who only wanted to use the image in local print adverts, it is unlikely that he would include any usage fees. However, if he did a shoot for an international brand that wanted to use the image for a global campaign in multiple mediums, then it is likely that he would add usage fees.

What to consider when calculating usage fees

The size of the client and the exposure the image will get are just two points to consider when calculating usage fees. Other points to consider include:

- How much the image is worth to you;
- The client's budget;
- Quality of the image;
- Is the image one you could resell again; and
- How much work do you do for the client.

How to use the Usage Calculator

Base Usage Rate

To determine usage fees, you first have to calculate a Base Usage Rate (BUR). Generally the BUR is set at about 5-10% of your day rate.

Period

The next thing to consider is how long the image will be used for. The longer the usage, the higher the usage fees will be.

Media

Where will the image be used? Here it's important to communicate with the client to find out what they need so that the price can be calculated fairly.

Territory

This is where the image will be used.

The above provides a guideline for calculating usage fees, but it is important to remember that there is no hard and fast rule for this. A lot of this is based on judgement — you would have to decide how much the image is worth to you and consider the budget that your client has and how good the actual image is. You need to consider other things like is the image one that is very specific to them? Is it one that you could sell again as it is more generic? Does the client have a realistic budget? What is the image actually worth?

Copyrighting your images

Generally the only time we would give unlimited copyright to a client is if the shot was taken specifically for them and was, for example, of a product that they manufactured and there is little further use of the image possible. In these cases we generally just allow the client to have full copyright without charging any extra beyond the agreed day rate.

However, in some instances, it's more beneficial to retain the copyright to your images. Karl generally assigns exclusive rights to an image for two years. After this, the client needs to pay to continue to use the image or the copyright reverts back to Karl. This then allows the photographer to potentially earn further revenue from that image through resale (for example, as a stock image).

As an example, an image Karl shot for a client was resold for two other campaigns as well as book covers over a period of six years.

Conclusion

Remember, as Karl talks about in chapter 3 and 8 of this Business course, only some clients will pay a usage fee. Generally usage fees only apply to national or international campaigns. If it is an image you shot for a smaller client, you may only be able to charge a day rate (this includes your time and gives the client exclusive rights for a specified period). Karl often works to a two-year exclusive period so that the full copyright returns to you, the photographer, after this period.

There is no general rule as to how much an image is worth. This is only something that you, as the photographer, have to judge depending on the market, the client, the quality of the photo and what you believe the image could be worth now and in the future.