

COMICS AND THE FOUR P'S

By: Daniel Head, originally published in [Equal Footing Magazine](#), Issue 1, August 2004

Launching a new product is not easy in any industry, but it is especially difficult in the comic book industry. Today's major players have successfully embedded their characters deeply into society's psyche, and overcoming this inherent barrier to entry for new ideas presents a significant challenge for every market player, regardless of size. Therefore, a comic producer must have a sound marketing plan for his or her new projects, and this plan must be based on solid marketing principles. Modern marketing theory holds that a sound plan will account for the Four P's: Product, Positioning, Place, and Price. If a new comic is to survive, it must deliver a customer experience that exceeds expectations and successfully delivers on the product's value proposition. An analysis of the Four P's will allow producers to accurately estimate opportunities in the marketplace and to exploit these opportunities in order to deliver more than the customer expects.

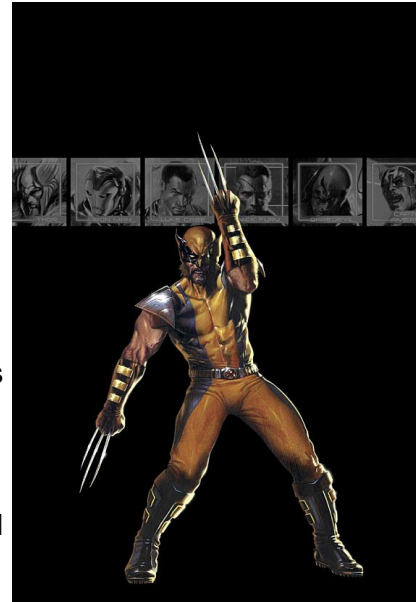
PRODUCT

It goes without saying that in order for any new product to be successful, the product itself must be a good product. This is as true for a new comic book as it is for a new brand of breakfast cereal. In order for a new comic to be a good product, it must have a well-developed story and solid artwork that is both visually appealing and effective at communicating its story through pictures. Sequential art, the medium of comics, is successful when it seems to jump off of the page at the reader. This is a difficult effect to achieve, but human beings have been telling stories through pictures since the dawn of recorded civilization, and the art form itself is at least partially intrinsic to even the most left-brained of individuals.

However, there is more to the development of a new product than merely creating one that is "good." Every product, regardless of industry, has a value proposition, and for the vast majority of products, this proposition is based on either the product's quality or its value given a certain price. When one thinks of successful quality products in the comic book industry, one must think of comics whose aim is to be the best in the world. These comics can usually be identified by the stature of their creators and by the quality of their printing. **Marvel's** recent mini series **Secret War** and **1602** are both excellent examples of comics that compete on quality. Both series were written and drawn (and even painted!) by established leaders in the

industry, and both were printed on the very highest quality paper. By creating such high quality work, the publisher, **Marvel**, was able to charge a premium price for these books without lessening sales. Indeed, the premium price and limited duration of these books made them an “event” for many readers, and sales were correspondingly excellent.

On the other hand, the flood of imported black-and-white manga titles available in the bookstore market provides an excellent example of a set of value products. These products are still “good,” but in most cases known industry leaders do not create them, and they are printed cheaply and sold at prices that substantially undercut the norm among American producers. These products succeed because they exceed customer expectations given their price; they provide more value than the customer expects. They will continue to succeed in the marketplace for as long as this perception of value remains prevalent among consumers.



POSITIONING

Positioning is the act of designing a product offering and/or image to occupy a distinct place in the target market. Currently superhero comics dominate the American comic book market, and while these comics do currently offer the greatest average return on investment, the market for them is also saturated with established brands. However, the market does have significant room for expansion and for new products despite the fact that this one niche in the industry is already occupied. A quick survey of the top 300 titles sold during the month of July 2004 offers clues as to where growth is possible.

The table below clearly shows that there are some definite opportunities in the marketplace. The Science Fiction genre offers the most obvious place to launch a new product since this category is both underutilized and highly profitable, but the Mystery genre also offers real potential since existing producers did not significantly exploit this genre. An established industry player would probably do well to attack the Science Fiction genre, but new players might find easier going with Mysteries. Additionally, the table suggests that the market can support between 25 and 35 titles per genre, and this would seem to imply that Action, Comedy, Fantasy, and especially new Horror titles could succeed if they offer a particularly compelling

value proposition. Finding success in one of these genres is possible, but it may be difficult, and it will certainly require an innovative idea that is well executed.

Genre	Titles	Index of Sales	Avg Index
Superhero	132	6772.5	51.31
Fiction/Lit.	49	732.2	14.94
Horror	18	163.48	9.08
Sci Fiction	12	345.55	28.8
Fantasy	28	386.13	13.79
Mystery	2	163.48	12.29
Action	30	517.91	17.26

This table breaks down Diamond's Top 300 comics

PLACE

A product's place is determined by analyzing how it is targeted towards various segments of the marketplace. The comic book marketplace once received a substantial amount of revenue from women, but this is no longer the case today. A quick glance at the comic book genre chart reveals the utter lack of romance titles and the overall paucity of mystery titles, so that it quickly becomes clear that comic book publishers have neglected female readers in general for quite a long time. As has already been demonstrated, today most comics are based on superheroes. This genre is dominated by male characters and of dubious interest to female audiences of any age. However, broad-based appeal is valuable for any publisher, and this is particularly true in today's economy when many movie studios are increasingly looking to comic books to provide source material for new films. A *comic* may survive for decades without significant female readership, but no *movie* can have blockbuster-type success unless it appeals to both sexes. In this way, today's comic book companies are severely limiting their potential for growth through movie deals. The success of the original **Spider Man** movie offers a perfect example of this in that it is also a romance movie at its core. It has more than its share of action moments, but the core conflict is **Peter Parker's** struggle to win over the love of his life while fulfilling his obligations to society. The movie could not have enjoyed the success that it did without this type of broad-based appeal.

One more note on place comes from looking at the structure of the comic book marketplace in general. From the 80/20 Rule, one knows that most companies derive 80% of their profits from 20% of their customers. Comic book companies are certainly no exception to this rule. In the comic book world, the most profitable 20% of the market is the Direct Market of specialty shops that cater to hard-core fans. However, the Direct Market has not experienced

significant sales growth for quite some time. In fact, the core audience for comic books has been steadily shrinking over the past three decades. Neglect of the broader market is a likely culprit. While 80% of the market may not be particularly profitable, it is only from this 80% that new key customers—new hard-core fans—are developed. Thus, by failing to appeal to a broad-based section of fans, the comic book industry has also failed to recruit new hard-core fans, and the result has been a shrinking overall marketplace leading to declines in revenues for publishing within the industry. Both comic book movies and the development of the bookstore market offer the comic book industry a real opportunity for growth, but that opportunity must be exploited in order for that growth to occur. The industry must embrace a new set of fans and new creative paradigms, or it will continue to shrink. This obvious industry-wide need argues in favor of unrealized opportunity in the marketplace.

Price

Setting the price for a new product is the most difficult task for any company during a new product launch. For comics the task is a little easier in that some definite price norms exist, but one still must make the price decision. After all, publishers can and do violate price norms in order to achieve specific results. For example, **Dark Horse** recently published a \$.25 issue of its new **Conan** title, and this resulted in a successful product launch by luring in legions of casually interested fans. At \$.25, it is no surprise that **Conan #0** exceeded customer expectations. Now the company can charge \$2.99 per new issue of this quality product and easily meet its sales goals.



The price for a new comic should depend on a number of factors, but in general it is a mistake to charge too little. The **Conan** example offers a compelling case for a very low price, but this argument loses its appeal when one closely considers the typical comic's value proposition. Most new American comics are created using skilled, high-cost labor. Given this constraint, most American publishers would be well advised to compete on quality rather than on price, and in this case should charge at least \$3 or more. A quick glance at the racks of any local Direct Market retailer will show that most of the market has embraced this reality with a vengeance.

Creating and marketing new comic books is not easy, but this is also true for most products in most industries in a free market economy. In the free market, entrepreneurs naturally flow towards new business opportunities, and thus these opportunities rarely remain new and undeveloped for long. Since competition is inevitable, a smart producer needs to have a plan for breaking into any new market. An understanding of marketing and of the Four P's is one key to developing this plan.

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