

# White Paper Report: Slap's Music, Video, and Comics

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## Abstract

The purpose of this white paper report is to help provide Slap's Music, Video, and Comics with information regarding why their business is not doing well in this current, continuously evolving, market. In order to help Slap's our consulting team researched various topics such as the current states of the music, video, and comics industries, and popular social media tools. Through our research we were able to pinpoint what changes need to be made in order for Slap's to become competitive once again. One change is to get Slap's name out through social media. We have also created a mock website that will be equipped with an online store. The online store concept ensures that business transactions will still be taking place regardless of if Slap's physical location is actually open. Finally, we have introduced a few ideas that we feel will boost sales. One of these ideas is to create a new comic character to potentially become the face of the business. This comic character will make guest appearances each month when his/her new issue is released. The character will also have a social media page (such as a blog or Facebook account) to interact with fans. Another idea is to have a featured music album, movie, and comic of the week. By doing this, customers can potentially be reminded of memories with a once forgotten song, classic movie, or comic and be swayed into buying one of them as a memory keepsake. Based on thorough research, we have listed out a detailed plan in order for Slap's to see success.

## Current Business Conditions:

### Why is Slap's Business Currently Not Seeing Results?

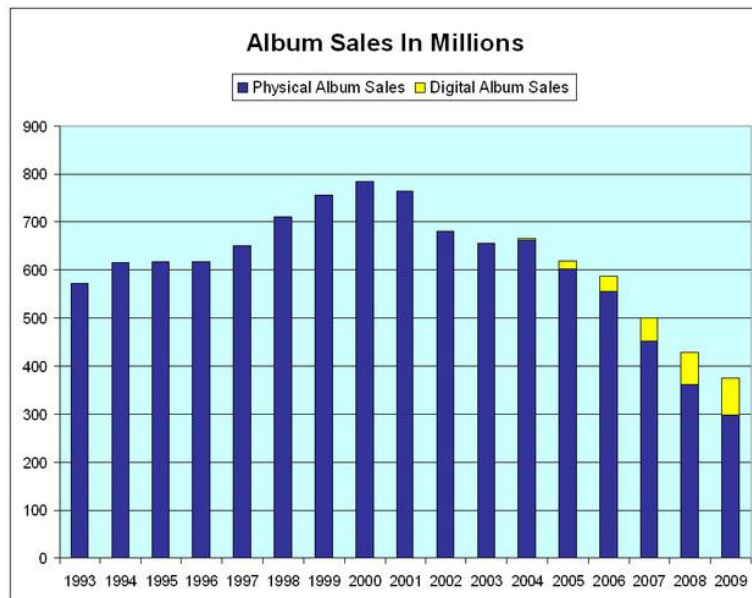
Slap's Music, Video, and Comics' business has declined due to a number of factors. Since the store first opened 30 years ago, the entertainment industry has changed dramatically. As we will detail below, both the video rental industry and the music industry are nothing like they were when the Smith family first went into business. This is due to the rise of the Internet. Digital movies and music have taken over, while physical sales and rentals have declined significantly. Furthermore, the Internet and social media have become an integral part of everyday life, but Slap's has yet to move with the progressing times and establish an online or social media presence, and therefore is missing opportunities to connect with the store's target audience.

### Status of the Video Rental Industry

The status of the video rental industry has shifted dramatically in the last few years. Just a few years ago, it was common practice for people to go to Blockbuster or Hollywood Video rental stores and rent videos for a few days before returning them. But with streaming services continuously adding to their libraries, and Redbox kiosks becoming more and more available, brick and mortar stores are going out of business. Digital movie sales have quadrupled in the past five years because the most important thing to consumers is convenience (Mintel Group). That is why every time you go to the store you see multiple Redbox kiosks; shoppers can get their groceries, and on the way out, rent a DVD for roughly a dollar a night. With all of these factors to consider, it would be a good idea for Slap's to consider moving away from new releases, excluding newer super hero movies, and specialize in older movies that are harder to find through digital mediums.

### Status of the Used Music Industry

Technology has fundamentally changed the music industry. Brick and mortar stores that sell CDs are becoming increasingly obsolete — why bother going to a store when it is much more



Graph: Shows Album Sales decreasing from 1993-2009 (Kenney)

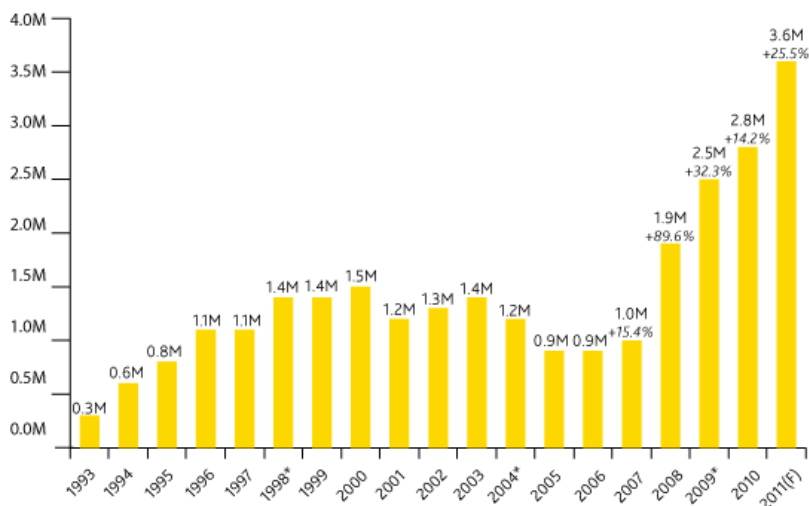
convenient (and probably less expensive) to download a song or album from an online provider, such as iTunes or Amazon, or to subscribe to a streaming service like Spotify? Digital music is seen as being more user-friendly than CDs. Consider the ease of downloading and playing music files on portable devices, compared to using a computer to rip music files from a CD — why go through that extra step?

This consumer desire for ease and convenience has been reflected in the decline of physical CD sales during the past decade (Pann, 2012). While sales of digital albums and tracks have risen 14% and 6% respectively in mid-year sales, CD sales have continued a slow and steady slide, dropping 11% ("scoopmarketing.com," 2012).

The used CD market has been affected by these changes as well. In addition to becoming less profitable, laws passed in recent years mean that those who buy and sell used CDs may face increased scrutiny. New "pawn shop laws" in some states, including Utah, require stores to make copies of customers identifying information, and even collect fingerprints—meaning that the simple transaction of selling a used CD is now more scrutinized than getting a driver's license (Fisher). Many record store owners no longer want to sell used CDs because they do not want to treat their customers like criminals.

One ray of hope for traditional record stores may be vinyl records. Mid-year sales of vinyl records are up 14% ("scoopmarketing.com," 2012), which is in line with the vinyl industry's growing resurgence. According to tinymixtapes.com, "[vinyl record sales] have grown every year for the past six years and which increased by 25% in 2011, from 2.8 million in 2010 to 3.5 million" (Reid, 2012).

### Vinyl album sales units



**Graph:** Shows Vinyl Album Sales from 1993-2011 (The Nielsen Company)

Rollingstone.com reported that "[t]his is a new record for vinyl sales since 1991, when the format had all but disappeared in the wake of the CD boom" (Perpetua). In fact, Eckert reported that "Vinyl has been slowly crawling back into public consciousness for a few years now, and it's gone from a hipster-nostalgia thing to a more widespread resurgence. It's possible to buy albums from some really popular artists on records, as opposed

to just the obscure indie acts, which means the medium will naturally have more mass market appeal" (Eckert, 2012). Record stores should focus on well-known acts and "higher quality records instead of flash-in-the-pan garbage" (Eckert, 2012) in order to make a profit from vinyl sales.

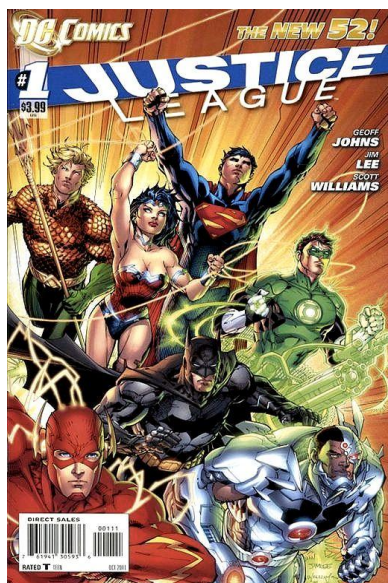
Additionally, "events like Record Store Day encourage artists to put out special edition releases, like singles or bonus tracks, that are available in limited quantities in selected stores. It makes people want them, and it's pretty win-win — the consumer gets unique stuff on top of the album, and the artist gets to actually make a living" (Eckert, 2012).

There are several advantages of vinyl records. First, independent record stores like Slap's have gotten nearly three quarters for record sales in the past three years (The Nielsen Company, 2012). Furthermore, vinyl records are less subject to copying and pirating. "Records are, in fact, a really good way to keep people actually paying for music instead of pirating it, as well. A lot of fans love the tangible aspect of the format and the accompanying larger-scale artwork" (Eckert, 2012). Records are big sellers for fans who love album artwork, as well as audiophiles, and nostalgic music fans who appreciate the older format.

## Status of the Comics Industry

According to a news article by Shannon O'Leary titled "Comics Retailers See Strong Sales in 2012," she stated that the comics industry saw a jump in sales "toward the end of 2011 that have continued through 2012." Elizabeth Jordan, a book buyer stated that "Graphic novel sales are up this year by almost 14%" (O'Leary, 2012). So, why are Slap's Music, Videos, and Comics not seeing the same results? There are a few different reasons why.

Comic superheroes such as Spiderman, Batman, and the Avengers are popular right now. Slap's needs to ensure they always receive the new releases, and then feature them with signs outside and inside the store. When a customer walks into the store the first thing they are greeted by is the new release comic sign and also footprint tracks on the ground with that superhero's particular foot (Hulk footprints for example) guiding them in the direction of where the comic is located.



Another key to help promote business is to understand what comic is doing well at any given time. For example, in August of 2011 DC Comics released the first issue of their new 52 series comics titled Justice League #1. This was the first comic book to sell over 200,000 copies since 2006 when Justice League of America #1 did it (Elfring). By understanding which comic is doing well, Slap's can ride its popularity in order to increase business sales.

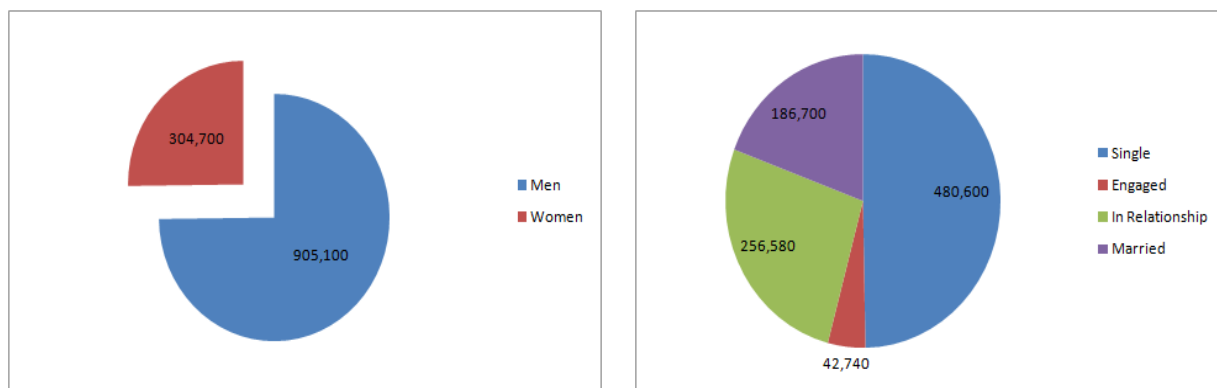
We also like the placement of the comics being in the back of the store. By placing popular comics in the back of the store, customers will have to walk through the other two sections (Movies and Music) and possibly browse and purchase more items. We would like to implement a featured music album, DVD, and comic of the week as well. Based on discussions as a consulting firm we were all able to recall times when we dreamed of being superhero's while sitting down in our rooms reading comic books. Therefore, when you are reminded of that specific title you get excited as you recall your childhood which can potentially lead you to making a purchase for memory's sake.

According to Dan Buckley, publisher for Marvel, he "points to a 1.2 percent industry-wide sales increase in 2011 as a sign that comics books are still selling" (Rasmussen). With Comics

evidently still being sold industry-wide, our consulting firm wants to also propose that a new comic book character be created to potentially act as the face of Slap's business.

Based on Veronica Smith's passion for comic books and her art background, we have asked her to be the creator of the new character and then be responsible for creating a new comic book with this character that will be released monthly. By Veronica creating the character, she will be able to pitch it to Slap's current customers and also new customers that walk in the door. We will also place a suggestion box by the cash register for customers to provide input for potential ideas of upcoming issues. This would make the customer feel like they are truly part of the Slap's family and like their suggestions matter if they see their ideas in a future release. Finally, this new comic character would then make monthly appearances at the store to greet fans when a new issue is released to create hype and excitement.

## Geographic and Cultural Factors



**Pie Charts 1 & 2:** First graph shows gender of comic book buyers. The second graph shows the relationship status of comic book buyers (Polo).

A business such as Slap's would want to be in a place like a college town because these towns are full of the perfect demographic they would want to cater toward. A research study found that a majority of people who are comic book fans are single males. The next highest group that purchases comics are those in a relationship, followed by married individuals.

A college town is the perfect place for Slap's to be. But, maybe the physical location is being overlooked by potential customers. Ideally, a location really close to the college that is within walking distance would be best. As a teen is heading home from classes, he/she can stop by Slap's conveniently. Slap's would also flourish in place that is current, up to date with technology, and all of the trends that come with a college town.

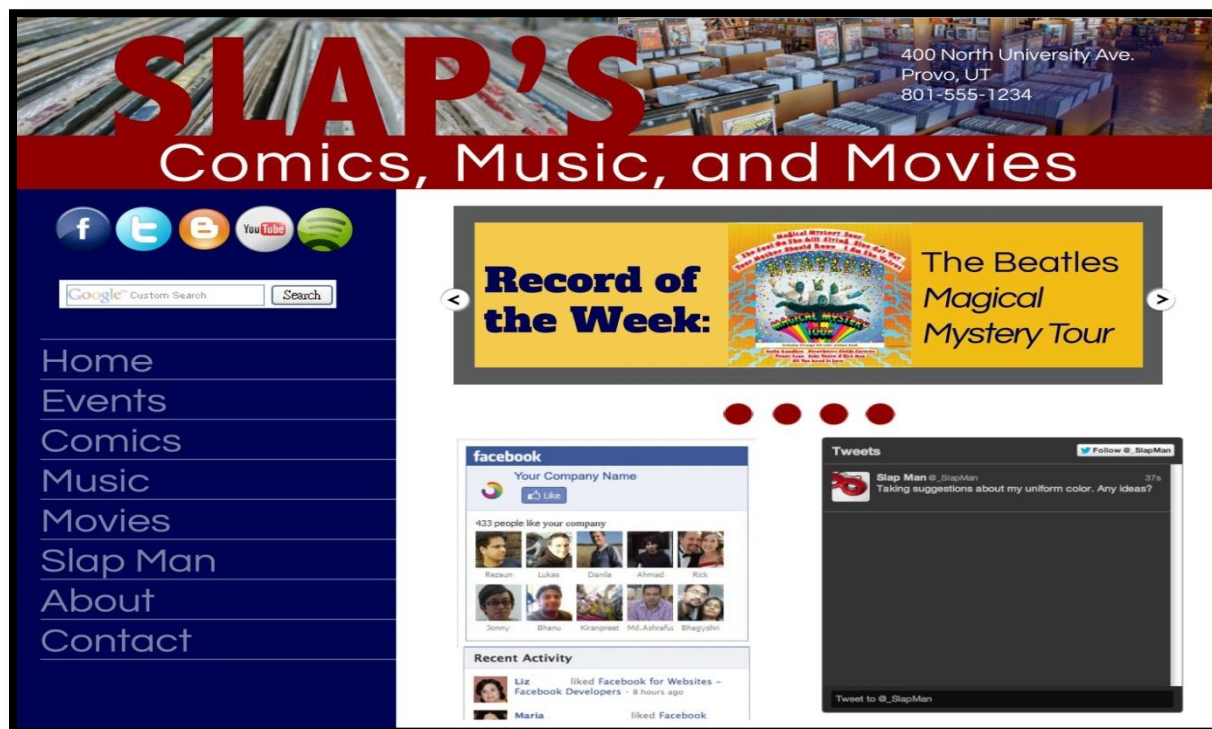
Geographic issues can come into play by a place being too dry or not busy enough where people are going to be. This type of business needs to be in a place where people like to live and the climate is nice. Those in Provo where Slap's is located can have a big impact on sales because it seems like the majority there are Mormons. The content Slap's carries can have an impact because people in Provo grew up with a certain mind set, or were exposed to things that make them who they are, so they might not be interested in a lot of things that Slap's has to offer in

terms of music, movies and comics. Therefore, content is a big deal when being in a cultural where almost everyone, for example, is of the same religion.

## Website:

### Why the Store Needs a Website?

A recent study conducted by the BBB stated that 47 percent of consumers are more likely to use a small business that has a web site versus one that does not (Better Business Bureau). This should be more than enough to convince any small business owner to get a website. It does not have to be anything extravagant, but a web presence is absolutely critical if Slaps plans on staying in business for another 30 years. Not only will this make your store easier to be discovered by those who aimlessly wander the internet looking for things to spend their time and money on. But this will also give you access to a world of new opportunities. You can reach others through new advertising mediums, have an online store, and other possibilities.



Above we have shown an example of the new website we would help Slap's create. This website would enable consumers to purchase store items online, highlight promotions, give information about the comic/DVD/music album of the week, and give quick access to Slap's social media sites. As you can see, Slap's contact information is at the top of the page so that is one of the first things customers can find in case they like the person to person interaction that comes with visiting a store. There are also links to the comics, music, and movies pages where customers will be able to purchase items from the comfort of their homes. One advantage of having an online store is that when the physical business closes for the day

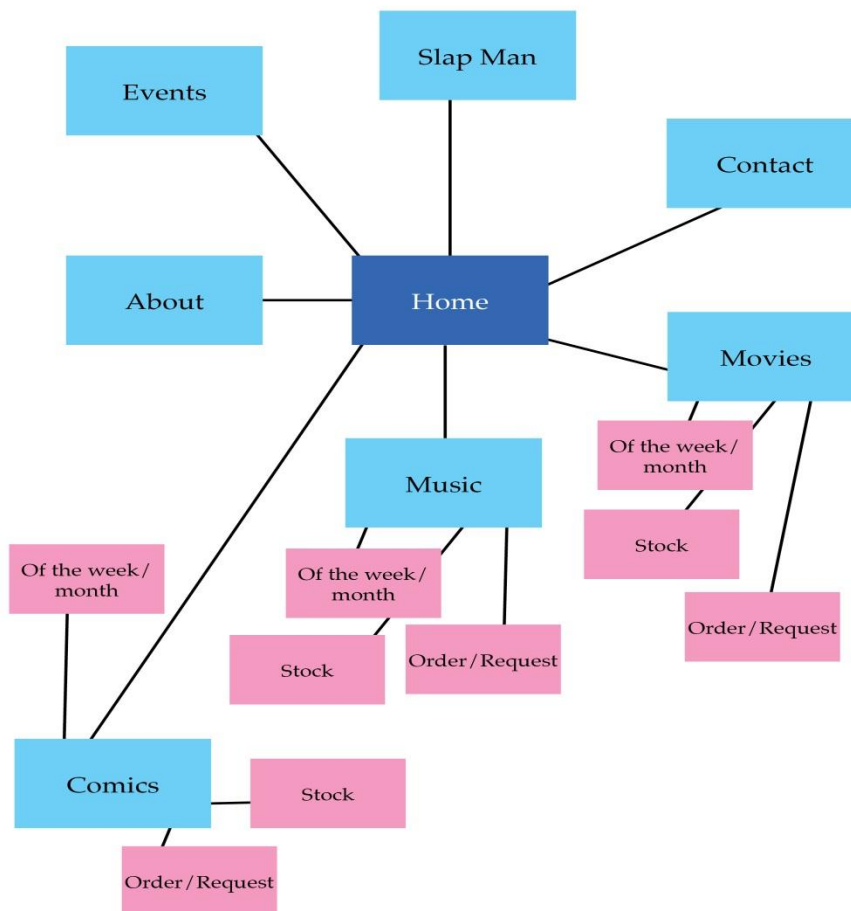


the online store is always open creating revenue. According to recent market research, 59% of consumers do their shopping online (Davis, 2011).

Don't be intimidated by maintaining and updating the website. A content management system can assist in updating information on the website and it is as easy to use as an excel spreadsheet. We also foresee Silas and Veronica playing a big part in updating the social media and website based on their already developed skills in this area.

## SiteMap for the Website

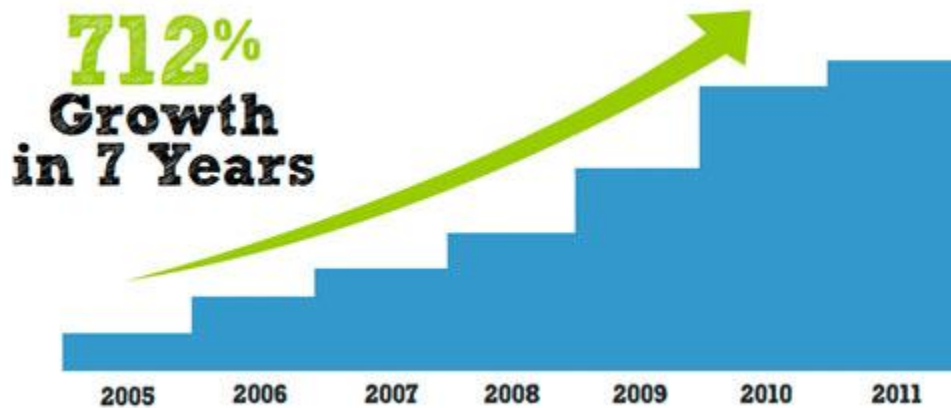
The SiteMap below shows how the links within the website would connect to each other.



## Social Media:

Social media could be the best way to get Slap's back in the game. There are a few reasons why. First of all, it gives you access directly to your consumer base. Secondly, you have a chance to connect and interact with your customers; making them not just customers but participants in the life of Slap's. We here at Stan Lee Incorporated have chosen a few social media sites that can be used to promote Slap's. The first is Facebook; this gives you the chance

to connect directly to your customers in a meaningful way. The second is Twitter; this gives you the chance to develop a personality for Slap's online presence. The third is Blogger. Through blogger, you can document and raise awareness in more detail of activities that are going on in the music, movie, and comic industries. Another one that could be used is Spotify. Through Spotify you can create music playlists to promote the music side of your business.



**Graph:** Growth of Social Media (Banda)

## How Social Media Would Address the Store's Specific Problems

Different social media applications address the store's needs in different ways. Facebook is the gateway to the social media world. As we all know, nearly every college student at least has a Facebook account. In fact, as Wang, Chen, and Liang report, Facebook is the most used social network among college students- 99 percent of college students have a Facebook account. They continued by saying, "students spend roughly 100 minutes per day on Facebook" (Wang, Q., Chen, W., Liang, Y.). People who like or follow the store's Facebook will see regular updates from the store, keeping it in mind and increasing the chance they will come in. Facebook users also have the option to "share," reposting the store's status update to their own wall and thereby give the store's original post a wider audience that now includes the sharer's friends. Facebook can also be powerful for Slap Man. He can have his own account with personality that will draw in followers. He can use Facebook to promote his comic and in-store events.

Another social media app that could draw in potential customers is Spotify. Users can create playlists and share playlists, and then their friends or followers are notified on Facebook, Spotify itself, or even via email. Slap's could use Spotify to create playlists promoting the cool, obscure, older music they carry. Slap's may also consider using YouTube and Blogger to promote Slap Man and the store. Blogger will house the Slap Man comics, and could also include videos from Youtube of Slap Man and in-store events.

## How Customers Would Use the Social Media

Social media can have a big impact on getting customers more involved with a business, especially a business like Slap's. A study asked the question as to what social media was the best or most popular according to consumers. The study revealed that the prefer social media site is Facebook. Customers would, or could, use Facebook to like the business page and get up to date news and deals that the business could promote to their customers. In today's world it seems like everyone is involved in some sort of social media preference so using these resources is the best option to reach as many people as possible. Customers can also use other sites like Twitter which enables them to send a tweet or direct message about a problem or something that they really like. Getting actual customer feedback to better things within the store can be invaluable and very beneficial to Slap's.

Customers would rather take to social media rather than actually calling the business because it is a lot more effortless to do as opposed to calling the business to voice concerns or give praise. Let's face it; more people these days are streaming on social media sites which mean more people will hear your "voice." By having a social media site for customers to make suggestions about the business this will improve sales because if they're taking the time to give feedback then they most likely want the best for the company also. If Slap's is made aware of the suggestion, then they'll be able to modify whatever the concern is. Obviously, if Slap's is not notified by customers of their concerns, then there is no way to fix them and these types of things can lose customers. However, by allowing for customer feedback, this can only help gain good rapport and your business name not only spread in social media, but by word of mouth.

## Conclusion

Our consulting firm has been grateful for this opportunity to research the current market in order to help Slap's profitability. We feel strongly in the recommendations made throughout this document and know that they will help Slap's become competitive in an increasingly digit market. By focusing on the strengths of each part of your business, Slap's will become even more competitive. Focus on vinyl records for collectors, classic movies for film enthusiasts, and make comics the main part of Slap's business plan. By utilizing the web, your consumers will have access to Slap's products 24/7, and you will be able to generate revenue even when the store is closed. It will be easier than ever to promote your business through the use of various social media applications.

If you follow the suggestions outlined in this report, we are confident that Slap's will see an increase in revenue through the generation of online sales, and an increased amount of in-store traffic because of social media application. We hope that we can help Slap's move forward and continue to serve the local community for another 30 years or more.

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