

**RETAILER SENTIMENT  
SURVEY:  
DISTRIBUTION**

**COMICS PRO  
OCTOBER 3, 2022**

## **INTRODUCTION**

Up until 2020, Diamond Comic Distributors (“Diamond”) was the only distributor for comic books in the Direct Market. (There were other options to order graphic novels – the book industry distributors – but a minority of comic retailers used these distributors).

In April 2020, DC Comics (“DC”) - left Diamond for two new distributors - one of which was Lunar Distribution (“Lunar”). In March 2021 – Marvel Comics (“Marvel”) announced a world wide multi-year contract with Penguin Random House Publisher Services (“PRH”).

Recently, other comic publishers have been moving their distribution to Lunar and PRH. (Dark Horse Comics, IDW Entertainment, Vault Comics, etc). Finally in September 2022, DC announced a new distribution deal with Canadian firm - Universal Distribution (“Universal”) which will bring Universal into the United States market.

With a variety of choices facing comic retailers, ComicsPRO surveyed comic retailers in order to gauge retailer sentiment towards these distributors. The hope is that by sharing how retailers feel about the various distributors, it will help the distributors determine how to improve their operations and services and how to better educate retailers on the services that the distributors currently provide.

This is a retailer *sentiment* survey. This measures how retailers are feeling and thinking about various factors and does not necessarily measure how well distributors are doing financially, operationally, etc. In other words, we are sharing only how retailers view various distributors as of July 2022.

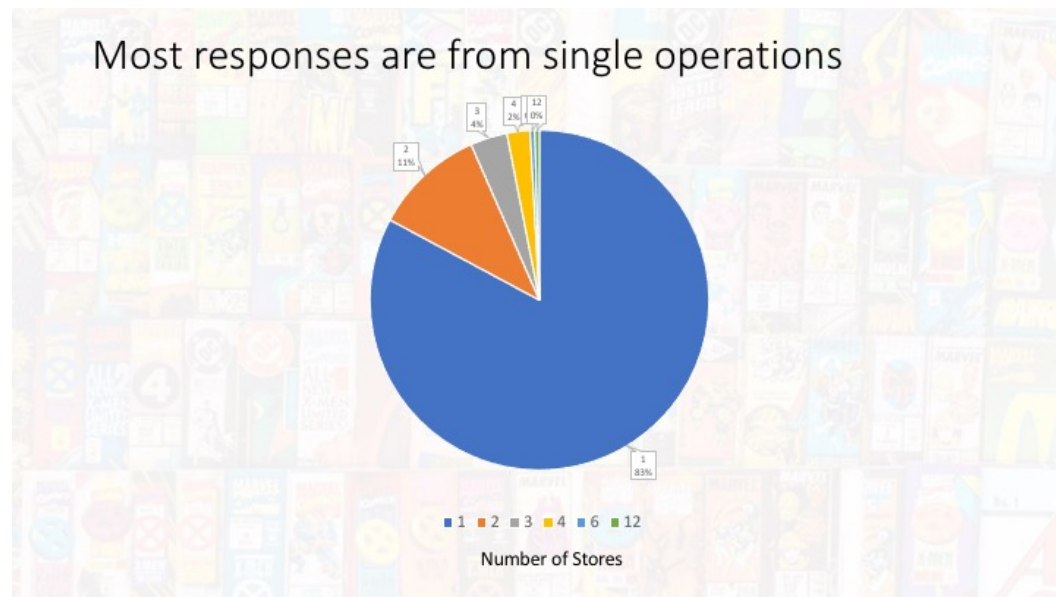
ComicsPRO sent a copy of this report, plus anything that retailers asked us to share to each distributor.

This survey is the first of yearly surveys that ComicsPRO aims to perform to measure retailer sentiment.

## **LOGISTICS**

In late July 2022, ComicsPRO invited store-front comic retailers (ComicsPRO members and non-members) to fill out a survey regarding comic book distribution. 234 retailers responded. The majority of retailers (210) were from US stores. 17 were from Canadian stores. 7 were from outside of North America.

95% of the respondents filled out the survey from July 13, 2022 to July 21, 2022.



The majority of respondents (83%) were single store operations.

100% of the stores used Diamond as a distributor. Over 90% used Lunar. Over 90% used Penguin Random House.

Less than 5% used Universal (17 Canadian stores). The sample size was smaller than we'd like and so Universal ratings should be looked at with a skeptical eye. We put an asterisk (\*) next to Universal Rankings to help remind readers of this. Hopefully, next year, as more and more retailers start using Universal for their comic distribution, we will be able to increase the sample size, and get a more precise retailer sentiment towards Universal.

## **SURVEY CONSTRUCTION**

The survey asked retailers to rank four comic distributors on a variety of different factors. The survey also asked retailers some open-ended questions about customer service and shipping (quality, speed, cost).

Here is the survey.

<https://comicspro.wufoo.com/forms/s16deqvi0e9qya2/>

The four distributors being ranked were Diamond Comic Distributors, Lunar Distribution, Penguin Random House Publisher Services, and Universal Distribution.

## **RANKING QUESTIONS**

Respondents were asked to rank distributors on a scale of 1 to 5 on a variety of different categories and rank the distributor a 6 if the respondent had no opinion. The ranking scale specified that 1=Terrible, 2=Bad, 3=Average, 4=Good, 5=Excellent.

We asked retailers to rank how well the distributors did with regards to:

Packing

Minimizing damages to weekly comics

Shipping Costs

Customer Service

Sending weekly items to store in time for New Comic Day

Wide selection of items available to order

Ability to order comics and graphic novels via their website

Ability of store's POS system to integrate with Distributor data

Overall grade

## **OPEN ENDED QUESTIONS**

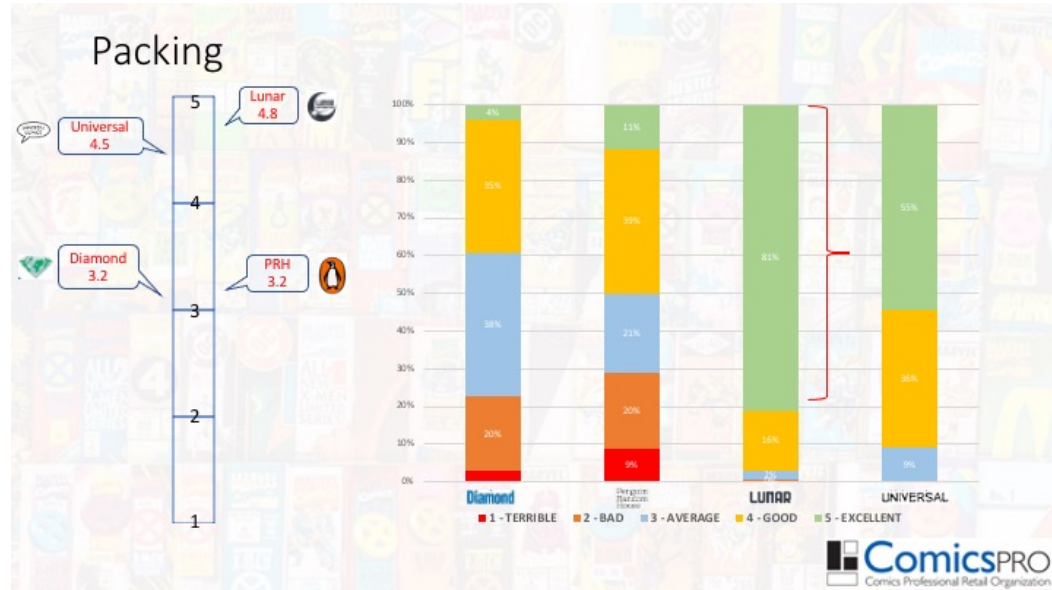
We also asked retailers some open ended questions.

Specifically we asked retailers to let us know what their average shipping costs were with each distributor. We also asked each retailer to provide specific examples of good and/or bad shipping from each distributor related to quality, speed, or cost and to provide specific examples of good and/or bad customer service from each distributor. We also asked each respondent if they wanted us to share anything with each distributor.

These open-ended questions were mostly for us to gather any sentiment that we may have missed with the ranking questions and also to provide a variety of comments to send to each distributor.

# RESULTS

## PACKING

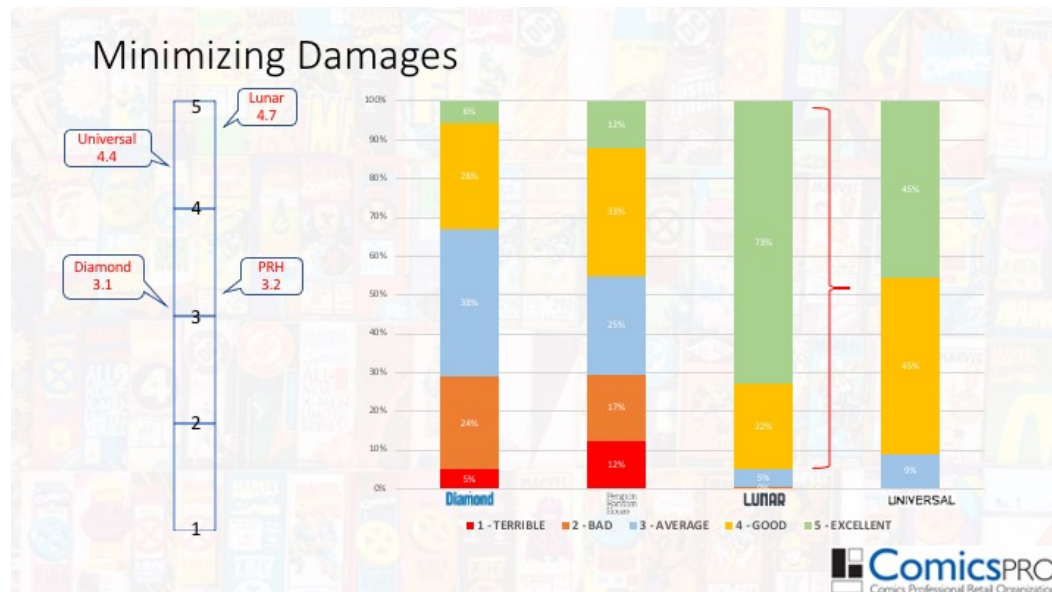


Lunar was ranked #1 with a 4.8 out of 5. 81% of respondents gave them the highest score – a 5. Universal closely followed with a 4.5\* score. This makes Lunar the clear leader in retailer sentiment towards packing

As one respondent mentioned” “The double wall packing is the best in the industry”.

Diamond and PRH were both ranked 3.2

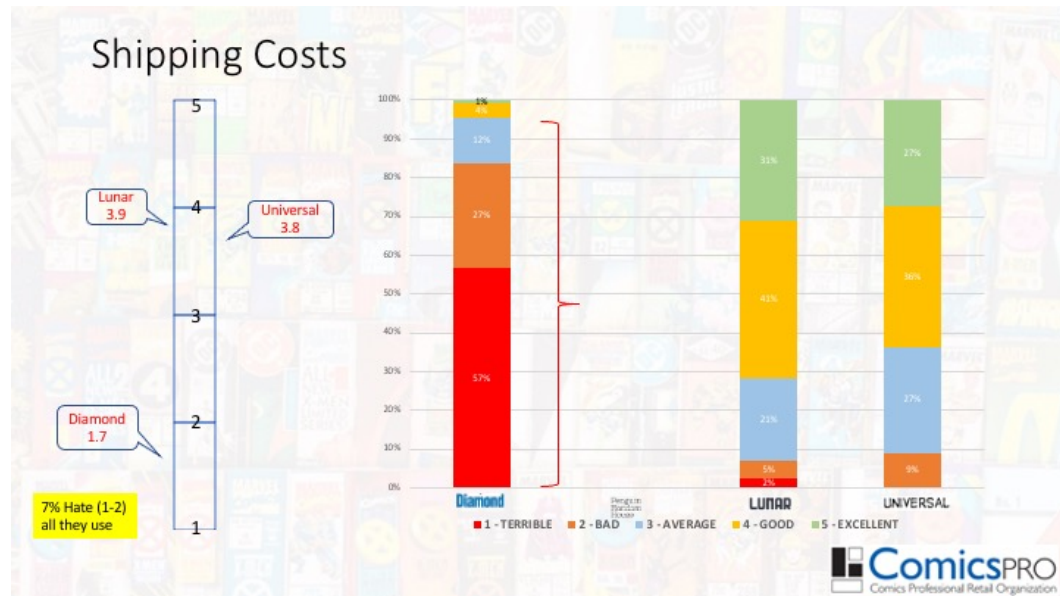
## MINIMIZING DAMAGES



According to retailers, excellent packing leads to minimal damages. And Lunar is ranked highest in this category with a 4.7 out of 5. Example: “We rarely have any damages or shortages” Another example: “We like that they started bagging and boarding ratio variants again, to better protect them. Of the three distributors, we receive the least damages and shortages from Lunar.

Universal is ranked 4.4\*. Diamond and PRH are ranked in the low 3s.

## SHIPPING COSTS



26% of respondents don't know the average cost they are paying for shipping. ComicsPRO believes that this number is way too high, and plans to focus retailer education on how to calculate average shipping cost and how that should be taken into consideration when calculating profit margins.

PRH doesn't charge for shipping, so they were removed from this question. (Although having free shipping is one of the attributes that retailers rave about and help increase retailer profit margins. It also helps PRH stand out from the flock).

Lunar was ranked 3.9. Universal 3.8.\*.

Diamond was ranked a 1.7. This shows a dissatisfaction amongst retailers regarding Diamond shipping costs.

## DISSATISFACTION WITH DIAMOND SHIPPING COSTS

95% of respondents ranked Diamond average to terrible with regards to shipping costs. Only 5% ranked diamond shipping costs good to excellent.

When doing a deep dive into retailer comments, we found that many retailers believe that the shipping costs are way too high compared to other distributors. Example: “We pay about \$400 a week for the same amount of product we get from Lunar at \$150 and less we get from Penguin with completely free shipping”. Another Example: “The cost is ridiculous and has us *\*VERY\** seriously considering dropping Diamond as a distributor fully.”



While we don't know the average cost that retailers are paying to ship items from Diamond, we can calculate the number based on what retailers told us their shipping costs are. Retailers tell us that they are paying on average almost 14% in shipping fees compared to around 7% with the other distributors.

Many retailers also believe that Diamond doesn't do enough to ensure that the boxes are packed to capacity. And with extra boxes, each having a minimum shipping cost, means that shipping costs are increased. Example: “Diamond shipped us 1 comic a floppy in a cardboard box this year. It was full of packing paper but it was over kill for the 1 comic.” Another Example: “It almost seems like product is placed into more boxes than necessary to spite me.”

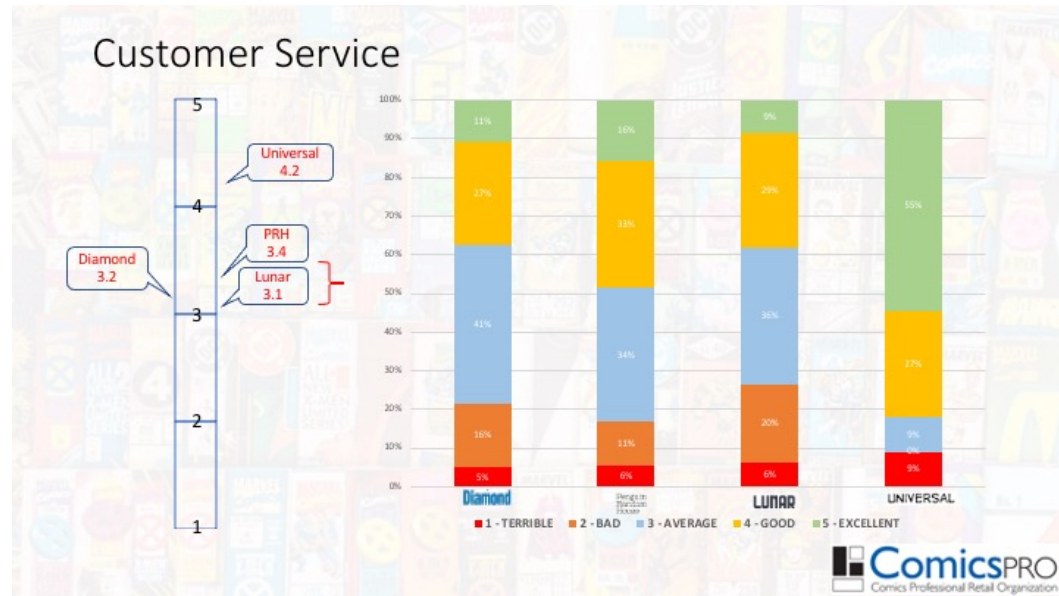
Retailers also mentioned the following:

1. Lack of transparency of shipping costs. (Shipping costs with Diamond are reported the week after the shipment).

2. Multi-store operations report that the shipping costs are assigned to different stores not necessarily the one that got the shipment.
3. Trying to predict shipping costs for future shipments is extremely difficult.

Many retailers tell us that due to their belief that Diamond charges too much for shipping, they have already or plan to curtail their ordering from Diamond and look elsewhere for distribution. Example: “Quality and speed I have no problem with. Costs are too high. Have switched over everything I can to other suppliers”.

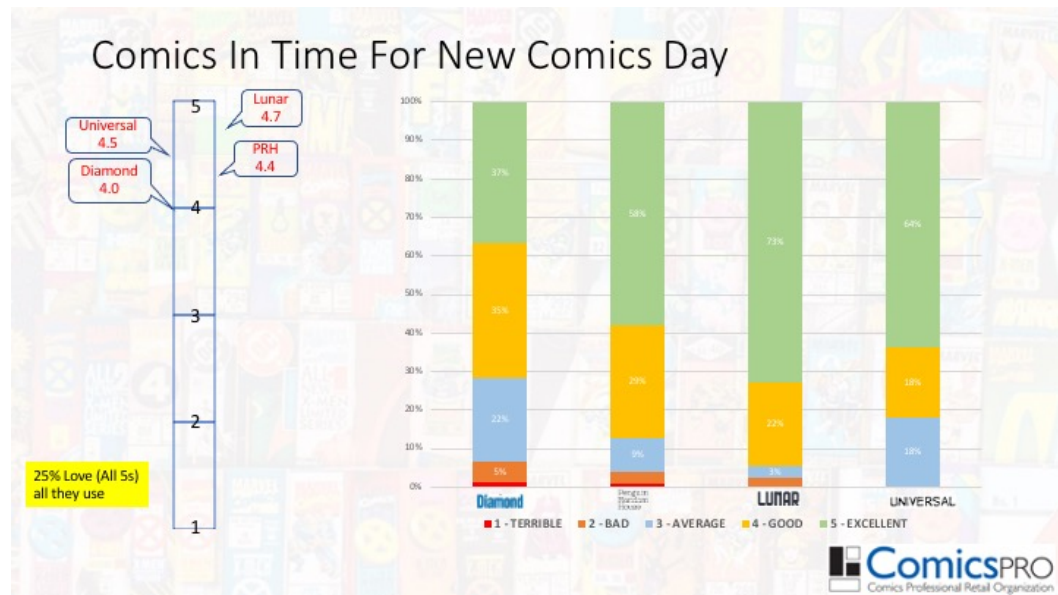
## CUSTOMER SERVICE



Universal is the leader with 4.2\*. The three US distributors are clustered in the mid 3s. No one US distributor stands out in terms of customer service.

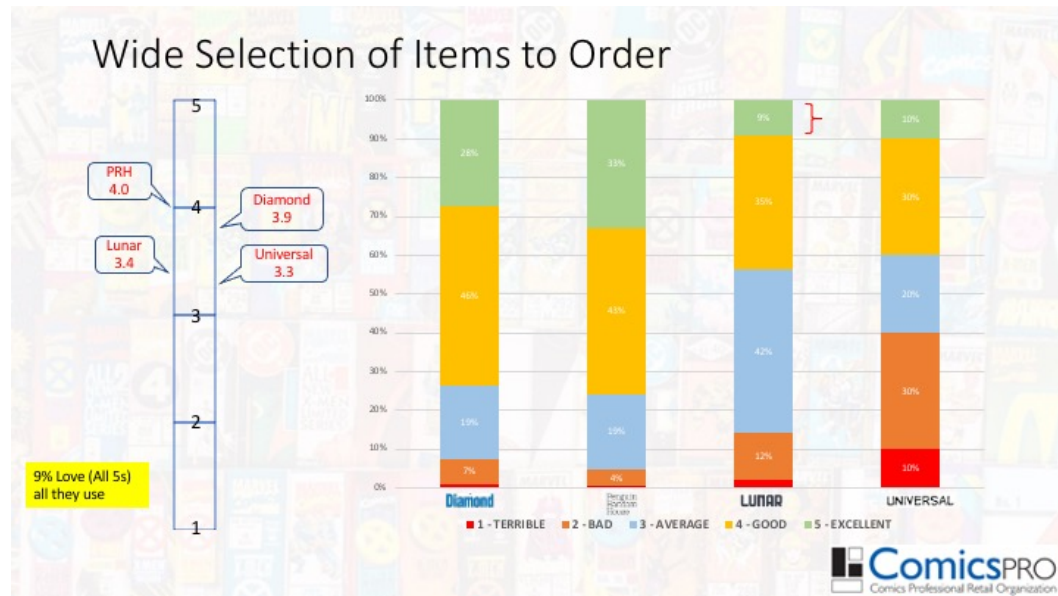


## COMICS IN TIME FOR NEW COMICS DAY



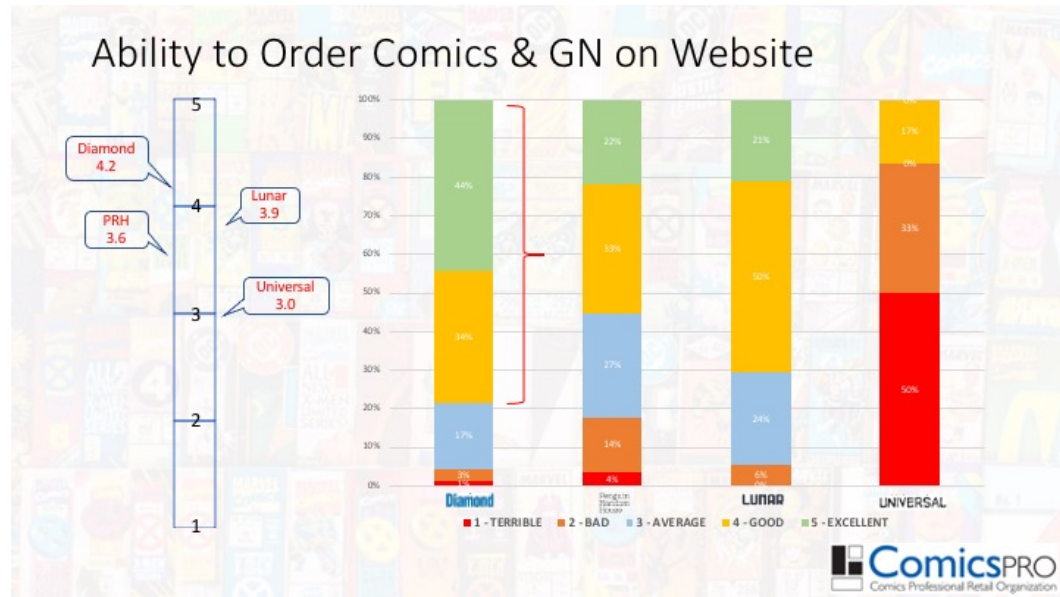
All distributors are ranked high – in the 4s - in getting comics to the retailer in time for New Comics Day.

## WIDE SELECTION OF ITEMS TO ORDER



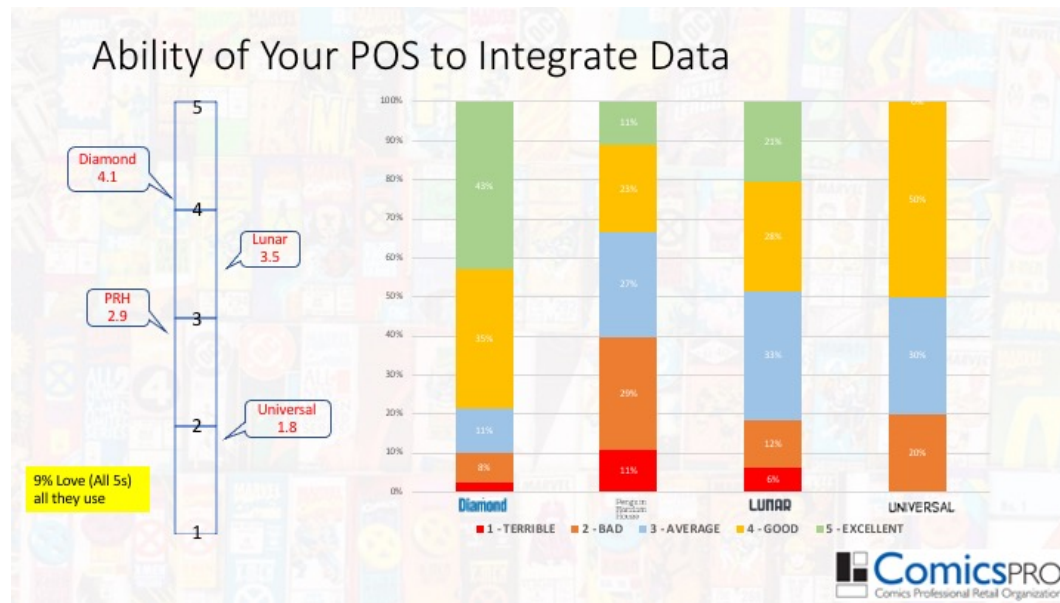
PRH and Diamond are considered the leaders with rankings of 4.0 and 3.9 respectively. This is not surprising in that both are large companies with a variety of different SKUs. What is surprising is that Lunar – which only carries comics and graphic novels from a subset of publishers - was ranked only slightly less with a 3.4. Further surveys can help us understand why that is.

## ABILITY TO ORDER COMICS AND GRAPHIC NOVELS ON THE WEBSITE



Diamond is the leader here with a 4.2 score. Following Diamond is Lunar with a 3.9, PRH with a 3.6, and Universal with a 3.0\*.

## INTEGRATION OF DATA WITH A POINT OF SALE SYSTEM

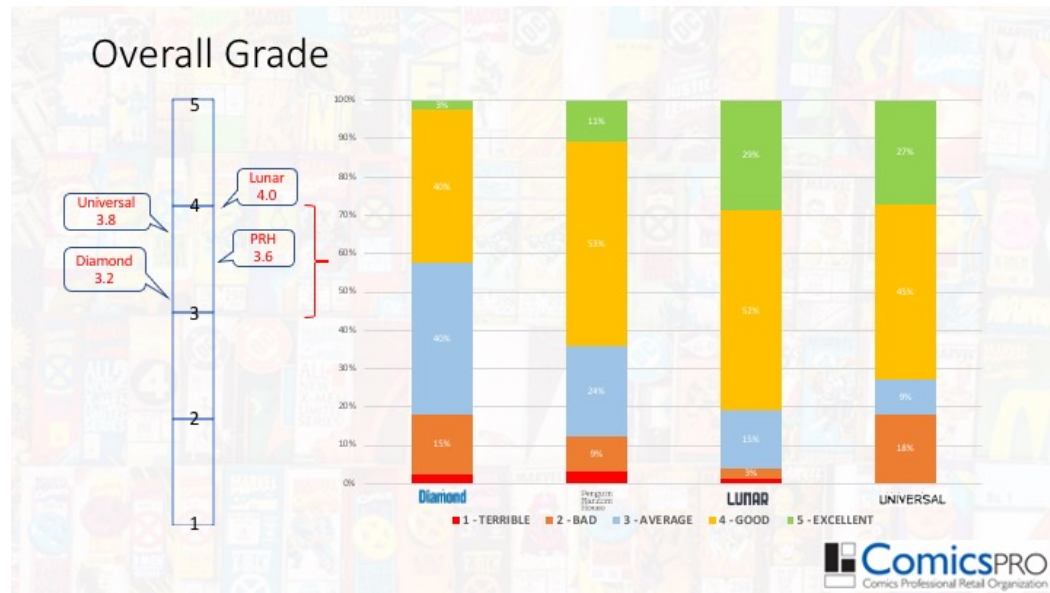


Diamond is the clear leader here with a 4.1. Following are Lunar (3.5), PRH (2.9) and Universal with a 1.8\*.

Around 30% of the respondents didn't have an opinion about how well their POS system can integrate with a specific distributor's metadata. One reason that this

might be is that maybe these respondents don't use Point of Sale systems. Further surveys will bring more clarity.

## OVERALL GRADE



The Overall grade rankings are tightly grouped between 3 and 4. Lunar is the leader with 4.0, followed by Universal with 3.8\*, PRH with 3.6, and Diamond with 3.2.

We believe that this is due to the fact that retailers believe that each distributor stands out in different ways and each distributor has some definite room for improvement.

## CONCLUSION

Each US distributor stands out in different ways.

Retailers rank Diamond high in terms of website ordering, POS data handling, and wide selection of items to order. Retailers rank Lunar high with packing and minimizing damages. Retailers love the Free Shipping and wide selection of items that PRH provides.

Retailers also believe that all three of the US distributors deliver the weekly books in plenty of time for New Book Day and that customer service at each distributor is average (in the 3s) and can be improved.

Retailers believe that shipping costs at Diamond are too high.

ComicsPRO plans to launch the next retailer sentiment survey in Summer of 2023. In the next survey, we expect to:

- Dig deeper into some of the topics we broached this year. Asking some follow-up questions.
- Broaden the scope of questions. Ask retailers about their sentiment towards non-distributor topics (eg. variant covers, marketing initiatives, where retailers get their information, etc.)
- Broaden the reach of the survey. We would like to hear from more voices by increasing the number of respondents.

If you have any questions about this report, or would like to suggest questions for next year, please email [marco@comicspro.org](mailto:marco@comicspro.org).