

PMBA 2-F

Global Market Analysis

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PMBA Program

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Attempt #1

Executive Summary

Black Cat Publishing (BCP) wants is to demolish the traditional publishing business model and make it possible for comic book artists to become successful by offer their artwork directly to their fans. We will accomplish this by empowering them to publish across different digital platforms, breaking free of the confines imposed by the expense of printing and distributing paper comics. With this digital platform bright, motivated and upcoming comic book artists can explore stories about social issues, global conflicts, relationship problems without the great expense traditional publishing incurs.

There's a rich tradition of self-publishing in the history of comic books. BCP will use this passion of storyteller's need to tell meaningful stories that may not hold mass-market appeal. Modern technology provides anyone with a computer the tools to create bold, engaging sequential art and a minimal cost. Unfortunately, today's rising energy and resource prices make printing those books is cost-prohibitive. Digital publishing will enable artists to tell their story at minimal cost.

The culture of comic books has been built up around catering to the 18-35 white male demographic for so long that other potential audiences have been inadvertently ostracized from the entire medium. Digital publishing is an opportunity to match the non-traditional comic book reader with an artist's work that speaks to their world view and experience. These new audiences also don't carry the baggage 70 years of superhero comics have created in the traditional market.

Now is a perfect time to enter this burgeoning scene because there are few players with content, software and no one has taken the lead as the dominant digital publishing force. With a simple tiered pricing structure and integration into online and real life network sharing features, BCP will quickly grow to be the premier digital self-publishing online.

Current Situation

Regarded by literary purists as having no intrinsic value, comic books have long been confined to the role of being little more than childish distractions. Comic books have made recent gains in the greater literary community, despite their reputation as being for juveniles. The single book experts point to as the one that proved the medium is not just for kids is Maus: A Survivor's Tale — My Father Bleeds History by Art Spiegelman. Maus, a description of holocaust victims using mice and cats to depict Jews and Nazis respectively, won a Pulitzer Prize Special Award in 1992. Comic books have finally come into their own with their mainstream success from movies like Spider-Man and Batman Begins along with the pedigree of being one of only two pure American art forms (the other being jazz music.) As great as these strides are, they miss a large portion of comic books history and their place in the art world.

History of self-publishing

In 1954, fueled by McCarthy era red-scare tactics, comic books were targeted for censorship by the U.S. government. Much like the movie industry created the Motion Picture Association of America (MPAA) to censor itself rather than have the government get involved, the comic book industry created Comics Magazine Association of America (CMAA). The CMAA would review comics against their code criteria. In 1954, the criteria included: In every instance

good shall triumph over evil and the criminal punished for his misdeeds. Females shall be drawn realistically without exaggeration of any physical qualities. All scenes of horror, excessive bloodshed, gory or gruesome crimes, depravity, lust, sadism, masochism shall not be permitted. If the comic passed the examination, then the CMAA would allow the comic to be printed with their seal of approval. At the time, most retailers wouldn't carry comics without the CMAA seal. In the 1960s and 1970s small-press and self-publishing artists like Robert Crumb, Gilbert Shelton and Gary Panter decided to create socially relevant, satirical and sexually explicit comic books that thumbed their nose at the CMAA. Their efforts were enjoyed mostly by hippies, punks and other counter-culture segments who obtained the books through head shops that didn't care that the comics didn't carry the CMAA seal. This movement led to many years of self-publishing success. Two of the most well known include *Elfquest*, which has been self-publishing on and off since 1978 to the present, and *Cerebus* by Dave Sim which was self-published from 1977 to 2004.

Modern Self-Publishing

It is an unprecedented age in the world of self-publishing. Much like bands can now record, mix, upload and sell an entire album with an off-the-shelf Apple computer, comic artists can draw, layout and print a comic that looks like it came straight from a big publisher with that same system. The obstacle stopping someone from becoming the digital Dave Sim comes from the current distribution models. With digital publishing is still in its infancy, even big players like Amazon.com, Barnes and Noble, Marvel Comics, ComiXology, Graphic.ly and many others are still trying to forge new paths into this unknown territory. The problem for with the new path

for self-publishers is that the big boys are still thinking like old business model publishers. In the old models of print distribution, an artist would approach a big publisher with an idea. The publisher wouldn't look at the quality of the story but made sure the idea had the mass-appeal to make everything a publisher needs to do cost-effective. If the publisher passed on the project, then the artist was left with trying to self-publish. This meant that artists needed to bear the costs of printing and distributing their book themselves. Companies like Lulu.com and Ka-Blam.com have sprung up to meet the needs of these customers, but that still leave the artist paying to have each issue printed and shipped separately without taking advantage of the economies of scale enjoyed by big companies. Now the problem is; Diamond Comic Distributors (DCD), the largest comic book distributor in the U.S., changed their pricing model in 2009 to only list comics that get a minimum order of \$2500 (previously \$1500) (Gustines, 2009) further stifling independent comic creators. Joanne Carlson of Comics Worth Reading explains it this way: "For a typical independent comic with a \$3 cover price, let's assume that you give Diamond 50% off. So with a \$1500 minimum, you needed 1000 orders ($3.00 * 50% * 1000 = 1500$). But now, with \$2500 minimum, you need 1,667 orders. That's an increase of 66%." (Carlson, Diamond Raises Order Minimums, 2009). With this new system some comics from Marvel and DC, the two biggest comic book companies, needed to cancel books that didn't meet the minimum order. This leaves independent comic book publishers and self-publishers in a tight spot. Digital publishing seems very attractive to self-publishers because it removes the printing and distribution issues, but it introduces new ones. Mobile applications are very expensive to author, sometimes costing upwards of \$10,000 depending on the feature set. If an

author publishes on his or her personal website, then the author has to deal with being outside of a major repository and needs to drive traffic to their site all on their own.

Customer Analysis

Segmentation and Customer Target Analysis

One of the main weaknesses of the comic book industry is the focus on the white male audience. Exact numbers for demographics of comic book readers are difficult to get. Big publishers closely guard the numbers and have been accused of fudging them in order to make the case to advertisers that comics are the king of the coveted 18 to 35, white-male, demographic. Although, one only has to hang out in their local comic shop for a couple hours to see that the vast majority of customers that walk in are, in fact, white and male. This fiercely loyal audience has been cultivated over years of catering to their specific tastes.

According to a 1995 customer survey by DC comics of their readership (Carlson, Superhero Comic Reader Stats, 2007) :

- Customers buy an average of nearly 50 comic books a month.
- DC's single-issue audience was more than 5.2 million.
- 92% of DC readers were male.
- 80% of them were ages 18-39, with a median age of almost 29.
- Just over 70% attended college.
- Just over 60% were single (never married).
- 37% spent \$100 or more on comics in a month.

Like everyone else in the mainstream comics business, Graphic.ly is probably segmenting their customers into “white-males” and “everyone else.”

Self-Publishers

Comic book fans are the pool where comic book artists, and thus self-publishers, originate. So it stands to reason that they have the same demographics. In fact, running through the list of the top 100 comic book artists on Atlas Comic’s website, you need to go through the top 28 before you reach the first non-white artists on the list.

The Companies Current Target Segments

- Professionals that want to do a side-project without pressure and deadlines.
Example: Jen Lee Quick – Renaissance (Dueben, 2008)
- Artists who have a finished project and have been rejected by big publishers.
Example: Jeffery Brown – Clumsy (Zwirek)
- Artists who just want to see if they can do it without breaking the bank.
Examples: Marcus Hart – The Oblivion Society (Mac, 2009), Chris Hoffman – Banana Panic! (Sheehan, 2009)

Current Marketing Situation Analysis

BCP is going to offer a product that isn’t available on the market yet. The closest any company comes is Graphic.ly. From their site: “Graphic.ly is a cutting-edge digital content delivery system and community platform for the publishing world. Graphic.ly’s first product

focuses on comic publishers, creators and enthusiasts and provides an immersive social experience and marketplace around digital comics and associated merchandise.” (Graphic.ly). Currently, no one is really taking advantage of publishing through digital mediums to change the way stories are told. Same old content, same old customers.

Brief Market Overview

Graphic.ly’s place in the digital publishing market is the same their competitors (ComiXology and Panelfly) who are all trying to figure the market out. Currently they are all delivering basically the same content. All of the big publishers are licensing their content to all digital publishers. They are afraid to “back the wrong horse” as it were and end up paying higher publishing premiums once one company starts leading the pack.

Current product line review

Graphic.ly currently offers the following types of comics:

12 gauge comics

“Seeing a hole in the marketplace for crime, action, and adventure stories, Keven Gardner (President + Publisher) set his eyes on creating and publishing comics that would fill that niche in the marketplace, one he felt had been ignored for too long in the crowded world of super heroes.” (12 Gauge Comics)

AAM Markosia

“From well known properties like King Kong and Starship Troopers to creator owned works like The Lexian Chronicles, The Young Sherlock Holmes Adventures, Midnight Kiss and Serpent Wars, Markosia has become known for quality art and stories.” (Markosia)

Archie Comics

“The Archie Comics line of comic books is one of the most successful, longest running brands in the history of the comic industry. Archie Comics have sold 1.5 billion comics and are published in a dozen different foreign languages and distributed all over the world.” (Archie Comic Publications)

Devil's Due

“Proliferators of comics culture, Devil's Due is one of the largest and most established comic book publishers in North America, carrying a diverse line-up of original, creator-owned and licensed properties.” (Devil's Due)

Halo – 8

“In 2008, Halo-8 launched a comic book division while also experimenting with the idea of fusing comic book sequential art with cinematic storytelling and radio-play style audio. The result was the first “illustrated film” Godkiller, which was a smash hit for the company” (Halo - 8)

IDW

“In 2000, Idea and Design Works formed its publishing division, IDW Publishing, which has grown into a fully staffed publishing company, including over 20 full-time employees and 150 freelancers. As measured by Diamond Comic Distributors, IDW Publishing is regularly recognized as the #4 comic book publisher in the US. Angel, Doctor Who, GI Joe, Star Trek, Terminator: Salvation, and Transformers.” (IDW)

Marvel Comics

“Marvel Entertainment, LLC, a wholly-owned subsidiary of The Walt Disney Company, is one of the world's most prominent character-based entertainment companies, built on a proven library of over 8,000 characters [including Spider-Man, Iron Man, the X-Men, the Hulk, the Fantastic Four, and Captain America] featured in a variety of media over seventy years. Marvel utilizes its character franchises in entertainment, licensing and publishing.” (Marvel Comics)

Top Cow

“The name alone should tell you that Top Cow Productions is unique in the comic book publishing world. What sets Top Cow apart from the rest of the herd is its fierce commitment to quality entertainment, and an unmatched drive to deliver this entertainment to fans on a consistent basis. This may just

sound like "common sense" to some, but those who know the business of comic publishing understand what this truly means." (Top Cow)

The New Marketing Strategy

Value Proposition

BCP will offer a digital comic book store where anyone can post their self-published comic to sell or give away. This service circumvents the traditional publishing model and allows stories with less-than mass-market appeal an avenue for distribution. We will solicit content from underserved markets which is anything except white male 18-35 year-old superhero fans.

The listing fees will be a tiered structure:

BCP Price Matrix	Basic (\$10)	Basic+ (\$30)	Premium (\$50)
No Ads			•
Layout Service		•	•
Base Listing Fee	•	•	•

The Basic plan provides the minimum amount of service to list the comic. It is up to the artist to do all of the layout work to format the comic for our viewer software. Ads will also be shown in the comic. Basic+ adds the layout service. Premium removes ads if the artist would like an uninterrupted reading experience.

Objectives and Issues

The three most important objectives of the new marketing strategy are (in order of importance):

1. Get a critical mass of self-publishing comic book creators to sign up for accounts.
2. Get everyone with a mobile device that I support to download the app.
3. Line up advertising for the app.

Marketing Strategy

Segmentation

BCP will go after two segments initially. The first will be women interested in publishing romance comic books. Female artists create a lot of romance content and have a difficult time finding a distribution platform. This makes finding content easy.

Second BCP will target American Manga-ka (Japanese Style Manga Artists.) Manka-ka congregate on the web and create content constantly. These hubs will be great opportunities to find artists and content.

Positioning

For self-publishing comic book artists, Black Cat Publishing delivers the best platform for independent voices to share their ideas with the world, because only Black Cat Publishing is committed to providing all artists with access to digital platforms no matter who they are.

Marketing Mix

Promotion

Starting with the local Utah market, which has a vibrant self-publishing community, BCP will advertise in local comic shops. Using personal networks BCP will wave the listing fees for the first few artists in order to have content for early adopters. BCP will engage online communities of amateur artists, like penciljack.com and draw forums, and offer coupons for listing their self-published comics. BCP will make it easy to share and recommend comics through social networks like Twitter and Facebook so artists and let friends, family and fans know that their comic is online. Finally, BCP will contact users of Indyplant.com, a website that lists independent comics for short print runs using ka-blam.com, and offer the first few a discounted rate to list their completed comics in the BCP app. Indyplanet.com has close to 10,000 comics listed as available.

What is the message of the campaign?

“Don’t let the big boys decide what’s good enough to distribute!”

What promotional elements will you use? (Pick three (3))

1. Web-Based
2. Social media
3. Word-of-mouth

Examples: Facebook



Black Cat Publishing

Becky Cloonan just published "DEMO #12" through our online app. Go here to check it out!

📱 24 hours ago via TweetDeck · [Comment](#) · [Like](#)

👍 [13 people](#) like this



Amy McCandis

That awesome Becky! Gonna go read it now.
23 hours ago · [Like](#)



George Hannan

Looking forward to #13.
22 hours ago · [Like](#)



Tim Parker

How do you keep coming up with these great ideas?
21 hours ago · [Like](#)

Smartphone



Price

The listing fees will be a tiered structure:

BCP Price Matrix	Basic (\$10)	Basic+ (\$30)	Premium (\$50)
No Ads			•
Layout Service		•	•
Base Listing Fee	•	•	•

Place/distribution

Black Cat Publishing will distribute the comic book storefront across several different electronic platforms.

- Android OS (Smartphones/Tablets)
- iOS (iPhone, iPod Touch, iPad)
- HTML 5 (Laptop, Netbook, Desktop PCs and Macs)

Marketing measures

How will you measure the success of the promotion plan?

BCP will measure success by measuring the amount of new accounts created per campaign. The fee waivers will be connected to a code which will give BCP numbers as to which promotion is netting the most users.

How will you measure the success of the product launch?

BCP will measure the success of the product launch by looking at how many new accounts are created.

What measures will you collect on a regular basis to include on your dashboard?

- Fees Collected
- Downloads
- New comics

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