

The Numbers of Comics (possible earnings potential)



Abstract:

This document discusses rough cost estimates for distributing a comic book.

Introduction:

My name is Kevin Lane. I started a company called Shades of Toad Productions to sell my creative works: novels, art, music, etc. . I can be contacted at:

klane@shadesoftoad.net

One of these ventures is a comic book entitled: Shades of Toad Presents. After completing the first issue, I took a look into the workings of comic book distribution to gauge the feasibility of distributing my comic book nationally. This document shares my findings.

Disclaimers:

The numbers represented in this document have been gathered from various sources (see references page for details). Most of this information is available on the Internet to the general public. Some figures (such as printing costs) were supplied by various vendors for my specific case.

All of these numbers represent a specific moment in time. Industry trends and market fluctuations can drive these numbers up or down at any given time. Please perform your own research for your particular case to get the most up to date results.

This document is neither intended to encourage nor discourage someone from producing their own comic book. This document details my findings for my particular case. As with any endeavor, it is in everyone's best interest to do their own investigations and draw their own conclusions.

Body:

First, some details about my comic book. It is a standard-sized print (6 5/8" x 10 1/4"), full color covers with full color interiors, and 24 pages of interior content.

I sell my comic for \$6.00 (US dollars). I believe the average mainstream comic book price at this time is in the \$5.00 range.

My first print run was through a print-on-demand shop for 50 prints.^[4] This was to cover a local release event and provide copies for friends and family.

Pursuing a larger market, I was directed to Diamond Comic Distributors^[1]. They are *the* top comic book (and related merchandise) distributor in the United States.

Wikipedia.org has an entry for Diamond^[5] that gives a good background about the company and its unique situation.

Here are a few points from the Diamond website:

Diamond expects a 60%-70% price cut off the cover price of the comics it distributes.^[1]

Diamond expects minimum sales of \$2,500 to keep distributing a comic book series.^[1] If a series does not meet this level it is dropped. (see website for exact details)

Diamond expects the comic book owner (also known as the vendor) to deliver printed issues as per the request/ responses it gets from its distribution points.^[1] (In other words, the comic book vendor pays for the printing and shipping of the issues to be distributed.)

OK. So now some math. Probably the longest word problem you will ever experience:

For these calculations we will assume the following things:

- 1) the best case discount for the comic book vendor (Diamond only expects a 60% discount)
- 2) being a new title this release will just meet the minimum sales required for distribution
- 3) there are no paid advertisements in the comic book that help to offset productions costs

If I sell my comic book for \$6, and the distributor expects a 60% discount off the cover price, that means I get 40% potential earnings for each sale:

$\$6.00 \times 40\% = \mathbf{\$2.40 \text{ per issue}}$ (best case vendor earning per print)

In order to continue distributing my comic book, I need to make the minimum sales mark:

$\$2,500 / \$6.00 = 416.66\dots$ or **417 issues** (per month to maintain distribution status)

(I assume the minimum requirement is on the monthly time base, though this is not explicitly stated on the Diamond website.)

My print-on-demand source cost me \$3.40 a print at any quantity^[4]. Since this is *more* than what I get in earnings potential using a distributor, the print-on-demand source is not a viable avenue for national distribution.

The Diamond Comics website lists a number of printers it has worked with in the past.^[1] Contacting one of these sources returned the following printing quote:

Print Run	Print Run Cost	Cost per Print	Profit per Print
1,000	\$2,220	\$2.22	\$0.18
2,000	\$2,355	\$1.18	\$1.22
3,000	\$3,310	\$1.11	\$1.29
4,000	\$3,540	\$0.89	\$1.51
5,000	\$3,720	\$0.75	\$1.65
10,000	\$4,820	\$0.48	\$1.92
15,000	\$5,870	\$0.39	\$2.01
20,000	\$7,235	\$0.36	\$2.04
25,000	\$8,390	\$0.34	\$2.06

Table 1: Comic Book Printing Costs

NOTE: The first two columns are the quote, the second two columns are calculations based on the preceding discussion.

A quick plot to see cost per comic book print:

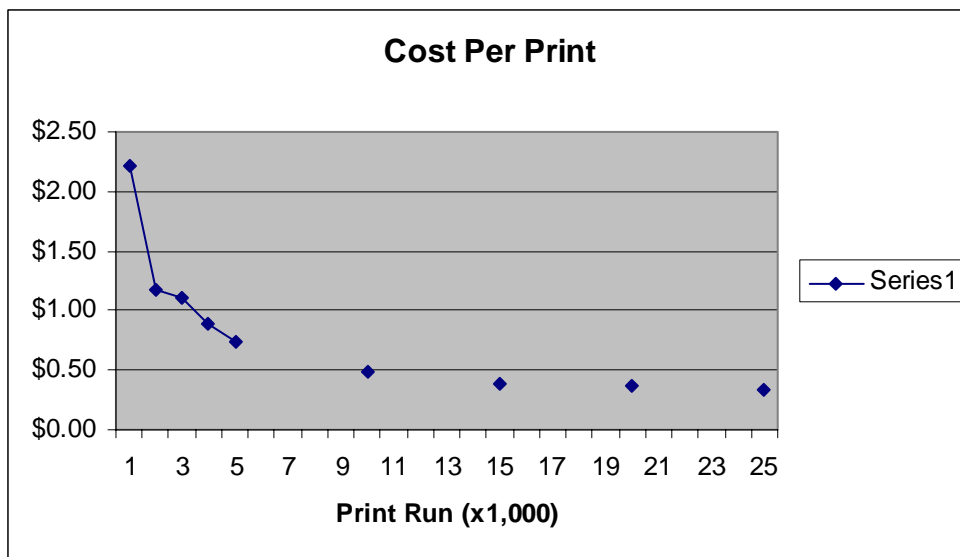


Figure 1: Cost of Comic Book Print

Since the minimum quantity for distribution status is 417 issues, I have to purchase the minimum print run which is 1,000. That cost per issue is \$2.22, so earnings potential is best case profit less printing costs:

$$\$2.40 - \$2.22 = \$0.18 \text{ profit per issue sold}$$

If all 1,000 issues sell:

$$\$0.18 \times 1,000 = \$180.00 \text{ profit*}$$

* These calculations do not take into account the shipping fees for moving the comic book prints from the printer to Diamond's distributions center(s). Nor does it include any price reduction for early payment on Diamond's behalf, etc.

However, if I only meet the minimum sales to keep being on Diamond's distribution list the earnings potential is:

$$\$0.18 \times 417 = \$75.06 \text{ profit}^{**}$$

**Same disclaimer as * above, with the added cost of $(1,000 - 417 =)$ 583 comic prints that did *not* sell but had to be paid for because the printer only prints in increments of 1,000:

$$583 \times \$2.22 = \$1,294.26$$

This yields a net of:

$$\$75.06 - \$1,294.26 = \$1,219.20 \text{ deficit}$$

Therefore, meeting the minimum sales requirement for Diamond distribution results in a loss for the vendor.

To break even the cost of printing must equal the earnings potential. Or put another way the profit from the sold comics must equal the cost of printing the unsold comics.

Let P = number of sold prints

$$\begin{aligned} \text{profits} &= \text{unsold comics cost} \\ P \times \$0.18 &= (1,000 - P) \times \$2.22 \\ 0.18 P &= 2,220 - 2.22 P \\ 2.40 P &= 2,220 \\ P &= 925 \text{ comics sold to break even}^* \end{aligned}$$

(* again, this does not take in to consideration shipping fees etc.)

As Figure 1 shows, the printing costs drops with the increase in print run quantity. Table 2 shows potential earnings if an entire print run sells out.

Print Run	Profit per Print	Potential Earnings if Sell Out	Break Even Point prints sold (% sold)
1,000	\$0.18	\$180	925 (93%)
2,000	\$1.22	\$2,440	983 (49%)
3,000	\$1.29	\$3,870	1388 (47%)
4,000	\$1.51	\$6,040	1483 (37%)
5,000	\$1.65	\$8,250	1562 (31%)
10,000	\$1.92	\$19,200	2000 (20%)
15,000	\$2.01	\$30,150	2438 (16%)
20,000	\$2.04	\$40,800	3000 (15%)
25,000	\$2.06	\$51,500	3542 (14%)

Table 2: Potential Earnings as a Function of Print Run Quantity

For an idea of how many prints sell each month for a top comic book series, we can look at the sales for Diamond Comic Distributors for the year 2007:

~85,270,000 comics for its top 300 titles ^[2]

Average monthly sales for one of these titles:

$85,270,000 / (12 \text{ months} \times 300 \text{ titles}) = 23,686$ prints per month for each title

At 20,000 print run cost/ earnings rate:

$23,686 \times \$2.04 = \$48,319$ earnings per month***

(*** with all prior caveats about shipping costs etc, and a reminder that this is for *one specific case* where the comic book sells for \$6.00)

Presumably, sales were not spread equally over these 300 titles, nor equally spread out over the 12 months of the year.

In Conclusion:

I will save any conclusions for the reader, except for the observation that for the cost increment from 1,000 to 2,000 prints (for this particular printer) seems negligible (6% increase). If the vendor has any opportunity of selling off unsold stock, the 2,000 print run offers an opportunity to make some earnings potential, whereas the 1,000 print run offers a very limited potential even in the best-case scenario.

References:

^[1] **Diamond Comic Distributors, Inc.**

www.diamond.com

<http://vendor.diamondcomics.com/public/default.asp?t=1&m=1&c=2&s=247&ai=36249>
Sales Minimums

<http://vendor.diamondcomics.com/public/default.asp?t=1&m=1&c=2&s=247&ai=36241>
Proposed Terms of Sale (Diamond discount, payment terms, etc.)

<http://vendor.diamondcomics.com/public/default.asp?t=1&m=1&c=2&s=246&ai=36227>
A list of comic book printers from the Diamond website

^[2] **Comic Buyer's Guide**

www.cbgxtra.com

<http://www.cbgxtra.com/Default.aspx?tabid=1857>

Comic Book Guide- sales for Diamond Comics year 2007

^[3] **Brenner Printing & Mailing**

www.brennerprinting.com

Sales quote for comic book prints (via Email request)

^[4] **Ka-Blam Digital Printing**

www.ka-blam.com

<http://www.ka-blam.com/index.php?page=Calculator&dis=1>

Comic Book pricing quotes available on-line.

^[5] **Wikipedia- The Free Encyclopedia**

http://en.wikipedia.org/wiki/Diamond_Comic_Distributors

Article on Diamond Comic Distributors