

The case study of marvel enterprises media essay



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Marvel Enterprise was founded in 1930s which was called Marvel Comics at that time. At the beginning, the comics were successful and the superheroes the comics featured were popular. However, because of the negative controversy that it might have some harmful effect of comics on children, the sales of the comics met a slump in 1950s. After following the step of DC Comics which was its main competitor, Marvel recovered and created the Marvel Universe which revived and grouped its superhero characters. Marvel Universe always offered a chance to make popular characters as “ guest appearances” in some comic books of the characters that were newer or not that popular in a proper way with a reasonable historical and appropriate conditions for the characters and story lines. This would not only help to attract more attention on those comics lesser-known or newer characters, but also make readers a deeper impression on those famous characters to maintain a high popularity. There were over 5000 characters in its library such as Spider-Man, The Hulk, The Fantastic Four, etc. (n. d., 2010) Marvel managed its content library as families rather than individuals, which was easy to be classified.

Many characters Marvel created were widely known in the world and had demographic appeal for a broad age group. The appeal came from the vulnerability of the characters. Even a superhero like Spider-Man was just a normal person when he did not dress up. They had the same problems that anybody else could have, which could strike a chord with the readers. If the character was so perfect, the readers might like it but they would hardly feel devoted in the story since it was not realistic. Only if when the readers were devoted, they would be attracted by it. That was the reason why the

Marvel's characters always had appeal to its readers. Marvel realized its advantage, so they tried to make most of their characters in a similar model which was most attractive for the readers.

Target Market of the ME Universe

There were three main divisions of Marvel and each of them had different target market. The first division was comic-book publishing which came in two main formats before that were periodicals and graphic novels. However, with the development of the internet, Marvel also provided the digital comics on its website which were online versions of readers' favourite Marvel Comics created from the original printed files. Readers could pay for it and read it on the computers. The majority of the readers were in the early teens to late 20s and extended to adults who were in their mid 30s. Most of the readers were well-educated males since almost all of the characters Marvel created were featured as action superheroes. Another potential market could be the collector segment because the value of the comic books increased a lot after several years. For examples, a Marvel comic book which was worth only 10 cents in 1939 can be valued \$250, 000 today (Alex, 2006). The collectors collected the comic books for a kind of investment.

The second was toy division which was in charging of designing, developing, marketing and distributing a limited line of toys to markets. It licensed the toy companies to manufacture and sell action figures and Marvel would take care of the product design, marketing and sales for the companies which also benefitted Marvel itself to control the quality of the products. The target market of Marvel toys was boys from 4 to 12 years old while the sweet spot was a boy who was maybe five to eight years old. Collectors could also be

another market not only for investment purpose, but also to memorize the characters that accompanied them to grow up.

Licensing division was the third part which included motion pictures, television programs, video games, animation and destination-based entertainment. Different motion pictures had different target markets. For examples, The Publisher was a movie with R Rating which meant it was not for kids and teenagers could only watch it with adults accompanied while Spider-Man was a PG-13 movie that targeted all group of audience. The market of animated DVDs and TV programs was mostly kids and teenagers and its video games did not have a specific age group target market but was classified by the interest in playing games. Last but not least, the destination-based entertainment such as theme park tended to attract family-oriented market especially the family had young kids.

Distribution from 2005 to the Future

Before the first Fantastic Four movie was release, Marvel had three main divisions which were comic books, toys and licensing and the situation maintained until Marvel was acquired by Walt Disney Co. (Disney) for \$4 billion in 2009 (Goldman, 2009) and opened a new movie division. In the past, comic books had two main formats which were periodicals and graphic novels that were all published as papers. However, later Marvel provided a new approach to read comics called digital comics which is an electronic version to be read in the computer. Except the digital comics, other two formats of comic books are distributed through several channels nowadays. Usually, consumers can buy books in comic-book specialty stores, traditional retail outlets or subscribe by period. Some online book stores, nowadays,

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provide Marvel comic books as well. Moreover, as the increasing number of consumers use Apple's products such as iPhone and iPad, some of the Marvel comics can be bought in iTunes for Apple users especially.

Toys are distributed in the outlets included specialty toy retailers, mass merchandisers, mail-order companies and variety stores as well as independent distributors who will ship the products to other outlets. Marvel also offered an online shop in its official website for consumers to buy toys online. Additionally, after the acquisition by Disney, the toys can also be found in Disney both online and physical stores.

For the products that Marvel licensed the right to the manufactures including toys, apparel, accessories, DVDs, Video games, etc, are distributed not only in the retailers, outlets, variety stores, but also can be bought online as well. Consumers can enjoy a free US ground delivery in the official Marvel Shop online if they spend over \$50 (Marvel, n. d.). Television programs such as animated shows or animations can be watched on TV as well as through the internet.

Movie studio is the new division in Marvel. After successfully releasing the self-produced movies cooperated with other movie companies such as Iron Man II, there are more movies on the schedule. For examples, " The first Avenge: Captain America" directed by Joe Johnston is expected to be released on July 22, 2011.

Strategy for Sustainable Growth in the Future

There were two marketing challenges that were critical to Marvel's success in the future. First was to decide the way to use its characters in the library.

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On one hand, Marvel should retain the famous characters such as Spider-Man. However, as the consumer tastes changes frequently, they would get bored if the story was similar all the time. In order to avoid this situation, Marvel could change the appearance of the characters to let them look more close to current society because many prominent characters were created several decades ago and its appearance might be not attractive to the children nowadays. Making tiny changes could not only attract new potential market but also meet the popular taste so that consumers would not lose their interest in the characters. Marvel could also release some limited version of its products such as toys and books which could attract collectors to buy as well as catch the eyes from the public to pay attention on these old characters again.

On the other hand, some new characters could be created but should focus more on quality rather than quantity based on the lessons learned from the failed strategy in the mid-1990s decided by Ronald Perelman, the investor who bought Marvel in 1989. Moreover, since there were still a lot of existing lesser-known characters, Marvel could combine them to the story that related to the famous characters so as to make consumers familiar with them and then these characters could be independent and this will save the cost of creating new characters because they already exist. Besides, as the major target market of Marvel's products is male, it could create some new characters and contents for females which will be a really large potential market for Marvel to grow much better in the future. Since the typical storyline of Marvel's comics and movies are quite similar and popular that a normal person, mostly male becomes a superhero accidentally, then saves

the world and falls in love with a beautiful girl, Marvel can just change the hero to be a girl and keep the similar storyline but could make it more romantic. The reason why the products attract more males is because firstly males like action themes more than females and secondly the heroes are males which can be reminiscent to them. If the hero is a female and the story is more romantic, female consumers will be attracted with the same reasons that males have.

The second marketing challenge was to decide whether it should change its current business model to more capital-intensive. Marvel wrote script for movies but it did not make movies. However, it was acquired by Disney in 2009. As Disney had ability to make movies, Marvel had a strong back to support it to make movies by itself which could be a big profitable division in the company. In addition, the acquisition brought huge capital to Marvel to invest in new project which could get more profits in the future. Meanwhile, the characters could be introduced in Disneyland and other Disney-related products so that they could be known by more people because of the high popularity of Disney.

Suggestion for Retaining the Value and Quality of the Brand

As Marvel was acquired by Disney, the one of the core product is still comic since even Marvel started to make movies by itself; the characters were from its comic. Thus, maintaining the value and quality of comic can make a big effect on retaining them of the brand.

First of all, Marvel should attract more new customers for the comics by promotion and there are many ways to promote comics. However, since the

increasing popularity of the internet, the company should concentrate its promotion on the internet such as search engine like Google and network like Facebook, instead of other approaches such as newspapers, which could be a more efficient way, because the target market of comics who are the male teenagers and young adults from 13 to 23 year old more use internet to get information than read newspapers. Additionally, Marvel could provide some comics for kids which can expand the age group of the target market. Secondly, moderate amount of new characters should be created and household characters should keep their values. Never disregarding quality so that to produce more to increase sales.

Marvel created Marvel studios and started to make movies cooperated with other movie companies such as Iron Man, which became the most profitable division of the company and the revenues rely more on its movies nowadays. Marvel revenue fell in 2009 because there was no new movie at that period (Fritz, 2009). Marvel should keep on investing to make movies or even make movies by themselves if the company's financial condition allows it to do so.

Conclusion

Even though it seems that Marvel is in its golden age with the increasing popularity and revenues, its probability could slump if it makes a wrong decision since its main rivals DC comics also runs quite well. Meanwhile, although the self-produced movies bring a lot of revenues to the company, it also could be a risk that makes the company to lose money because making moving needs huge amount of money which is a risky investment for Marvel. Focusing more on the quality instead of quantity is the best way to maintain its loyal customers. Moreover, trying to build the relationship between every

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divisions in a more efficient way such as to have promotion for the relative products in the cinemas when the movie is on will attract more consumers to buy the products, which will ensure more profitability. Last but not least, entertainment industry needs more creativity because of its fickle customers.