

# [Implementation of marketing strategies in marvel inc](https://assignbuster.com/implementation-of-marketing-strategies-in-marvel-inc/)

Ronald Perelman an investor brought Marvel and caused a decline in late 1990s when Marvel filed for bankruptcy. This caused chaos in the company and battles were common among the various parties. But like Marvel’s characters a savior called Toy Biz, Inc came to the rescue and on October 1, 1998 they acquired Marvel Entertainment Group and named it Marvel Enterprises, Inc. After this change the company started to perform and the future was looking better. At present it is owned by The Walt Disney Company and known as Marvel Entertainment, LLC. Marvel provides its services through the means of comics, T. V., movies, toys, video games, etc. and has created a universe of great characters for the audiences.

## Marvel’s Characters Profile

Marvel has 8000 various characters in all and each of these characters has helped to create Marvel Entertainment, LLC, therefore in this section some of the valuable characters of the company will be identified and what they brought to Marvel. The most famous characters in the Marvel Universe are Spiderman, Wolverine, The Hulk, Captain America & the Punisher; these are considered to be among the top 10 comic characters ever (Albert, 2010).

Five of Marvel’s characters are among the top 10 and in terms of market share for the year 2010 Marvel has acquired 45. 52% of unit share and 40. 66% for dollar share (Doran, 2010), which makes them number one in the world. In addition T. V. and movies have also helped in the popularity of the characters, as due to the release of Spider-Man Trilogy, X-Men Trilogy, Iron Man, The Incredible Hulk, X-Men Origin: Wolverine, etc. in the movie section and The Avengers: Earth’s Mightiest Heroes, Iron Man Armored Adventure, Wolverine and the X-Men, The Spectacular Spider-Man, etc. have been ruling the T. V. (Marvel Characters, Inc., 2010).

Among the five top Marvel characters Spider-Man is considered to be the most popular as the story line has been innovating through the years. The popularity of this character is so huge that every kid and adult appreciates this character and this craze has grown with the release of several comics, T. V. shows, action figures, movies, video games, etc.

The story of Spider-Man begins by Peter Parker being bit by a spider that ends up causing a mutation in him, which giving him extra-ordinary powers like climbing walls, shooting webs and a spider sense. The actual cause for this characters popularity was the character Peter Parker (Spider Man) who has issues like every other teenage boy and is also in love with one of the lead characters Mary Jane Watson and together it created not just a superhero story but also a love story that helped to attract teenagers.

As for the other characters they also have similar story lines e. g. The Hulk and Captain also got their powers due to mutation, where as Wolverine is a Mutant himself and The Punisher takes revenge for the loss of his loved ones. In terms of villains that Marvel has created characters like Magneto, Doctor Doom, Galactus, Loki, Dark Phoenix and Kingpin, which are also among the top 10 comic book villains.

As can be seen in the above table Marvel holds the market in this aspect as well and these characters have also played a major role in the popularity of the comics as people love to see their heroes defeating the most powerful villains. Marvel has always tried to give exactly what their market demands, whether it is their heroes, villains or story line and this has given them great success.

## Market Segmentation and Distribution Plans

## Comics Books

The most famous characters have been the Spider-Man, X-Men and Fantastic Four and have also provided huge revenues. The major segments could be identified as male teenagers and young adults. These comic books were distributed using three ways which were direct market, mass market and subscription sales basis. The direct market distributers consisted of comic book specialty stores who had a large carrying capacity that could take as many products as Marvel liked; this was also lion’s share to the net revenue. The mass market consisted of bookstores and newsstands and these were distributed in huge stores like Wal-Mart and Target but offered a limited selection of comics. The subscription sales basis was a concept where the target market could directly purchase comics from Marvel for a subscription fee which tends to be on monthly or yearly basis. In 2003 Marvel sold almost 3. 6 million copies and this were divided among the kids & teens market and young adult market. The figure below will identify the market share of the market segments on the comic books in terms of percentage which is 56% for Young Adults and 44% for Kids and Teens.

Figure : Comics Market Segment sales for 2003

## Toys Manufacturing

Toys are not the major revenue provider for Marvel but play a critical role towards loyalty as the major market for these products are kids from the age of four to twelve and collectors who increase the market value of the products especially action figures. Marvel sold the entire characters toy manufacturing license to TBW a Hong Kong based independent company for a royalty fee of 15% but this was with the exception of Spider-Man who rights belonged to Sony.

The marketing and even the sales of these toys were done by Marvel themselves. With exception of some few selected figures that were sold through specialty stores and comic-book stores the figures were sold using the means of retailers, mass merchandisers, mall-order companies and variety stores. In terms of market segmentation kids accounted for 80% and the other 20% were collectors and this will be shown using a pie chart.

Figure : Toys Market Segment in terms of Market Share

## Licensing

Motion Pictures

Marvel licensed all of their major characters to Movie Companies some of them being Spider-Man to Sony, X-Men to 20th Century Fox, The Hulk to Universal, The Punisher to Lions Gate, etc. and with exception of The Punisher all the other major characters were box office hits. The Movie that has made the most gross revenue was Spider-Man whose production cost was $139M where as the gross revenue was $404M in US and $822M worldwide.

In relation to the rights the various studio determine the release timing and strategy but Marvel retained the merchandising rights and never contributed to the movie production & marketing expenses. The revenue sharing consisted of 7% to 16% on gross revenue and 50% on the operating profit minus production costs, costs of prints, advertising expenditures, and distribution fees.

In terms of market segmentation all of the motion pictures are R or PG-13 rated and this meant that the major segment consisted of Adults above the age of 18, as for the other segments they would teens between the age of 13 and 17.

Other Media

These are mainly DVD, video games, and also licensing to theme parks, shopping malls and special events. In relation to DVD a certain number of characters appeared in Lions Gate animated DVD and as for video games licensing Marvel have several licensing contracts with various game creators like Activision, Encore, Universal Games, THQ, and Electronic Arts (EA). In terms of market segmentation these were similar to motion pictures and were mainly teenagers and adults.

## Strategy and Recommendation

In this section specific strategy with some recommendations will be mentioned which would help Marvel Enterprises, Inc. to grow and improve their present strategies.

## Comic-Book Publications

At present Marvel is ranked as the best comic book publisher with market share above 40% and some of their recent growth has been due to the Avengers, Siege, Secret Avengers, and Uncanny X-Men and most of their new releases sold for $3. 99 which is $1 more than their usual prices which means that even though prices increased the readers were willing to pay for them.

In the above table it can be noticed that DC has many more comics in the list than Marvel but in actual The Avenger made huge sales which contributed to the increase in market share of the company. Marvel underperformed with the sales of graphic novels & trade paperbacks as DC was able to achieve three of the top five spots (Doran, 2010). This clearly means that Marvel need to reconsider their strategy and they should consider bringing back Wolverine, Spider Man, The Hulk, etc. and even though Deadpool and Iron Man have been in the top ten they still are not one of the major sales characters for Marvel (Doran, 2010). Marvel at present is trying to bring some of the older and non famous characters in to the picture but the issue is that these characters have never been able to attract the market in the past so even considering bringing them would be to some extent risky but instead Marvel could consider making special appearances from some of the more famous characters like Spider Man, Wolverine, The Hulk, etc. and this intern would give the newer character some much needed support to become famous.

## Toy Production

Toys play an important role in creating customer loyalty as kids and adults alike can read or watch their favorite characters and as long as there is nothing new but when it comes to toys and action figures there will always be a continues demand for it, thus it is important to focus more on trying to bring new toys to the market. The most sold toy for Marvel in a decade has been The Hulk Hands which sold 4 million units in 2003 but the thing to notice is that after the release of The Hulk Hands no other toy as mad an impact on the sales, thus Marvel might consider creating newer toys that could be in the same standard as The Hulk Hands. Another strategic issue is their toy makers as at present Marvel produces all their toys from one Toy Company and this is also the reason why there is no new creative ideas coming forth as after some period of time every company exhausts their creativity and resources, consequently the right decision for Marvel would be to change their producers or may be even have more than one producers for various characters and this will force competitions between the producers to make newer and better products one of the products that could work is making trading cards like Baseball, WWE, Yu Gi Oh, etc., this is an easy method to keep the children and youngsters interested in the characters. In addition to that the company could also hire an external company to keep a track of the quality and durability of the products this will help to keep the company on their toes thus driving them to success.

## Motion Pictures

Marvel has sold rights of Spider Man, Iron Man, The Hulk, X-Men, etc. to various studios and there are many more characters that have been expected to make the re-entry in the movie industry like Thor, Captain America, Ghost Rider, Deadpool, Magneto, etc. but the issue here is that due to whatever reasons the movies are releasing at an extremely slow pace which to some extent is causing a fall in the market share and according to speculations the major reasons for releasing some of these characters is to make the movie The Avengers which includes some of the most famous characters of Marvel but the issue would be that it would take at least three years for the release as there are at least 3 more characters that have to be released. So a valuable recommendation would be to try to force the studios to release these movies at a quicker pace or to give the rights of the other remaining characters to the other studios as most of these characters could be released at the same time period.

## Other Recommendation

Marvel has to first embrace that DC comics may not be performing well at present but their misfortunes could change quickly thus Marvel needs to understand that DC’s major hope in terms of movies, comics and T. V. are Superman and Batman. Batman has recently gained a large market due to the release of The Dark Knight which has shifted the movie market in their favor and this is mainly due to their villain The Joker played by Heath Ledger. On the bright side Marvel has also released several movies that have created interest in the market but to tackle this problem Marvel will need to try and release the Avengers which seems to be the only story in their arsenal that could shift the whole market and at the same time release toys and video games which will help the market growth. Another recommendation would be to take more interest in the companies that are producing their characters whether through toys or movies as any mistake from the companies could truly damage their characters image and having control on what goes on in the movie and the toy company would be one of the better options for them and this could easily be done by sending one of their creative personals to be involved in the products.