

Back Issue Analysis

From the May-June 1997 "Comics Spectator"

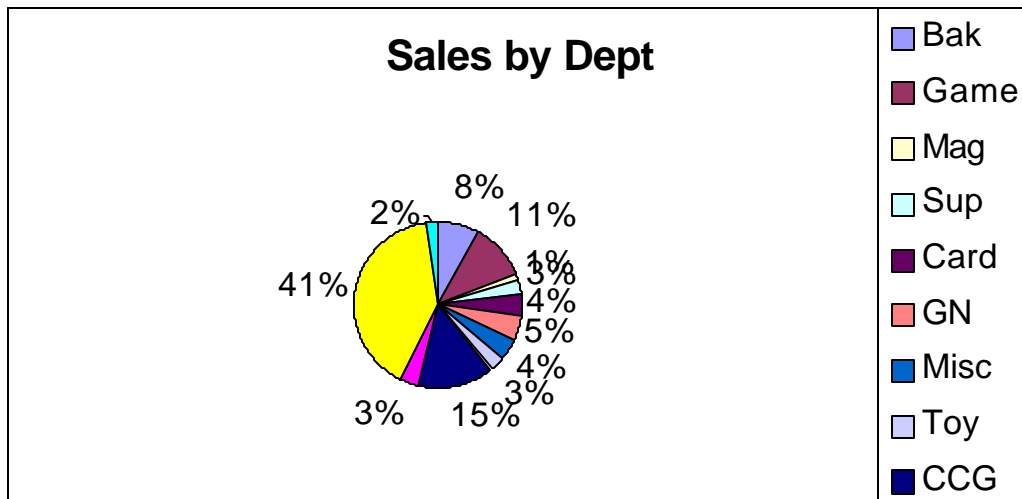
This material had originally been prepared for an article in Diamond's *Diamond Dialogue*, but never ran. While it is nearly four years old, we haven't seen any major changes which would affect the implications derived from the data.

This analysis is based on sales data from twenty-one of our POS (Point-of-Sale) software users, combined with customer demographics from in-store surveys carried out on their POS systems. All the surveys took place in a nine-month period in 1997 and represent close to 7,000 individual customer transactions.

What Were the Survey Stores Like?

The range of store sales varied from \$150,000 annually to more than \$500,000. Some stores were located in regional malls, most were located in strip centers.

The first chart show the range of merchandise which the stores in the survey carried.



New Comics represented 41% of all sales, with *Collectible Card Games* taking second place with 15% of sales. *Games* (not including CCGs) were in third place with 11% of sales and *Back Issues* were on fourth place with 8% of dollar sales. Several stores in the survey group did have substantial *High Value Back Issue* sales (in the \$20.00-\$70.00 price point range) so your mileage will definitely vary from these figures.

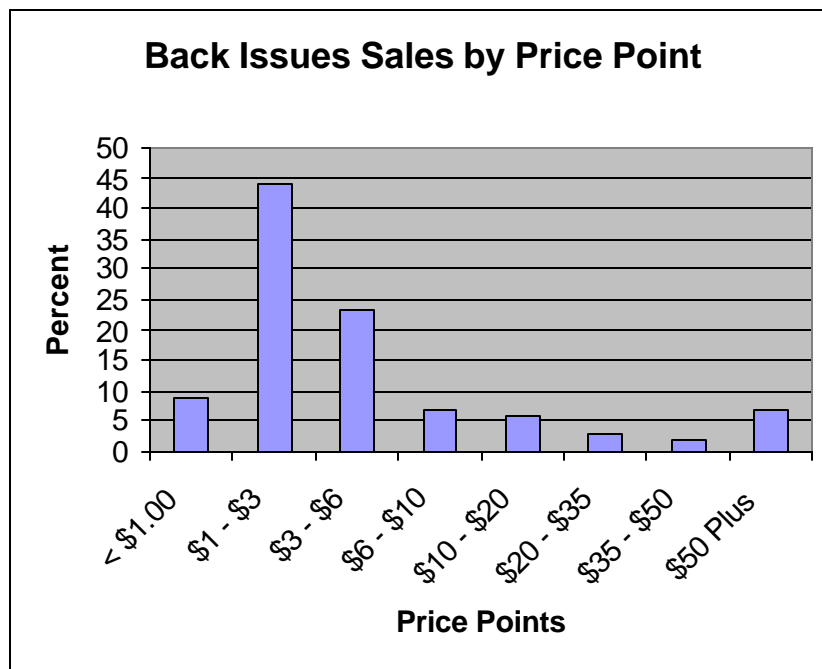
The next chart shows the average value per piece of merchandise sold by department. It appears that most of these values are typical of what's going on in modern comics specialty stores.

Average Unit Cost by Department	
Back Issues	\$ 5.23
Cards	\$ 2.65
Collectible Card Games	\$ 3.77
Games	\$ 8.08
Graphic Novels/Trade Paperbacks	\$ 14.03
Games Workshop	\$ 11.62
Magazines	\$ 4.24
Miscellaneous	\$ 10.09
New Comics	\$ 2.60
Collector Supplies	\$ 1.27
Toys	\$ 7.96
Videos (Sales and Rentals)	\$ 27.23

The distribution of sales by *price point* showed that most activity was in relatively low-priced back issues in the \$1.00-\$3.00 range, with 44% of unit sales in this group. Another 24% of unit sales came from back issues in the \$3.00-\$6.00 range.

Back issues with a value of \$50.00 or more came in with about 8% of unit sales in the survey group, as did back issues in the “less than \$1.00” range. What’s interesting in this data is that relatively inexpensive books in the \$1.00-\$6.00 range were dominant in terms of unit sales. High-priced books (\$50.00 or higher) were dominant in terms of the percent of total back issue sales, which one would expect.

We think that this data supports the theory that “completists” and “collectors” are



slowly yielding in importance to “readers” and “reader-collectors”. Bear this in mind when you look at your own back issue department in terms of who you are trying to attract as regular customers.

Back Issue Sales by Price Point			
Price Point	Percent of Unit Sales	Percent of Dollar Sales	Average Value of Back Issue Sold
< \$1.00	9.9	0.3	\$ 0.34
\$1.00 - \$3.00	44.3	7.4	\$ 1.85
\$3.00 - \$6.00	23.5	8.0	\$ 3.73
\$6.00 - \$10.00	5.7	3.3	\$ 6.50
\$10.00 - \$20.00	5.4	6.0	\$ 12.18
\$20.00 - \$35.00	1.4	3.1	\$ 23.68
\$35.00 - \$50.00	0.7	2.1	\$ 35.00
\$50.00 Plus	9.1	69.7	\$84.49

Back-Issue Customer Demographics & Buying Behavior

When we looked at back issues sales by customer age, *the only price group where under-eighteen customers were a significant group was the \$6.00-\$10.00 range!* (Their strong showing in the \$35.00-\$50.00 range was due to the very small number of customers in the survey who bought merchandise in that range).

More than 90% of back issue customers were male, while roughly 84% of the customers in the entire survey were male. In other words, back issue sales are even more oriented toward male customers than the rest of the store!

On the other hand, female customers tended to focus their purchasing in the \$3.00-\$6.00 and \$10.00-\$20.00 price ranges. This is significantly different from male buying patterns, and strongly suggests that wise retailers will work hard to make their stores more “female-friendly”.

Asian customers tended to buy New Comics and miscellaneous Specialty items very strongly in this survey dataset, but their incidence of Back Issue purchases was almost nill! This figure might have been different if any of the stores we surveyed had significant stocks of back-issue *anime*’ titles.

Black customers tended to focus on inexpensive (\$1.00-\$3.00) back issues, although in the overall survey they were moderately strong purchasers of mainstream super-hero comics.

Hispanic customers in our survey (mostly of Mexican ancestry rather than Puerto Rican or Cuban) tended to not purchase back issues at all, and bought far fewer comics than any of the other three ethnic groups we tracked.

Caucasian customers were the most significant group of back issue purchasers, which is consistent with anecdotal evidence gained from many comics retailers.

Percent of Back Issues Bought by Age, Race and Sex								
Price Point	Pct <18	Pct 18+	Pct Female	Pct Male	Pct Asian	Pct Cauc	Pct Hisp	Pct Black
<\$1	0.0	100.0	1.1	98.9	0.0	100.0	0.0	0.0
\$1-\$3	10.3	89.7	6.5	93.5	0.5	73.7	0.8	25.3
\$3-\$6	7.1	92.9	20.3	79.7	0.0	88.2	3.8	8.0
\$5-\$10	54.9	45.1	0.0	100.0	0.0	100.0	0.0	0.0
\$10-\$20	18.4	81.6	14.3	85.7	0.0	100.0	0.0	0.0
\$20-\$35	0.0	100.0	0.0	100.0	0.0	100.0	0.0	0.0
\$35-\$50	83.3	16.7	0.0	100.0	0.0	100.0	0.0	0.0
\$50+	0.0	100.0	0.0	100.0	0.0	100.0	0.0	0.0
All	10.9	89.1	8.5	91.5	0.1	85.6	1.2	13.1

Summary

What does this mean for the comics retailer? If you have the expertise and critical mass of high-end back issues (books in the \$50.00+ price range) you can generate substantial dollar sales. But you will have to tie up lots of capital (an estimated \$200,000 or more) for an indefinite period of time as well!

The hottest price points for back issues are the \$1.00-\$6.00 range, and price is more a function of a customers desire to read the story in the book than a completist urge to fill in their “run” of a title.

Women continue to be an under-developed section of the comics marketplace. The percentage of female customers in the survey group was a little more than 16% while women only represented 9% of back-issue sales. Why is it that more women don’t purchase back issues? (*Read your “Friends of Lulu” retailing book again!*)

Compare these results with your own store and figure out where your store varies from these figures and why the variance exists. If you can’t develop most of these figures for your store you’ve lost much of the ability to figure out the most profitable course of action for your store to follow. If you’d like help in developing performance ratios for your store, give us a call or e-mail.