

BAPLA notes re fee negotiation for apps 15/11/2011

These are some suggested questions to ask when approached to license images for app use, and some suggested parameters for working out a fee structure. The end fee charged is at the discretion of each picture source.

- What type of app is it - editorial, retail or promotional? Retail and promotional apps are normally priced at a higher level than editorial ones. Retail apps may be priced in a similar way to retail games, while promotional apps may be charged in line with corporate brochure use (depending on the end client).
- Is the APP stand-alone or replicating content used in a printed product e.g. magazine or book. (If it's the latter then the client may expect a cheaper / combined fee.)
- If the APP is replicating a print product, ask if it's identical to the print versions or if not what percentage change there is. If it's significantly different, then it may be appropriate to treat it as a new use rather than an additional use and the repro fee is likely to be higher.
- Is it available free or paid for? (If it's the latter then the client should have more money available to buy content). However, free apps may still have significant promotional value, and will have a production budget of some kind. Ask what the price of the app is, which may help you understand what the picture budget is likely to be.
- How long will the app be available for (eg. 1 year, 2 years)? 5 years is a suggested maximum time period.
- Will the APP be available worldwide or restricted to selected territories, and in what language/s? The more extensive the distribution territory and languages, then the higher the fee is likely to be – and for editorial apps may be priced in a similar way to a book or magazine.
- Does the customer have any predictions / forecasts on the downloads? (This is crucial. Asking for this information is like asking for the print run of a publication, which as a supplier enables us to offer a fee which relates to the exposure of the image. However this information is often not readily available to the public and the client must be prepared to share this data with you, based on trust.)

If download information isn't available because it's a start up then it may be advisable to review the fee after 3/6 months in line with the downloads/sales.

- How many images are being used in the app? Apps often use large numbers of images and a sliding scale of discount for quantity may be appropriate.
- At what size are images being used (upto/over half screen size) and are they being used once only? Most app pricing tends to be done on the basis of a flat rate or simple fee structure, rather than a granular fee structure as for traditional print publications.

- Are any images being used on the entry screen or "title page" of the app? These may attract a higher fee in line with homepage use or cover use compared to inside page.
- Are any images being used to promote/advertise the app as well as in the app itself? Any promotional use outside of the app screen context should attract a separate fee.

The main point of asking these questions is to get a clear idea of the number of apps likely to be sold/downloaded in which territory and for which time period, and what kind of revenue the client is likely to achieve from the app.

If some of this information is not available, then it may be sensible to agree fees for a limited time period (maximum 1 year) and to review the fee at the end of this time on the basis of real figures re downloads/sales.

BAPLA Rights Group