

# Marvel Step by Step towards the Road of Transformation to Success

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**Abstract.** This study is about Marvel's company transformation. Company transformation is essentially going from an old way of operating to a new or up-to-date way of operating. The topic of this study makes the transformation of Marvel and whether Marvel's transformation is successful. In order to study company transformation, the research uses specific examples from Marvel. The author of the study the research introduces the history of Marvel's establishment and development and introduces the events, time and background of Marvel's transformation. Also, this study will analyze the transformation of Marvel from the aspects of the product, price, external cooperation and promotion respectively. And in the end part of the paper will give relative suggestions. Transformation is important, and Marvel is successful after the transformation. It is a substantial upgrade for Marvel to go from doing only comics at the beginning to Marvel movies now. In contrast, Marvel's popularity has increased. Product sales have increased. Earnings have risen substantially. At that time, the environment and the era of comics were gradually replaced by television, so Marvel decided to transition to the production of film. So the study suggests that Marvel's transformation was successful.

**Keywords:** Marvel; transformation; film & TV industry.

## 1. Introduction

In the early days of Marvel, comics were the top entertainment program for young Americans. The biggest rival at the time was DC. But after a few years, the market moved from the comic book industry to the film and television industry. At that time, young people rarely read comics. It was almost always TV or movies. So in that era, the comic book industry was hit hard. Marvel is no exception. Marvel will also be on the verge of bankruptcy. It was in this situation that Marvel's transformation made the way to escape bankruptcy. At the same time, the study focuses on how Marvel is transformed, whether the transformation is successful, and what methods are used for transformation. This study is about the transformation of the company. Corporate transformation is about redefining corporate goals, creating new capabilities, and leveraging those capabilities to meet market opportunities and regain a sustainable competitive advantage [1]. It is a good option when a company or business is no longer accepted by the market or when the market is saturated. It is important to be able to bring a company that is on the verge of bankruptcy back to life. Transformation is also very important to Marvel. At this time Marvel changed its corporate strategy according to the local market dynamics. The U.S. comic book market was on the verge of extinction. Comics were gradually replaced by television and movies. Because compared to comics, television and movies bring the audience a better sense of vision and experience. So the Marvel company from the comic book industry to the film industry, mainly in various industries. In 2002, "Spider-Man" was released. In 2008, a movie was released to turn Marvel around. Subsequently, it also created the great world of Marvel Universe and gave Marvel a place in the world far beyond that of DC. It started the road to Marvel's success. The study of Marvel's transformation can let more entrepreneurs know the importance of transformation. This paper will analyze the background of the times and the formal case of Marvel. The analysis will be done in terms of product, price, channel, and promotion based on 4Ps theory.

## 2. Marvel Company and Marvel Universe

In the 1930s, in the market, Marvel's biggest competitor was the DC Company founded by Malcolm Vile Nicholson in 1935. It caught fire by Superman in the superhero series in 1938 [2]. DC's comics in all aspects exceeded Marvel's. Although the latter Marvel caught up with DC. Marvel developed its own Marvel world. The appearance of the Amazing Spider-Man and the Fantastic Four and other characters makes Marvel became the second largest comic book publisher after DC Comics. But in the market at the time, the comic book industry was overtaken and replaced by industries such as games and movies. The comic book industry fell into underestimation, and Marvel suffered greatly. Part of the reason was that in 1930, there was a theory that comics would be a bad influence on children. Part of the reason the comic book industry fell into the doldrums was that television was a much better experience and more convenient for comics. Later in 1989, investor Ronald Perelman bought Marvel and turned it into a publicly traded company renamed Marvel Entertainment Group [3].

In 1996, due to the recession of the comic book industry, Marvel always hovered on the edge of bankruptcy. 1998 Marvel went through a restructuring. Marvel sold its many superhero rights at a very low price, including "Spider-Man," "X-Men" "Deadpool" "Wolverine" [4]. Finally, on October 1, 1998, a public toy company called Toy Biz, Inc. acquired Marvel Entertainment Group from bankruptcy. The new entity was named Marvel Enterprises, Inc. Later, when Sony acquired the rights to Spider-Man, it began filming the Spider-Man trilogy, which raked in \$2.5 billion at the global box office [4]. Marvel realized the importance of movies. Marvel began to transform. From the original comic book industry into the film industry. Finally, all of the hopes of Marvel are "Iron Man". This is the first step that truly belongs to Marvel's film. After a series of preparations, "Iron Man" finally began filming in 2007 and was released in 2008. After its release, "Iron Man" made about 600 million at the box office [5]. This will also be on the verge of bankruptcy if the Marvel Company began to rise from the dead. Also playing the role of Iron Man Robert Downey Jr. Downey was a hit. The film salary soared. Marvel's success cannot be separated from Iron Man. Robert Downey Jr. Downey's success is also inseparable from Iron Man. With the explosion of Iron Man, Marvel began to make superheroes into movies, such as "The Incredible Hulk", "Iron Man 2", "Thor" "Captain America" [6]. This gradually formed the Marvel Cinematic Universe. Later in April 2019, the release of "Avengers 4" in China took about 4.3 billion box office [6]. This is the first foreign film in China's history and the second highest-grossing film in the world. It was a successful transformation. It brought Marvel back from the dead.

## 3. Analysis of Marvel's Marketing Strategies

### 3.1 Earn Revenue from Marvel Products and Expand Awareness

Marvel's success has four elements, which can be analyzed product-wise, price-wise, channel-wise, and publicity-wise. In the product Marvel also through the simultaneous development of peripheral derivatives to achieve a value-added cultural brand and increase the stickiness of fans. Derivative products in addition to cooperation with the brand also launched toys, classic figures, T-shirts, and launched snacks, razors, custom cell phones, cars. A series of peripheral products so that the elements of American culture gradually penetrated into the life of the public. This reflects the diversity of Marvel products. The audience customers of these products are any age group. These products make the audience or fans pay more attention to Marvel. In 2002, before the release of the first Spider-Man movie, Spider-Man toys began to sell, and in 2001, Spider-Man toys accounted for more than 10% of Marvel's net income. In 2002, Spider-Man toys accounted for more than 35 percent of Marvel's net revenue, and in 2004, when "Spider-Man 2" was released, Spider-Man toy sales were approximately \$165 million [7]. Another example is Marvel's linking of movies and peripherals, both to turn profits and expand awareness.

### 3.2 Marvel Products Reach Everyone

In terms of price, Marvel uses the most appropriate or acceptable prices to sell its products. The vast majority of comics are centered on Marvel superheroes, such as Spider-Man and the Fantastic Four. A small portion is developed like characters. There are two main parts to comics. The first part is the issues. One has about 30 pages. It is published every two weeks or once a month and usually costs around \$3 [8]. The second part is the graphic novel. It is all the issues put together to record the complete story of a character. Usually, one book has 150 pages. The selling price is between \$10 and \$25. Marvel maintains an "aggressive publishing schedule. Approximately 60 issues appear each month, and 100 to 300 graphic novels are published each year [9]. They would then be sold in three channels. The first is comic book specialty stores, the second is traditional retail stores, and the third is sold by subscription. There are 3,000 specialty comic book stores in the U.S., which is enough to get Marvel comics everywhere. In 2003, Marvel's circulation had grown to 3.6 million copies per month: about 1.6 million for the children and teen market (17 or younger) and 2 million for the young adult market (18 or older). On average, the classic monthly magazine sold about 50,000 copies. In 2003, Marvel's comic book industry retail sales totaled approximately \$300 million. In terms of toys, the "Electronic Hulk Hands," a pair of large green hands that make sounds on contact, was awarded the Toy Industry Association's "Boys' Toy of the Year" award in 2003. It sold more than 4 million units at an average retail price of \$18, making it Marvel's most successful toy of all time. Also available is the Man Web Blaster, a glove that mimics Spider-Man. The price is about \$15. In terms of movie tickets, like the 2002 "Spider-Man" movie release average movie tickets at about \$9 [10]. These three aspects are to show that Marvel is thinking of its customers. Everyone can participate in the Marvel Universe.

### 3.3 Hire More Talent to Make Marvel Products and Earn Licensing Fees

In terms of channels, Marvel's management team hired experienced and well-known artists and writers to create movies and began signing exclusive contracts with creative talented people. Making Marvel's work more quality and popular. The licensing division can license Marvel's characters to a variety of media, including feature films, television series, video games, animation and destination-based entertainment (such as theme parks). Marvel also receives fees from the sale of licenses for the use of various consumer products. As an example, several licensees, including Activision, Encore, Universal Games, THQ and Electronic Arts (EA), have produced video games based on Marvel characters. Among them is Activision's Spider-Man game, which has sold more than 6 million copies since its debut in May 2002, making it one of the most successful video games of all time. In theme parks, Marvel characters have appeared at Universal Studios' Islands of Adventure theme park in Orlando, Florida, Universal Studios Hollywood and Universal Studios theme park in Osaka, Japan. The vast majority of licensing arrangements have resulted in royalty payments, with average royalty revenue per contract increasing from \$78,000 in 2000 to \$318,000 in 2003. Toys, boys' clothing and video games generated approximately 50% of Marvel's licensing revenue [11].

### 3.4 Products, Licensed Stuff and Advertising

In terms of publicity, Marvel has four points to expand awareness and give each movie good publicity. First Marvel relies on Marvel Comics IP. For example, The Amazing Spider-Man is a classic Marvel comic that is popular with a core audience. More than 500 issues have appeared since the early 1960s. In 2003, Marvel Comics' circulation had grown to 3.6 million copies per month: about 1.6 million for the children and teen market (17 or younger) and 2 million for the young adult market (18 or older). On average, the classic monthly magazine sells about 50,000 copies. There are also 3,000 specialty bookstores in the United States [12]. So this also indicates that Marvel Comics has an audience all over. It can greatly expand its popularity. Secondly, Marvel ignites public opinion hotspots. Marvel will explode some hot spots for various media to promote. This is also a good way to expand awareness. Third Marvel will with word-of-mouth communication, to drive brand awareness Marvel has used product and licensing to expand awareness. Marvel uses movies, TV,

animation or toys to bring them to life to promote their brand. Fourth Marvel usually has 30 to 80 million dollars of advertising investment to let the Marvel brand and specific characters global exposure [13]. Fifth the constant connection of each Marvel movie will create a stronger curiosity in the audience. Produces an extremely strong linkage of fresh fruit, triggering many viewers and iron-dry fans to explore and discuss. Marvel will also use social media to interact with fans, and even invite fans to indirectly participate in the production as co-producers, to jointly create the Marvel universe puzzle to build a large, loyal fan base.

#### 4. Problems

Although Marvel Studios has fans all over the world, it is a global company with the characteristics of moving toward localization. But in some ways, there are still many shortcomings in the aspect of stepping into the Chinese market. When stepping into the Chinese market, Marvel Studios expressed a little unconventional.

Marvel Shanghai tenth anniversary celebration event: On April 19, 2018, Marvel held a tenth-anniversary celebration in Shanghai, and invited local famous singers. But because of the process set up and execution on the cause of a large number of negative comments from Marvel fans. Most of the negative comments were due to Marvel's mismanagement, lack of clarity in the process, lack of attention in the selection of the host and the problem of mainland singers taking over the event. Compared to the 10th-anniversary celebrations in Singapore and Seoul, it seems that the Marvel Shanghai celebration was a failure. This celebration has led to a negative public perception of Marvel. So on April 20, 2018, Marvel made a public apology on the official microblog. The original strategy was that Marvel wanted to promote localization so it used Marvel's 10th-anniversary celebration to develop the Chinese market. The Marvel brand name in the Chinese market. But mismanagement and improper execution made fans dissatisfied with this event. It also brought a negative impact on the local brand partners [14].

On May 7, 2021, "Up Air" was released in theaters. The villain in the story is "Lord Manchu", which was interpreted as a character based on "Fu Manchu". Some fans asserted that the choice of the film's male and female leads represented the stereotypical image of Asians in the Western world. This led to unanimous resistance from Chinese fans and the charge of insulting China. A film is an art form and a form of ideological and value export across geographies and cultures. The film likewise opened the Chinese market with its choice of characters. Still, it was negatively impacted by its lack of understanding of Chinese culture and the Chinese market. Resulting in the loss of a large number of fans. These two incidents reflect Marvel's strategy to accelerate localization, but due to the lack of perfect execution, the lack of understanding of localization and difficulties in adapting to the Chinese market. Therefore, the two events were a failure and had a negative impact on the Marvel brand [14].

#### 5. Conclusion

The main purpose of this study is for entrepreneurs who are considering a transition to learn from the example of Marvel's transition and to understand it. In addition, the Chinese film and television industry is missing a film and television company with a global presence like Marvel. So the Chinese film and television industry can also learn from Marvel's strategy, etc. It will help entrepreneurs to create a company that belongs to China and has Chinese cultural elements. Marvel transformed effectively according to the market environment at the time. According to the 4Ps theory, analysis can be seen in the growth of Marvel. Marvel uses its products, advertising, hot spots, etc. to raise awareness and promote. So Marvel's transformation is successful. The original comic book industry transformed into a number of industries, mainly the film industry. Marvel made changes to suit the market situation at the time, which made Marvel a strong company. At the same time, there is the creation of Marvel's Marvel Universe world. It was a very successful creation, linking the movies to each other, engaging the audience's curiosity, and promoting them. This also makes Marvel movies

better and better. But there are also things that Marvel needs to do to improve. Marvel needs to strengthen its execution, understand the local characteristics of each place to make reasonable localization, and adapt to each market. This is what will strengthen Marvel Studios and make the Marvel brand resonate throughout the world. The improvement measures for Marvel's localization were not studied in depth in this study, which can be further discussed in future research.

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