<MBA Degree Thesis>

BUSINESS STRATEGY FOR EVACOMICS
Development of Business Model and Marketing Strategy Through Social Media

35112322-0 NEO SHAN ER EVANGELINE
GLOBAL MARKETING INNOVATION
C.E. PROF. KENNETH ALAN GROSSBERG
D.E. PROF. REIJI OHTAKI   D.E. PROF. KOJI AIBA

Summary

The objective of this thesis is to formulate a business model and marketing strategy for Evacomics, a comic series that the author is drawing and serializing online for free. The comics are about her experiences in various countries: US, Japan and Singapore, and also comparing the cultural differences in people and environment from these countries.

Due to the small size of the Singapore market, local publishers are unwilling to risk publishing work by first-time authors or comic artists. They also have limited regional distribution so they prefer to work with titles that are already successful overseas to assure good sales. Moreover, like other Asian countries, consumers in Singapore also tend to download free content from the Internet if they can. Therefore local publishers insist that their authors either fund part of the publishing fees, or obtain government funding. However government-funded projects must have a Singaporean subject matter or something that promotes Singaporean values. Contacting overseas publishers is also difficult because they usually prefer artists with a well-known name or good publication record that first-time artists like the author cannot claim.

Uploading to the Internet is the only way indie artists can get their work out to the public with smallest start-up cost. Now with the social network, it becomes easier for fans to follow and subscribe to the artists. However because content was released for free on websites in the beginning of the Internet boom, users became accustomed to free content and want everything to be

downloadable for free. The other problem with digital content is the ease of piracy, further damaging the content creators' chances of making money. To propose solutions, the goal of Evacomics has to be defined and problems highlighted through diagnosis and a guiding policy. A SWOT analysis will also reveal the strengths and weaknesses of Evacomics and through this analysis, four strategic options will be proposed that focus on consumers to be targeted and generate a business model to gain cash flow. Each option will be evaluated for its attractiveness, contribution to the long-term goal, growth of market share and viability based on limited resources.

Two comic strip series, "Penny Arcade" and "Wan Wan", are used as successful case studies to learn from because these webcomics allowed their creators to earn a living. The main purposes of these two case studies are to examine: 1) how they promoted their webcomics initially, 2) their business model, and 3) their marketing program, including how they are using social media now to reach to their fans. Another Singaporean comic, "Teddy", which makes active use of social media, is also examined to evaluate the marketing campaign of a less successful example.

Comparison of various social network platforms and self-publishing services for hardcopy books and ebooks will also be made to obtain a better overview of all options and allow a more effective choice of the best solution. Social media advertising and ebook selling guides will also be studied to understand these new channels and how to integrate them into the business plan .

Finally, a business plan and marketing strategy for Evacomics will be proposed. This includes targeting and positioning of its comics, product offerings, selling price, distribution and promotion strategy. Objectives, sales forecast, pro-forma operation specifications, and a checklist will also be made to guide and track its progress as the plan is executed.

<Inside Cover>

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CHAPTER 1. INTRODUCTION AND METHODOLOGY

Section 1.　　　　Introduction

　　　　Before social media was born, there was no way anyone could subscribe to any news or information besides signing up for a mailing list and be notified through email, which was a one-way communication. Now with social media tools like Twitter, Facebook and Foursquare, people login often to check out what their friends have been up to and the significance for brands is that now, their fans could also connect and follow them in realtime and with greater engagement. The addition of social media into the company's marketing mix began in 2007, when Facebook introduced fan pages that allowed people to become fans and receive updates from their page owners. Since then, there is not a single famous product brand that does not have a Facebook page presence. Having a Facebook page has become a standard requirement of any company - in addition to their website - to reach out to customers and increase the word-of-mouth effect.

Section 2.　　　　Background of Evacomics

　　　　Evacomics is the author's small startup aiming at building a brand that can help to sell her comics and merchandise online without going through a brick and mortar publisher or distributor. The comics were started in 2007 on a popular Taiwanese blogging platform called Wretch.cc, which was later acquired by Yahoo Taiwan. The contents were about the author's daily life while she was pursuing her Bachelor of Fine Arts at the Academy of Art University, San Francisco. After she returned to Singapore in 2008, she changed the blogging platform to Blogger, which was acquired by Google, to target Singaporeans who prefer English language sites. The main reasons to switch platform were the difficulty of competing with other Taiwanese artists and difficulty to gain resonance with Taiwanese readers on Wretch.cc. A Facebook page was set up in Jan 2010 that linked to the blog comics. After experiencing slow fan growth for two years, figures started to rise rapidly in mid 2012, when the artist released a series of comic strips that explored the cultural differences between Singapore and Japan. The main challenges now are to formulate a business

model and increase the number of fans worldwide, not just in Singapore.

Section 3.   THESIS OBJECTIVE

The impact of social media on web comics has been significant. Previously, the only route was to either use internet platforms designed for artists, such as Deviantart and Smack Jeeves, or to put up one's own blog. However, this posed two problems. First, the audience of Internet platforms that hosted artworks was essentially artists, not regular readers. The second problem was that readers had to register on that specific platform or blog service in order to subscribe to updates. Even if they had subscribed, many of them do not login every day and the latest news soon became buried under other updates. Fortunately, with the immense popularity of social media now, an increasing number of people are logging in every day to check out what their friends are doing or to obtain promotional offers from their favorite brands.

The objective of this thesis is to analyze how to harness the power of social media and other Internet services to formulate a business model and marketing strategy for Evacomics. This also includes the segmentation and targeting of audiences and possibly creating new content to better serve them. The new business model and marketing strategy should be designed to enable an artist to perform a one-person act of creating and marketing the entire business by using Internet services.

Section 4.   RESEARCH METHODOLOGY

This thesis studies comic strips, social media and other Internet services in order to recommend a business model and marketing strategy. Therefore a qualitative research method based on own experience, observations and case studies is adopted. Two comic strips series, "Penny Arcade" and "Wan Wan", are chosen as successful cases to learn from because these webcomics allowed their creators to earn a living by making them. The main purposes of these two case studies are to examine how they promoted their webcomics initially, their business model, and marketing mix that includes how they are using social media now to reach to their fans. Another Singaporean comic book, "Teddy", which makes active use of social media, is also examined to evaluate the

marketing campaign of a less successful example.

Section 5. THESIS ORGANIZATION

The first part of this thesis focuses on the analysis of the digital comics industry and trends, and strengths and weaknesses of Evacomics. Four strategic options will be suggested based on the analysis and be evaluated based on their practicality due to limited resources and contribution towards the long-term goal. This is followed by analysis of various Internet platforms: social networking platforms and self-publishing services, in order to understand and select the most appropriate platform. Three case studies will be examined to find out about their business model and marketing strategies, followed by insider information on selling ebooks and how to promote on social media. Finally through these analyses, a business plan tailored for Evacomics will be proposed.

CHAPTER 2. ANALYSIS OF BUSINESS

Section 1.   GOALS & OBJECTIVES

The Goal of Evacomics is to become a world-famous comic strip series with character goods merchandise to sell. The immediate objectives are to expand the current fan base through stages of geographic expansion (Exhibit 2-1), formulate a business model to gain revenue and publish a book by 2014. The business plan includes evaluating a set of strategic options targeting different consumer groups, and then selecting the best ones for execution, keeping in mind the artist's limited resources. The outcome will be targeted content to targeted readers.

Exhibit 2-1: Shift from local audience to global audience

Singapore → S.E. Asia → World

Section 2.   DIAGNOSIS & GUIDING POLICY

2.2.1. Diagnosis

To suggest solutions, one would have to know and understand the problems or key issues first. The artist herself currently manages Evacomics, therefore resources such as time and money are very limited. Selectivity in content and target audiences are vital because the general everyday life humor comics category is already saturated. Moreover, the ease of setting up own blogs and Facebook Pages has lowered the entry barrier into the comics industry as many independent artists can easily upload their work online for others to see. Unfortunately, like other Internet content, readers expect everything online to be free and thus the problem of generating revenue becomes a

huge problem. People will not readily pay for digital content and those who do usually do so because they do not want the risk of downloading viruses.

Free is not all bad. Free content could go viral very quickly as readers have nothing to lose by looking at free content. However, digital content can be easily pirated. For example, one of the Evacomic's illustrations garnered over 2700 shares not on her own Facebook page, but on another Facebook page with all credits removed. Based on the artist experience of observing reader responses and notification of stolen artwork from her network of friends over the course of three years, illustrations that promote motivation or inspiration seem to be the most likely target of theft, or "shared" with credits removed. On the other hand, new content about Japanese culture were usually shared by Facebook Pages run by individuals who respect intellectual property and retain copyright information. With this information, the artist is confidant that with paid advertising, fanbase could easily increase, but how to get cash return remains a problem. Publishing physical books that can be sold is one option, but what to draw about is currently a question. In short, a business model and content targeting specific audiences is required.

2.2.2. Guiding policy

A guiding policy is used for dealing with the challenge identified in the diagnosis. Based on Rumelt's *Kernel of Good Strategy*[1], it is an overall approach chosen to cope with the obstacles. Because strategic options and coherent actions will be evaluated later in the next chapter to target specific audiences, the current guiding policy for overall contents requires that it be cute, original and most importantly, entertaining.

Section 3. STRUCTURAL ANALYSIS OF DIGITAL COMICS INDUSTRY

There is a need to understand the opportunities and threats that stems from the environment which are beyond the company's control. These external forces were defined by Michael E. Porter

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[1] Rumelt, Richard P.. "The Kernel of Good Strategy." Good strategy, bad strategy: the difference and why it matters. New York: Crown Business, 2011. 77-94.

which became the famous Five Forces[2] framework that helps one assess industry attractiveness.

However when this framework is applied to comics, almost everything seems unattractive. There are constantly new comics being published (New Entrants with low entry barriers), an existing huge collection of comics (Competitors), and lots of substitute products such as games and movies if comics are regarded as a form of entertainment (Substitute Products). Bargaining power of suppliers, in this case, artists vs. publishers, is weak, unless the artist is a celebrity artist whose work is highly sought after. Bargaining power of buyers depends on the popularity of the work and should be considered strong as comics are not a "need" but a "want" product. If the Five Forces framework is to be believed, one can see why artists are struggling. To evaluate the digital comics industry, I had designed a new framework to analyze external factors that would affect the business environment (Exhibit 2-2).

Exhibit 2-2: Digital Comics Industry Structural Environment

To figure out what kind of digital comics would become popular in the future (i.e. Market Trends), there is a need to understand the target market's behavior changes that results from development in hardware, software and contents for digital comics.

2.3.1. Hardware Development for reading Digital Comics

Before Amazon Kindle and iPad, there was the Sony reader introduced in Jan 2006. It could load PDF, mp3 and image files but the display was limited to digital black ink. The device was

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[2] Porter, Michael E.. "The Structural Analysis of Industries." Competitive strategy: techniques for analyzing industries and competitors. 1980. Reprint. New York: Free Press, 2004. 3-33.

promoted as an eBook reader and was sold at Borders bookstores. However, adoption of this device was unexpectedly slow as consumers had to make their own PDF files or download from websites, save the files into a memory stick or SDcard, then plug it into the reader to access them. Although the Sony Reader had potential to become a very convenient and popular device, Sony failed to create an ecosystem of matching it with software and contents. Without the ease to download content directly into the device and lack of access to an eBook library, the reader was just an extension of the PC for people who want to read existing files that they had already saved. On the other hand, Amazon was also developing its own reader device and introduced its first generation of Kindle in Nov 2007.[3] Unlike the Sony Reader, Amazon built a Kindle store that sold eBooks. The store can be accessed from a PC web browser or connected directly from a Kindle device through its "Amazon Whispernet", a cellular network that was built from Sprint's EV-DO (Evolution Data Optimized) network. The user did not have to pay for any data plan nor a monthly bill because Amazon had already paid for it. This convenience of being connected directly to an eBook store and ease of purchase by using the same Amazon credit card information propelled the sales of its Kindle. For a few years, Kindle enjoyed a dominant position in eBook readers until the iPad was introduced in Apr 2010, creating a new category of portable multimedia tablet that was more than an eBook reader.

Like Kindle, iPad users could connect their device to (Apple App) store where they could purchase and download anything from music to games and eBooks. The device is linked to the user's Apple account where credit card information is stored. What made iPad a sensation and not the Kindle, was its mixture of advanced technology and clever marketing. Unlike Kindle, the iPad could display full range of colors, play movies and games, and connect to the Internet via its web browser. Its sleek design and marketing campaigns echoed that it was a cool gadget to own for a more convenient lifestyle, be it just for entertainment or for learning purposes. Apple was not just selling hardware, but an "experience".

There is no denying that people around the world are going mobile with the impressive

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[3] McCarthy, Caroline. "Amazon debuts Kindle e-book reader" CNET News. N.p., 19 Nov. 2007. Web. 31 Mar. 2013. <http://news.cnet.com/8301-10784_3-9819942-7.html>

growth of Smartphone and media tablets purchases.[4] If someone wants to read a book on the go, he can purchase a tablet that has a color display with full media functions. If he is on a tighter budget, he could purchase a pure eBook reader like Amazon's Kindle or Barnes & Noble's Nook e-reader at a lower price. These eBook readers are usually thinner and can only display in electronic black ink to compete with the media tablets on cost and portability. However as technology gets better and prices fall, white box media tablets are also closing in on the eBook reader pricing, causing a further drop of eBook reader prices. Alternatively, if prices can't be lowered, multimedia functions and a color display had to be added like the introduction of Kindle Fire to compete in the media tablet market.

2.3.2. Software Development for Distributing Digital Comics

There are two kinds of software in this analysis: the developer's store and the agent. A developer's store can be Apple's iBookstore, Amazon's Kindle store, or Kobo's Kobo Store, where users could browse and download content like eBooks, music, movies or games. These stores are developed by the hardware maker to lock in their users to their system by providing convenience, but making it difficult for the users to migrate to another device. Availability of ratings, reviews and ease of purchase has become the standard features of these stores.

The other kind of software is the agent software, which is an online service or app that acts like an agent to help content creators get their work into the store. These agents become useful when the device's own store restricts where the content can be sold, so the authors and artists have to go through an agent to sell their content to a bigger market or specific countries. Agents are also useful when the procedures to convert a file to its proprietary format are too complicated for the content owner. Examples of such agents include lulu.com and Amazon's very own agent software "Kindle Direct Publishing"(KDP) that will be analyzed in a later chapter.

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[4] Columbus, Louis. "2013 Roundup of Smartphone and Tablet Forecasts & Market Estimates." Forbes. N.p., 17 Jan. 2013. Web. 1 Apr. 2013. <http://www.forbes.com/sites/louiscolumbus/2013/01/17/2013-roundup-of-mobility-forecasts-and-market-estimates/>

2.3.3. Content Development of Digital Comics

The development of comics on the web gave birth to a new type of scrolling-style comics that would have been difficult on the paper form. This new format usually does not have black lines to frame each panel, and each frame is enlarged to make the drawings big and clear. These comics are similar to the Japanese 4-frame style comics and can be printed into comic books with appropriate re-formatting like Wan Wan.

Besides showing just graphics on tablets, publishers like Marvel had also experimented with adding background sounds to the panels in their comics like "Project Gamma", due to be released soon. [5] Tokyopop, a US manga book publisher, even did a demonstration at the artist's art university to showcase their animated comic frames in 2007, blurring the definition between animation and comics. Unfortunately, whether or not most readers wanted sound and animation remained uncertain. In 2011, Tokyopop had to stop all projects and shut down the company due to slowing global sales of manga and Borders bankruptcy. [6]

Meanwhile, story picture books had developed their own apps to make use of the new media's multimedia functions. They included animations, sounds and interactivity with user clicks. Content publishers were thrilled by app development because they could charge users for downloading their content, something that they had difficulty when providing content on the World Wide Web. However, how long users will be willing to pay is hard to tell as the prices of apps race to the bottom due to an increasing number of competitors and abundance of free apps to entice users to download and try them.

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[5] Rosenblatt, Seth. "Project Gamma brings intelligent audio to digital comics." CNET News. N.p., 10 Mar. 2013. Web. 3 Apr. 2013. <http://news.cnet.com/8301-14013_3-57573482/project-gamma-brings-intelligent-audio-to-digital-comics/>.

[6] Reid, Calvin. "Tough Times at Tokyopop." Publishers Weekly. N.p., 7 Mar. 2011. Web. 3 Apr. 2013. <http://www.publishersweekly.com/pw/by-topic/industry-news/comics/article/46377-tough-times-at-tokyopop.html>.

2.3.4. Target Market Behavior

"Social media has overtaken pornography as the #1 activity on the web," says Erik Qualman of Socialnomics.[7] There is no denying that social media had changed how businesses consider their marketing mix and new businesses leveraging on this new marketing channel. Consumers have also changed their reading habit drastically due to the emergence of social media.

For the consumers on social media platform, they respond better to advertisements that drive conversations and not unidirectional message.[8] Many companies make the mistake of constantly writing about their product and services without engaging in a conversation with their supporters. Top brands and companies know this and constantly engage their fans with interesting posts and even surveys. For example, The Simpsons, which is the 7th most popular Facebook page at January 2013[9], asked their fans to submit their trivial questions for the Simpsons game. The post boosted over 6,200 "shares" and over 56,000 "likes" out of a total of 63 million fans as of 8th Apr, 2013.

Another phenomenon that Eric Qualman noted was that the "shelf life of conversations has been dramatically shortened" due to the great abundance of blogs and other social media like Facebook, Twitter and Foursquare. Back in 2000, a blog post could solicit comments for about a full week, but now, it had been reduced to three to four days. Older posts are seldom dug out and commented because they are already archived "old" news.

Consumers are also less willing to log in to other platforms and prefer everything to be within the reach of their preferred social network such as Facebook. For example many artists on Wretch.cc, the blogging platform where the artist first started out, complained about the decreasing traffic that they had been receiving over the past few years, so they had shifted focus to Facebook. Even readers of Evacomics commented that they prefer to receive updates within Facebook so they do not have to leave the social media site and can keep track of their comments and replies.

Consumers are also getting used to reading on the go, which means that they can carry their

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[7] Qualman, Erik. Socialnomics: how social media transforms the way we live and do business. Hoboken, N.J.: Wiley, 2013. 207.
[8] Ibid., 137.
[9] Darwell, Brittany. "Top 25 Facebook Pages January 2013." Inside Facebook. WebMediaBrands Inc., 1 Jan. 2013. Web. 7 Apr. 2013. <http://www.insidefacebook.com/2013/01/01/top-25-facebook-pages-january-2013/>.

reading material on the tablet or Smartphone and access them while traveling or killing time. Difficult words can be highlighted and looked up on the device's in-built dictionary providing greater usability. The ability to carry hundreds of books; worth of content also frees luggage space and much needed shelf space at home. Although all these mean greater convenience, the disruptive read and stop, read and stop habit might translate to an inability to focus or digest longer content. Therefore the new age consumers prefer small doses of content that can be read quickly and easily.

2.3.5. Market Trends

In Japan, sales of hardcopy comic books had been declining (Exhibit 2-5) while downloads of digital comics has been increasing (Exhibit 2-6). This reflects the shift of consumers to reading comics on digital platforms such as their PC, tablets or Smartphone. This trend is not just limited to Japan but is also a global phenomenon.[10] Even Marvel, the world recognized leader in comics went bankrupt in 1996 and had to restructure its business by establishing licensing models to leverage some of its world-renowned brands like Spiderman, the Incredible Hulk and Captain America.[11] The licenses were sold to goods manufacturers and Hollywood, which are always searching for fresh new ideas. Marvel, along with many other comic publishers, then developed apps for tablets and smart phones to meet the increasing demands of users.

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[10] Reid, Calvin. "Tough Times at Tokyopop." Publishers Weekly. N.p., 7 Mar. 2011. Web. 3 Apr. 2013.
<http://www.publishersweekly.com/pw/by-topic/industry-news/comics/article/46377-tough-times-at-tokyopop.html>.
[11] Reiss, Robert. "How Marvel Became A Business Superhero." Forbes. N.p., 2 Jan. 2010. Web. 9 Apr. 2013.
<http://www.forbes.com/2010/02/01/peter-cuneo-marvel-leadership-managing-turnaround_2.html>.

Exhibit 2-5: Sales of Comics and Comic Magazines
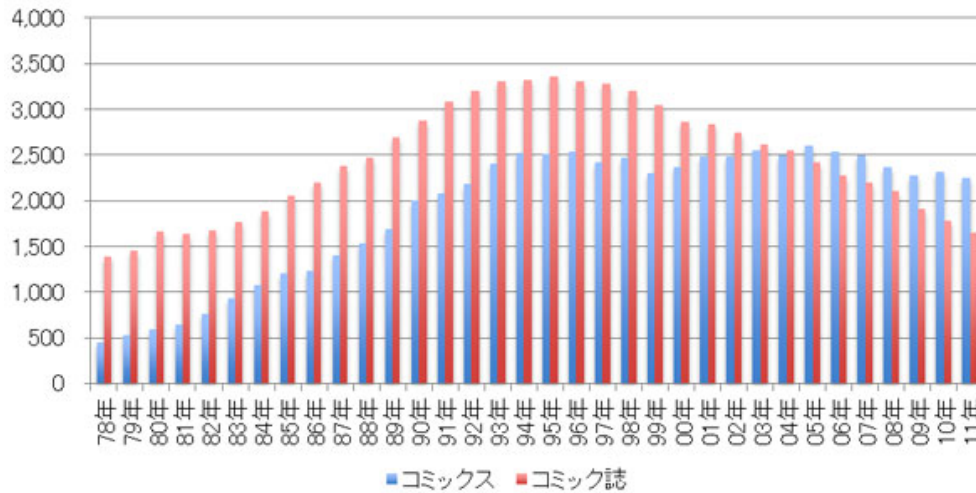
Exhibit 2-6: Digital Comics Market Growth

The increasing number of tablet and Smartphone users also suggest that people are consuming more and more digital content, including eBooks and digital comics. However the ability to start and stop a book anytime anywhere mean that people might prefer light, small amounts of digital content to fit into their lifestyle. That is probably why people prefer to read news snippets, watch short YouTube clips, play casual social games and like short comics like Rage Comics and Trollface that have simple images and minimum text. Consumers will likely prefer short comics that

can be read easily on the go. However, this becomes problematic because each user is flooded by a myriad of constant new content generated every minute and new updates are quickly replaced and drowned in the news feed. This will become challenging for content generation and marketing, as new interesting short content must be constantly generated and one-time selling no longer works. Advertisements cannot look like they are spamming with advertisements. Instead, advertising campaigns must be lengthened over a longer period of time with new interesting content in pulses to generate a conversation on social media.

Digitization had made the newspaper, music and movie industries suffer but might inflict slower damage on books because books can be enjoyed independently without a device and there is a certain quality to print that is hard to replace with an LED screen. Being tangible also means it could be a collectible as a limited edition or exist as a form of art to own and display on a shelf. Consumers will still continue to buy books, be they printed or digital.

The ease of eBook publishing also means that more amateur writers can enter the market so a good story, a good editor and a good brand name will make the difference to drive sales. Marketing will be crucial to stand out from the crowd.

Section 4.   COPYRIGHT PROTECTION

While businesses can design a system that might be difficult for competitors to replicate, comics face the problem of piracy. Merchandise such as a Snoopy shirt can be printed without paying for a license. Piracy is especially rampant in developing countries where there is weak or no copyright protection to speak of, and people are unwilling to pay for licenses. These pirated goods are usually sold at extremely low prices and targeted to the mass public who might not even know the name of the character, let alone know which comic the character came from. Bringing the offender to court is also difficult as the attorney's fee most likely surpasses the damages caused by the pirated goods. For example, the artist saw a copy of her Hong Kong friend's comic illustration printed on a t-shirt and sold at a street stall in Singapore. She was pretty sure that her friend did not license her work to be sold like this. Although her friend could consider suing the stall owner by

hiring a lawyer for around SG$250, the compensation may only be $5, which is the profit that the shirt might potentially make for the stall owner.

Another difficult case was when William Chua, a Singaporean illustrator who specializes in Japanese style illustrations and pandas, found his work often appearing on goods sold on several foreign shopping websites. He usually has no problem reporting to western websites and the pirated goods listings were swiftly removed. However reporting to Asian websites like the famous online shopping portal "Taobao" in China proved to be useless. The reason Taobao gave was that he had no evidence that the work was his. While talented creators like William may have no shortage of new bright ideas, pirates quickly update their inventory as soon as he uploads his latest panda online. Because of this, William had given up fighting with the Asian pirates and concentrates in selling his prints in Western markets and doing freelance.[12] He currently has a loyal pool of fans on Facebook and on threadless, which is a mass-sourcing t-shirt printing company. This is precisely the problem faced by small start-ups and individual artists who lack the resources of big companies like Sanrio who can afford to employ a team of legal professionals to protect their intellectual property assets in difficult markets like China. Therefore although China is a huge market, copyright protection is impossible without partnering with big companies or to be published under a reputable publisher to help protect Evacomics' intellectual property.

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[12] Chua, William. Personal interview. 30 Mar. 2013

Section 5.   SWOT ANALYSIS

Exhibit 2-7: SWOT Analysis for Evacomics

Strengths:	Weaknesses:
• Social Media Marketing skill • Experience living in Singapore, US and Japan • English, Chinese and Japanese language capability • Cute & attractive comics	• Lack of funding • Lack of fame • Lack of editing and publishing support
Opportunities:	Threats:
• Target Japanese market: Comics that teach English. • Target foreigners who are interested in Japanese culture • Target Japanese who are interested about how foreigners view Japan. • Target foreigners who are interested in Singapore. • Social media advertising for Japan-related products & services	• Competition from other artists about experience living in Japan and other FB pages about Japan • Sensitivity to religious, racial or other controversial topics • Plagiarism

Strengths. Evacomics has the knowledge and three years of experience running a Facebook Page. Her Facebook page is currently the largest among all Singapore comic pages. Among 10,147 fans, 64% live in Singapore, 13% in Malaysia, 7% in Indonesia and 6% in Japan (Exhibit 2-8). With this existing fan base, a lot can be learnt about what kind of content people like and develop more of it. The current favorite is the cultural comparison series about Japan and Singapore, where usually the Singaporean's ugly attitudes are exaggerated and juxtaposed against the Japanese attitude. Feedback from Singaporean readers was generally positive but had recently raised a few negative voices accusing Evacomics of over idealizing Japan and being "anti-Singaporean". Non-Singaporean readers generally appreciate the insight into Japanese culture and at the same time know more about Singapore too. The artist's experience of living both in US and Japan gives her an international perspective and cross-cultural knowledge and understanding. The ability to express in three different languages also means the possibility to release her comics in more countries. Lastly, even when you do not read the comics, the illustration style is cute, colorful and cheerful to look at.

Exhibit 2-8: Country by origin of Evacomics Facebook Page fans
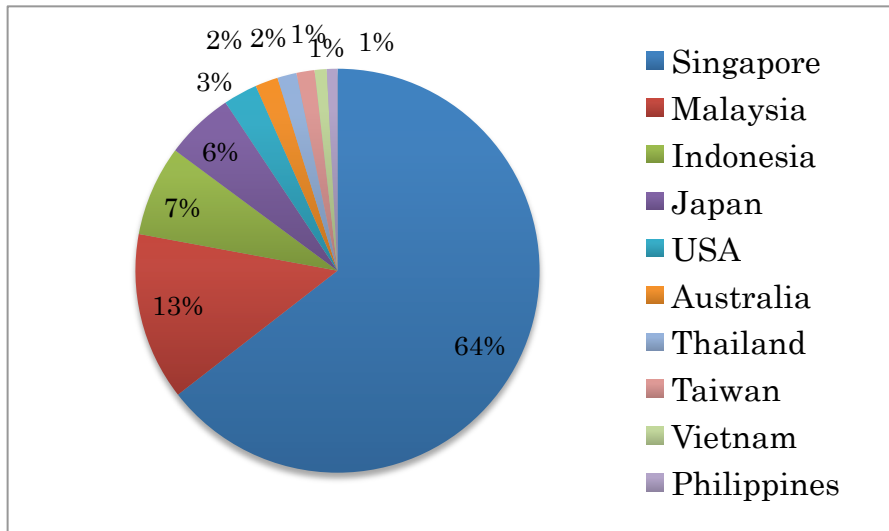
Weaknesses. Like any entrepreneur, the curse of funding woes will continue to plague unless fame is achieved. With funding, editors and translators can be hired and books published more easily. Assistants can also be hired to do the work of inking and coloring to speed up the delivery. Due to limited resources, the artist has to also handle all social media PR work and web design as well.

Opportunities. Based on Evacomics' objective of global expansion, opportunities must be accessed not just by their attractiveness but also ability to contribute towards the long-term goal. This includes targeting Japanese and foreigners who are either interested in Japanese culture or Singaporean culture. Each opportunity will be evaluated in chapter three.

Threats. Evacomics might be the first kind of comics that do country comparison as a series but it is certainly not the first when it comes to experiences living in Japan. In fact, there are already comics published in Chinese about this so the threat of a new competitor to draw about his or her own experiences living in Japan exists constantly. There are also countless websites and Facebook pages that share information about traveling to Japan and cool Japanese products. Certain things only happen in Tokyo and not the whole nation so the artist has to be careful in quoting either "Tokyo" or "Japan" because netizens are quick in spotting discrepancies. Due to the nature of the comics (Exhibit 2-9) that touch on culture and make satirical jokes about it, there are a handful of

people that were offended and left negative comments about the artist being anti-Singaporean, or naive about Japanese culture due to stereotyping. If not handled properly, negative publicity could damage the brand name and its reputation. Lastly, plagiarism is a threat that any intellectual property face, which is made even easier with the Internet. With so many companies individuals running their own Facebook pages, they can become desperate to get new fans by "sharing" content from other places but with credits removed.

Exhibit 2-9: "Anti-Singaporean" comic strip example

Source: Evacomics

Section 6.	CHAPTER TWO SUMMARY

- Goal of Evacomics is to become world-famous with characters that can be used for merchandize. Immediate objectives include shifting the current reader demographics from mostly Singaporeans (64%) to SE Asians and then to western countries, design a business model and publish a book by 2014.

- Evacomics currently faces the problem of cash-flow generation, rampant piracy of certain contents and accusation of being "anti-Singaporean" and stereotyping.

- Guiding Policy of Evacomics is to have cute, original and entertaining comics.

- Through the new framework (Exhibit 2-2) to analyze digital comics, it is projected that short comic contents will gain popularity with the increasing number of Smartphone and tablet users.

- No more advertising, people want conversation. That means constant new and interesting content has to be generated on social media due to shortening shelf-space of conversations.

- A good story, a good editor, a good brand and marketing plan are essential due to the ease of any amateur writer or artist to enter into the market by self-publishing their own eBook.

- Evacomics should make use of the artist's strength in social media marketing, experience living in Singapore, US and Japan, and multi-lingual ability in the new marketing plan.

CHAPTER 3. STRATEGIC OPTIONS & EVALUATIONS

Section 1.   STRATEGIC OPTIONS

Option 1: **Comics that teach English to Japanese people, targeting Japanese who wants to learn English through fun comics.**

PRO:

- Growing demand for English learning books in Japan.

- Can be expanded to other countries that have a demand for English learning books.

CON:

- Competition with existing teaching books in comic format like "ネイティブはこう使う！マンガでわかる前置詞", published in April 2013.

- No additional funding to hire Japanese translator to pitch prototype to Japanese publishers.

- Significant time and effort required producing new comics for this genre.

Option 2: **Comics about living in Japan and cultural differences between Japan, Singapore and US. To target foreigners who are interested in Japanese culture.**

PRO:

- No comic series that shows comparisons of Japan and another country side by side.

- Can apply existing portfolio of comics

- Can market to existing fan base on Facebook.

- Broad international appeal

- Possible to cooperate with other Japanese brands or tour agencies to do co-branding.

CON:

- Existing comic books about foreigner's life in Japan are already published in Chinese.

- Other artists can also enter the market by drawing about their life in Japan and in their home country.

- Possibility to run out of ideas after leaving Japan.

- Accusation of being "anti-Singaporean" or stereotyping people due to the nature of cultural comparison subject.

Option 3: Comics about how foreigners view Japan for Japanese who are interested to know.

PRO:

- No comics exist now that shows comparisons of Japan and another country.

- Can apply existing portfolio of comics

- Can market to existing fan base on Facebook.

- Japanese consumers are willing to pay for comics and digital contents than other Asia countries.

- Webcomics in Japanese on Facebook page is still a novel idea.

CON:

- Competition with an existing popular comic book "中国嫁日記" about foreigner's life in Japan by Japanese comic artist.

- No additional funding to hire Japanese translator to pitch prototype to Japanese publishers

- No resources to maintain new Facebook channel in Japanese.

Option 4: Comics about Singapore, targeting foreigners and new Singapore immigrants who are interested in Singapore and its culture.

PRO:

- No competition.

- Can market to existing fan base on Facebook.

- Possible to cooperate with Singapore Tourism board, Heritage Board, National Arts Council or other travel agencies to do co-branding.

- Easier to obtain government funding.

CON:

- Small target market.

- Careful of Singapore government censorship.

- Need to invest in significant additional time to produce new comics for this genre.

Section 2.   EVALUATION

To execute option 2: Comics about living in Japan for foreigners. If a native Japanese can offer his or her help to translate Evacomics content for free or for a small fee, option 3 (Comics about living in Japan for Japanese) can also be executed.

Reasons:

- Availability of existing portfolio of comics to compile and publish a book.

- Able to complete it while memories about Japan are still fresh.

- Able to attract broad global audiences who are interested in Japanese culture.

- Market the book to existing fan base.

Risks & Limitations:

- Accuracy of information.

- Accusation of being "anti-Singaporean" and stereotyping.

- Competition with existing books about living in Japan. E.g. "Getting Genki In Japan: The Adventures and Misadventures of an American Family in Tokyo", "A Geek in Japan: Discovering the Land of Manga, Anime, Zen, and the Tea Ceremony", "Tokyo on Foot: Travels in the City's Most Colorful Neighborhoods".

Section 3.   CHAPTER THREE SUMMARY

● Strategic option 2: "Comics about living in Japan for foreigners" is chosen due to the availability of existing portfolio of comics.

● Option 3: "Comics about how foreigners view Japan for Japanese who are interested to know" can be targeted if Evacomics can finance and hire a Japanese native to help with the translation to pitch the prototype to Japanese publishers.

● Evacomics has to define what the book has to offer that is different from other existing books about living in Japan.

● Selection of existing comic strips can be based on number of likes and shares on Facebook and appropriate changes made based on fan's comments. Must be careful about strips that were criticized for being "anti-Singaporean".

● New exclusive strips and articles can be added to elaborate various topics and add value to the book.

● Fans may also get a chance to recommend and vote for the book title.

CHAPTER 4. CHOOSING PLATFORMS

Evacomics is currently actively using Facebook and Blogger to update new comics and linking updates from Facebook to Twitter. However, due to the ever-changing dynamic environment of social media platforms, there is a need to examine other channels to evaluate if they would be worthwhile to enter to capture a growing user base. Unfortunately, entering all platforms is not possible due to limited resources to manage each new channel.

The selection criteria includes the number of active users, user interface to match with pictorial comics content, geographical reach and the kind of users who are using the particular social media platform. Country-specific social networking sites such as Weibo (China), Wretch.cc (Taiwan) and Mixi (Japan) are omitted as Evacomics aims to target a wider regional or global market with minimum duplication of effort to maintain each new channel.

Section 1.　　　SOCIAL NETWORKING PLATFORMS

4.1.1. Analysis

Twitter

Twitter is a micro-blogging platform that only allows 140 character long messages but is used by 21% of global Internet users.[13] It also allows attachment of images with messages. However upon trial, the image only appears as a link and needs to be clicked in order to be seen (Exhibit 4-1). Although it is great to spread new breaking news, live audience interaction or new product releases, it does not seem to be a suitable social media platform for webcomics.

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[13] Smith, Dave. "Google Plus Becomes World's No. 2 Social Network After Facebook, Knocking Off Twitter." International Business Times. N.p., 28 Jan. 2013. Web. 14 May 2013. <http://www.ibtimes.com/google-plus-becomes-worlds-no-2-social-network-after-facebook-knocking-twitter-1042956>.

Exhibit 4-1: Posting image in Twitter

Google Plus

Google Plus rose to become the world's No.2 social network after Facebook, despite barely reaching half of Facebook's active user base.[14] Although Google had a sluggish growth since its introduction in 2011, it has been improving its design and integration with its other services like YouTube, Blogger, and Picasa Web Album in attempting to attract more people to stay on Google Plus. For example, new blog posts from Blogger can be shared to the linked Google Plus account easily. Therefore there are increasing numbers of Google Plus users that are already Blogger users. Like Facebook, Google has "Pages" for businesses to build their presence, but vanity URLs such as "http://plus.google.com/evacomics" instead of "http://plus.google.com/105397642114630854321" are reserved for pre-screened big brands and pages with more than 20,000 followers. However different from Facebook, Pages on Google Plus can join communities and post in them as their Page identities. This feature is helpful in attaining the initial crowd of followers but it takes time and effort to build rapport with the respective communities to avoid sounding like a spammer or advertiser. Unfortunately, there are no insight statistics or information about your Page's followers such as country of origin or gender that is helpful to know more about who your fans are and target respective promotion and strategies.

Demographics of Google Plus users, as of Nov 2012 consisted mainly of male users (63%) with a core audience from the U.S. (5.3 million) and gaining popularity with the tech-savvy Indian population (2.8 million).[15] Although Google Plus does not seem as "cool" as Facebook and has fewer active users, its attempt to improve integration with other services and differentiation with Facebook could potentially convert it into a major social networking site. The advantage of entering

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[14] Ibid.

[15] Z, STAVROS. "Who's Using Google plus." Infographics Mania. N.p., 18 Nov. 2012. Web. 14 May 2013. <http://infographicsmania.com/whos-using-google-plus/>

early into Google Plus is the first mover advantage of attracting fans when there is still not a lot of competition. Since quite a number of Google Plus users are already users of Blogger and YouTube, they are a more mature crowd, between the ages of 25-34 (Exhibit 4-2).

Exhibit 4-2: Google Plus Demographics
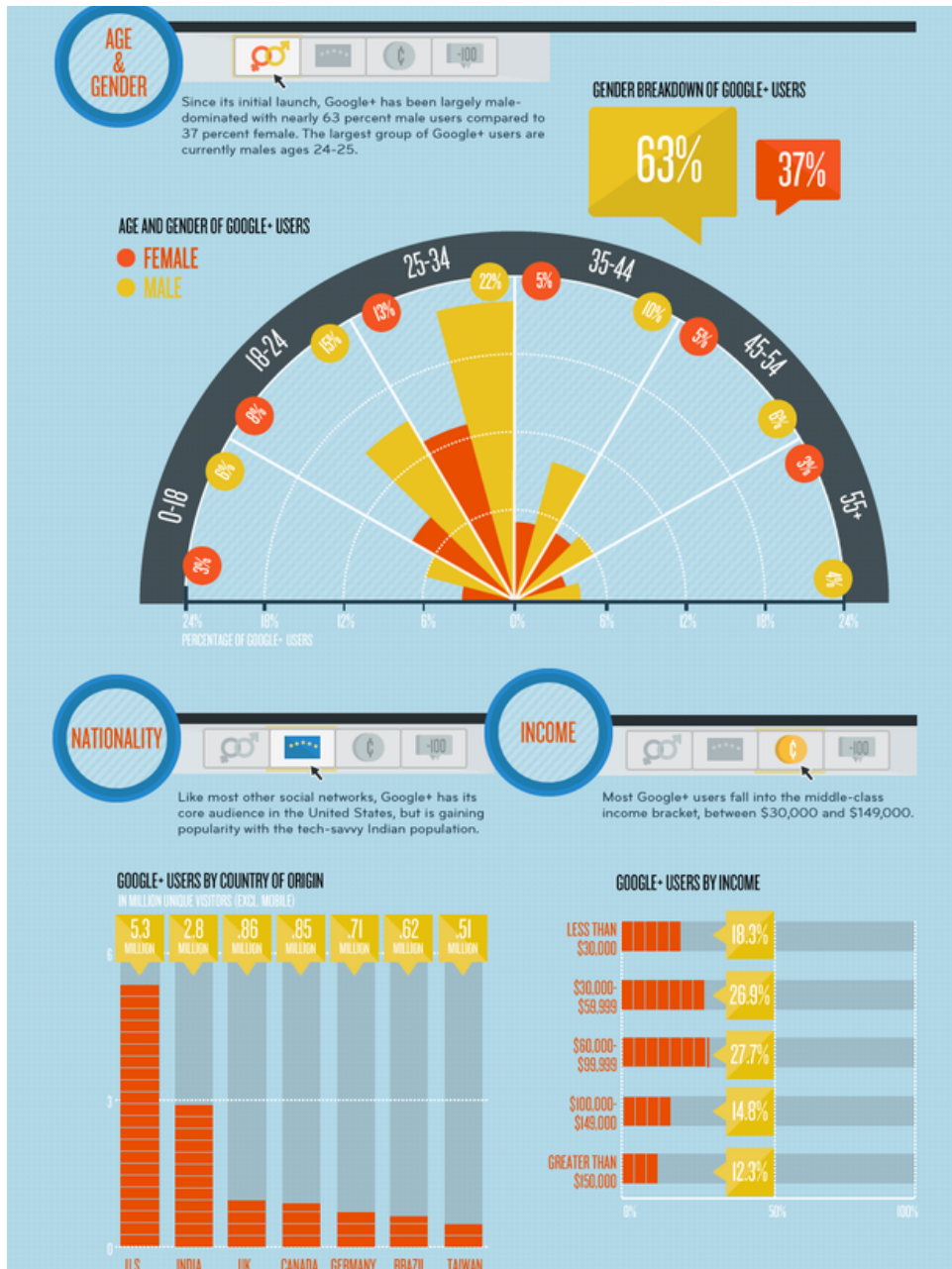
Source: Infographics Mania

Pinterest

Pinterest is an image sharing service that provides a virtual board for users to "pin" whatever images they found online or from their computer. They can also "repin" images from other people's board, "pin" images from websites that has the Pinterest widget or "pin" images from any websites if they had installed the "Pin It" bookmarklet on their browser. Due to its sudden immense popularity, Pinterest had been limiting new user signups to invite-only, until opening up on August 2012 for the public to register. The ability to pin product photos and linking it to a website where users can buy is attractive for retailers and brands, such as beauty and fashion. Businesses can set up business accounts and access to features such as site analytics, which will show how popular your images are by being repinned, and the amount of traffic that is driving to your website. However, information regarding your "pinners" is not revealed. Marvel, the US comics publisher, is currently using Pinterest to showcase its comic titles and uploading photographs from comic conventions. Garfield and Snoopy are also there to post some comic strips and photos from fans, although the number of followers pale in comparison with Facebook. Pinterest users are mainly females, probably because of its scrapbooking-like activity that has always been a woman's hobby. Nearly 46% of its traffic comes from United States and 11.5% from India.[16]

Tumblr

Tumblr is a microblogging site that was launched in 2007. The difference with other blogging sites is its image-focused minimalist style of blogging, focusing on images rather than text. It is suitable for blogs with lots of visual but minimal text, such as art, fashion and even pornography. As of Feb 2013, it had become the top 10th website in United States.[17] The core users are youth below 25 years old, who went to Tumblr to escape their parents on Facebook. They prefer more images and straight to the point content. Tumblr resembles Wretch.cc (the artist's first blogging platform at Taiwan) in its reciprocal environment where you are expected to engage with others by liking each other's posts.

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[16] "Pinterest.com Site Info." Alexa. N.p., n.d. Web. 14 May 2013. <http://www.alexa.com/siteinfo/pinterest.com>.
[17] Rifkin, Adam. "Tumblr Is Not What You Think." TechCrunch. N.p., 18 Feb. 2013. Web. 14 May 2013. <http://techcrunch.com/2013/02/18/tumblr-is-not-what-you-think/>.

Smackjeeves

Smackjeeves is a free webcomic hosting web service that artists can join and create custom comic pages that allows readers to become a fan and subscribe. Although you can see who your fans are, they do not give you information about them and the only statistics they provide is the number of hits each comic page has. Fans seem to be mostly from United States and are interested in comics enough to register an account. Registration is not linked with FB connect, so users have to enter all information to register for an account. Hit titles are mostly parodies and western-style comics that have more of a cool and artistic factor than looking cute. Western-style comics also tend to have more dialogue and multiple frames on one page. Therefore a comic title, such as "Pictures of You", can have 1177 fans on Smackjeeves but only 810 fans on Facebook. This is probably due to the inappropriateness of such storytelling format on social networking sites for the masses.

The Duck

The Duck provides free web hosting for comics and is a direct competitor of Smackjeeves. Some artists hold mirror accounts on both sites to maximize reach. However, comics found on The Duck generally have weaker drawing. Like Smackjeeves, most fans seem to be also from United States and are interested in comics enough to register an account. Similarities with Smackjeeves also translate to seeing similar types of comics and probably attracting the same crowd of readers.

Tapastic

Tapastic is a very new free webcomics hosting service but unlike Smackjeeves and The Duck, it received huge financing from a Korean telecommunications company, SK Planet. The author had been contacted by SK Planet to discuss cooperation but was later ignored after the Korean company decided to hand over the management of their new venture business to their US office. Tapastic's business model is significantly different from Smackjeeves and The Duck, as it seeks to identify new hit titles and collaborate with indie artists to develop merchandise and other exclusive content like video games.[18] Indie artists are defined as those who have a significant fan base but had not signed

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[18] Krystian, Marisa. "This CEO Wants To Change The Way You Read Web Comics." International Business Times. N.p., 9 Apr. 2013. Web. 16 May 2013. <http://tv.ibtimes.com/ceo-wants-change-way-you-read-web-comics-10175>.

off with any publisher. Therefore it is clear that they are very selective in who they promote, focusing on rising stars and not paying big bucks for already established comics and ignoring the less popular ones.

Because Tapastic is a new entrant as online webcomics platform and publisher, their current objective is to target the U.S. market and increase its number of registered users. To attract more traffic, they are offering a generous commission program to artists who are able to lure more than 10,000 page views a month. Comics found on Tapastic are more varied and better drawn than Smackjeeves and The Duck. They consist of both western-style and cute Korean-styled comics with themes other than parodies and superheroes. The browsing method is also different by using a scrolling-style format instead of clicking from one page to the next. There is also a greater effort in pushing content to smart devices by developing apps (Agent Software) and integration with social networking sites, such as using FB connect to allow new registrations with a Facebook login. However, integration with Facebook is buggy at the moment, causing some users to be locked out of their accounts created with Facebook. Nevertheless, Tapastic claimed that their platform is the best one-stop place to view and distribute webcomics rather than making readers follow different blogs to get updates from their favorite titles.

4.1.2. Evaluation

Exhibit 4-3: Social Networking Platform Comparison Chart

	Audiences	Behavior	Style	Growth Potential
Twitter	Mass public	Mainly for events and happenings, not for entertainment or to learn new knowledge.	Short text, not many images.	Likely to increase.
Google Plus	Mass public, mature and majority Male.	Split between passive users and active users who are eager to post their photos in communities to publicize themselves or their Page.	Works like Facebook but without the ads yet.	Likely to be around for a long time to fight with Facebook. Active users may increase with smoother integration with YouTube and Blogger.
Pinterest	Mass public, majority Female.	Enjoy interesting images and certain amount of vanity.	A virtual board with pinned images.	Likely to increase with links to online shops where people can purchase the item on the photo.
Tumblr	Young Americans age 25 and below.	Reciprocal, prefer direct, straight to the point message and mainly images.	A blog with simple interface, lots of images and minimum text.	The cool place to be where parents aren't checking. However teens may move on to other places after they grow up.
Smackjeeves	Majority Americans and Europeans who love to read comics.	Are loyal to the comics that they subscribed to.	Custom comic pages where readers can subscribe. Click next to navigate the pages.	Likely to remain as is.
The Duck	Same as Smackjeeves.	Same as Smackjeeves.	Same as Smackjeeves.	Likely to remain as is.
Tapastic	Americans who love to read comics.	Are loyal to the comics that they subscribed to. They are also open to cuter style of Asian comics with varied themes.	Scrolling style of reading comics.	Likely to grow at first but will flatten out like Smackjeeves and The Duck.

Tapastic seems very attractive for an artist to join and get paid if he achieves over 10,000 page views. However, since Evacomics objective is to increase the number of readers, Tapastic's current and slow growing reader base is not attractive enough as a new channel. Furthermore, whether Tapastic's reader base will grow and sustain will depend on its business model. Unfortunately, readers are generally unwilling to pay for bite-sized comics that they can get for free individually elsewhere to kill a bit of time. Merchandising and video game content development is also a different ball game from networking platform service, as it requires new capabilities such as design and marketing like what Sanrio in Japan is doing for Hello Kitty. Since Tapastic is already invested by SK Planet, the company would be pressured to perform in a way that can only be achieved by signing up with super-star comic artists who already have a wide fan base to generate enough interest and demand to sell their merchandise. If the initial investment runs out and profits are still not coming in, there will definitely be more ads appearing around the pages like Smackjeeves and The Duck to generate revenue. For comics that have many panels or pages in one story, Smackjeeves, The Duck and Tapastic are good platforms to serialize on. On the other hand, since comic strips like Evacomics are easy to share on social networking sites, they are better off with their own Pages that allow fans to follow and share their content easily.

While Twitter is too text-oriented, Pinterest is too photo-oriented. Conversations or engagement with fans on Pinterest is difficult as users usually register to organize their inspirations visually or to search for new ones. While Tumblr may have an explosive amount of page views, its lack of a business model to monetize all the huge traffic might bring it tumbling down one day. Finally, the author projects that Google Plus will continue to grow as it integrates with other Google services such as Blogger, YouTube and even Picasa Web Album. With Facebook now desperate for more ad income and flooding news feed with ads, people might just get annoyed and either develop a habit to ignore the ads or move on to another platform. Google Plus will be there as the closest alternative and Evacomics should be there as an early adopter to establish presence.

Section 2.   SELF-PUBLISHING SERVICES

4.2.1. Analysis

Self-publishing service is an online service that allows indie authors to publish their own books either on hardcopy and or ebook format to be sold through their own stores and other distribution channels. As mentioned in chapter two, there are two kinds of software for authors to distribute their ebooks: the device developer's store software and the agent software.

All developer's stores such as Kindle and iBookstore are US based, so for non-US residents to submit to the stores directly requires them to obtain a US Tax ID such as an EIN from IRS and waiting for 2 weeks to get it registered inside the database. After which, the author is required to fill up the W-8BEN form to declare that he is an alien and not residing in US to have the 30% withheld tax released if he is from a country with tax treaty with US. Unfortunately, Singapore has a limited tax treaty with US so the withheld tax will not be returned even when the W-8BEN form is submitted.

The advantage of using an agent is that they are generally friendlier with non-US authors by offering payment via Paypal instead of a check, which may get lost in the mail and subjected to processing fees by the local bank. Agents usually have deals with more than one distribution channel in the case of eBooks, so authors do not have to submit to each store by themselves and could compile all earnings into one place. Of course, agents take a cut of the profits so it may be more worthwhile to sell direct to the developer's stores if the author is expecting a large amount of sales generating from there. Agents usually have their own conversion tool so the author can submit a Word doc or PDF file and have the book converted for distribution on multiple devices.

Due to the enormity of the market for eBooks, many old and new agents had been trying to improve their services, such as offering new conversion formats, new distribution channels or even offer paid services to edit your work and design your cover. Due to such complexities, a detailed analysis will have to be conducted to decide the best self-publishing service/s for Evacomics to use

in publishing the book. The list was selected from About.com[19] and CNET[20] website that contained lists of self-publishing services. Self-publishing services that do not offer distribution channels other than their own company's online bookstore and do not support non-US authors are eliminated from the analysis. The main focus of the analysis is on formats, mode of payment and distribution channels.

iBookstore

Apple now allows independent authors to submit their own books to iBookstore by registering at iTunes Connect. However, non-US authors must obtain a US Tax ID, fill up the W-8BEN form and send it to Apple. Unfortunately, it will take up to 2 months for the book to be reviewed and if the book is rejected, the author has to resubmit again and wait for Apple's notification.[21] The long waiting time and uncertainty put off many authors so publishing through an agent that sells to iBookstores is still preferred. ISBN is not required nor does Apple supply any. But an ISBN number is good to have to make your book appear more professional.

CreateSpace

CreateSpace is Amazon's print-on-demand (books get printed only when an order is placed) service catering to individuals who want to sell hardcopy books on Amazon. An additional $25 can be paid to enroll into their "Expanded Distribution" plan that will help to distribute your books to bookstores (e.g. Barnes & Noble and Ingram), libraries and academic institutions. However book sizes must conform to its industry standard size. Documents can be submitted in Word doc, rtf or PDF format. The author can choose to have a free ISBN from CreateSpace but the ISBN can only be used with CreateSpace platform. Providing your own ISBN is possible but the book will not be distributed to libraries or academic institutions even when the Expanded Distribution plan is

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[19] Peterson, Valerie. "Self-Publishing Services — A Round Up of Popular Self-Publishing Services." About.com. N.p., n.d. Web. 28 May 2013. <http://publishing.about.com/od/SelfPublishingAndVanityPresses/a/Self-Publishing-Services-An-Overview.htm>.
[20] Carnoy, David. "How to self-publish an ebook." CNET. N.p., 1 June 2012. Web. 28 May 2013. <reviews.cnet.com/8301-18438_7-20010547-82/how-to-self-publish-an-ebook>.
[21] Hinkinson, Andrew S.. "Apple iBookstore: a Bureaucratic Hell for Non-US Authors." The Spicy Cauldron. N.p., 29 Feb. 2012. Web. 28 May 2013. <http://spicycauldron.com/2012/02/29/apple-ibookstore-a-bureaucratic-hell-for-non-us-authors>.

purchased. Payment to authors can be made every month when revenue exceeds $100, however the only option for non-US authors is to receive check through snail mail.

Kindle Direct Publishing (KDP)

KDP is Amazon's program to cater individuals who want to sell their ebooks on Kindle store. Many formats are accepted including Word doc, ePub, and PDF.[22] All publishers are required to obtain a Tax ID and submit the W-8BEN form. Payment is made every 60 days when revenue exceeds $100, but only by check.

Lulu

Lulu supports authors from over 200 countries since its setup in 2002. It started as a print-on-demand self-publishing service but authors can also bulk-order copies to sell on their own too. Authors can choose to use either their own ISBN, which Evacomics can obtain for free from Singapore National Library or obtain one from Lulu. With own ISBN from Singapore, tax earned from US sales will not be withheld and can be reported in Singapore. However Lulu insists "You may not make available to the public a duplicate project with a lower Lulu Marketplace price while the original is active in Distribution." With Lulu's ISBN, a 30% tax will be withheld since Singapore has a limited tax treaty with US. Some non-US authors had ignored the form reporting since sales generated from US were small. Printed books can be made available for sale on Amazon for free and authors can pay an additional $75 to have their book included in the Ingram catalog that sells to booksellers, librarians and educators. Unfortunately, to print a 100 page full-color perfect bound book in U.S. Trade size (6"x9") will cost a whopping US$33. With such a high printing cost, it is needless to say that only its eBook option would be more cost effective. Authors can covert their Word doc file or RTF file into EPUB format through Lulu's epub convertor. Lulu's ebooks sales channel includes iBookstores worldwide that allow Paid Books content[23] and Barnes & Noble's NOOK. Unfortunately selling to Kindle store and conversion from PDF document are not supported. Authors can choose to receive payment by check or Paypal. For non-US authors, Paypal is definitely

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[22] "Kindle Direct Publishing: Help." Amazon. N.p., n.d. Web. 28 May 2013. <https://kdp.amazon.com/self-publishing/help?topicId=A37Z49E2DDQPP3>.
[23] "iTunes Store: Which types of items can I buy in my country?." Apple. N.p., n.d. Web. 28 May 2013. <http://support.apple.com/kb/TS3599>.

more convenient and the minimum requirement for payout is $5.

Smashwords

Smashwords is a pure ebook distributor without print support, but their main advantage over Lulu is their wider distribution channel to ebook stores such as iBookstores worldwide, Nook, Sony and Kobo if your ebook is selected to be included in their "premium catalog."[24] The ebook can be included into the premium catalog after a manual review from Smashwords. Authors can use their own ISBN or obtain a free one from Smashwords that they can use to sell only within Smashwords. Books can be converted into the ePub format from Word doc only. Like Lulu, Smashwords will withhold 30% of revenue for tax. Payment is made every quarterly when accumulated revenue exceeds $10.

Bookbaby

Bookbaby is another ebooks-only distributor that has even more distribution channels than Smashwords. It includes iBookstores, Nook, Sony and Kobo, as well as Kindle store and eSentral, an eBook distributor in Malaysia and Singapore. Pricing model is not by per book sales but by a one-time setup package that costs a minimum $99 and a $19 annual fee thereafter as long as the ebook remains in their system. The setup fee for the standard package costs $149, which includes conversion from a PDF file. Minimum payment to paypal is $10 that is compiled every month. Bookbaby is more attractive for books that are expecting high volume and for authors who prefer more handholding. Therefore for starters, combination of KDP and Smashwords could be a better choice.

ComiXology

ComiXology is the "largest seller of single-issue digital comics across several devices, and the only retailer that sells single-issue comics from the two largest publishers, Marvel and DC."[25] Nearly 100 million digital comics and graphic novels have been downloaded from the ComiXology

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[24] "Distribution." Smashwords. N.p., n.d. Web. 3 June 2013. <http://www.smashwords.com/distribution>.

[25] Cheredar, Tom. "Excelsior! ComiXology begins accepting self-published comics." VentureBeat. N.p., 11 Oct. 2012. Web. 28 May 2013. <http://venturebeat.com/2012/10/11/comixology-submit/#lA6VEo1GJpbR1KyU.02>.

platform since its launch on 2009. No doubt their users are comic fans, who would download the app onto their mobile devices and pay for downloading comics. ComiXology recently launched its "Submit" program for indie comic artists and the author was able to register as a publisher from Singapore. PDF files can be uploaded and converted into their proprietary format but needs to be approved by their team of editors who assess if the work possesses the professionalism like a published hardcopy comic. Comics submitted will become available on the comiXology app that is available on iOS, Android and Kindle Fire. Unfortunately, a search on the Apple App Store in Japan does not return the ComiXology app. Payment is scheduled every quarter and only paid if the revenue exceeds $100. The mode of payment is by check or ACH transfer into a bank account. The greatest disadvantage of comiXology is that they take a 50% cut on all profits.

Google Books Partner Program and Google Play

Google Play is Google's new platform to sell contents such as books, movies and android apps. To sell there, one has to join their Google Books Partner Program and let their book be archived in Google Books database. Submission can be made by uploading an ePub or PDF document but an ISBN must be provided by the author. This channel is attractive primarily because Google Books is the world's largest selection of eBooks. However, there are authors who complained that Google Books will discount their listed price without notifying them and caused them to breach pricing contracts with other distributors.

4.2.2. Evaluation

Exhibit 4-4: Self-Publishing Services Comparison Chart

Self-Publishing Services	Key Points	Payment
iBookstore	Extremely long wait to get book approved.	Electronic Bank Transfer
CreateSpace	The only print-on-demand service for hardcopy books that includes distribution on Amazon.	Check only.
KDP	Better royalty rate than going through an agent.	Check only.
Lulu	Less distribution channels than Smashwords.	Check or Paypal.
Smashwords	One of the most popular choice for self-publish authors.	Check to US residents, Paypal to non-US residents.
Bookbaby	Has more distribution channels than Smashwords but upfront investment is required. Not good if your sales is low.	Check, ACH transfer, bank direct deposit or Paypal.
ComiXology	Audiences are comic fans who would pay for downloads but are probably used with the Marvel style of comics. 50% cut of profits is significant.	Check or ACH transfer.
Google Books Parner Program and Google Play	Attractive to be included into the Google ebooks database, searchable on Google and sell on Google Play. However will discount listed price without notifying author.	Check or direct deposit.

CreateSpace remains as the only option for hardcopy self-publishing. For ebooks, Evacomics can consider obtaining own ISBN to sell directly to the Kindle store through the KDP program instead of going through an agent. US Tax ID must be obtained and W-8BEN form filled up in order to receive royalties. Smashwords is a better choice over Lulu and Bookbaby because of wide distribution channels and no upfront costs required. ComiXology's 50% cut of profits is too much considering Evacomics is targeting to anyone who likes Japan. Finally, Google Books Partner Program and Google Play is a great option to enter into the growing market of android phone and tablet users, but it would be risky to enter because they can discount the listed price without any notification.

Section 3.   CHAPTER FOUR SUMMARY

- Growing popular social networking platforms were analyzed: Twitter, Google Plus, Pinterest and Tumblr, to access if entering them would increase Evacomics audiences significantly.

- Other social networking platforms for comic artists and fans were also analyzed: Smackjeeves, The Duck and Tapastic. However the conclusion is not to enter them since Evacomics would like to target everyone who likes Japan and not just comic fans.

- Conclusion is to enter Google Plus as an early adopter due to its growing user base and integration with other Google services such as Youtube and Blogger.

- Self-publishing services were analyzed based on payment modes, distribution channels and cost. However since all are US based, the artist has to obtain a US Tax ID and submit a W-8BEN form for tax reporting. ISBN can be obtained for free from the Singapore National Library.

- Evacomics should publish on CreateSpace for print-on-demand hardcopies, KDP for Kindle, Smashwords for iBookstores and Nook.

CHAPTER 5. CASE STUDIES

Three comics were selected as case studies to examine their starting point, business model and promotion method on social media. The first case study was selected as an example from the west, and the second was selected as an example from the east. Both webcomics became so successful that allowed their creators to earn a living by drawing webcomics alone. The third example was selected as an example of how a Singaporean comic artist promoted his comics using social media.

Section 1.   CASE STUDY 1 - PENNY ARCADE

Penny Arcade (http://www.penny-arcade.com) is one of the earliest and most popular webcomic series about video gaming culture, which was started in 1998 with Jerry Holkins as the script writer and Mike Krahulik as the illustrator. The comic is about two gamers Gabe and Tycho, who are stylized alter egos of creators Jerry and Mike. The comics are updated at a fixed schedule every Monday, Wednesday and Friday on their own website. With nearly 70 million page views a month, the creators are able to make a living from just their webcomics alone.[26] The duo creators were even shortlisted in the 2010 Time 100 poll that recognizes the most influential people in the world.[27]

Business Model

Penny Arcade started off with donations from readers when their popularity exploded, but had no real revenue model. This changed however when Robert Khoo, an avid gamer and a Foster business school graduate, went to the creators and pitched to them his advertising plan. His plan was to do editorial advertising, which no ads appear on Penny Arcade unless they really like the game. The key advantage is Penny Arcade's large community of hardcore gamers. Learning from Garfield and Peanuts, Khoo also leveraged the Penny Arcade brand into apparel, merchandise, syndication,

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[26] "Alumni Profile Robert Khoo." University of Washington Foster School of Business . N.p., n.d. Web.   29   May   2013. <http://www.foster.washington.edu/about/Pages/AlumniProfileRobertKhoo.aspx>.
[27] "The 'Penny Arcade' Co-Creators." TIME. N.p., 1 Apr. 2010. Web. 29 May 2013. <http://www.time.com/time/specials/packages/article/0,28804,1972075_1972078_1972137,00.html >.

book publishing and collectible cards. Khoo also made use of Jerry's and Mike's fame in the gaming industry as opinion leaders, to sell creative consulting to developers like Ubisoft and Vivdendi, and organizations that rates games like ESRB.

Penny Arcade had since then launched their own video games with other game publishers although the games did not fare as well as their comics. Penny Arcade also tried to launch Greenhouse, an online distribution platform for games that are produced by Penny Arcade or approved by Penny Arcade, from big to tiny developers. Although Khoo said that many people see them as a source they could trust, this preposition alone did not save the fledging project which failed in 2011. The shutdown was probably due to intense competition from other indie game distributors.

Positioning and Targeting

Comics about video gaming culture filled with satire jokes. Target readers are clearly hard-core gamers in English-speaking countries, who could understand and relate to the jokes.

Product

The primary product is comics but revenue comes from other products and services. These products include merchandise, books, collectible cards and games. Services include syndication, editorial advertising and consultation services to game companies and organizations. Apparel designs ranges from not just their own cast characters but also other game-inspired graphics that look cool or slightly geeky to appeal to their fans. Webcomics are compiled every year into comic books approximately 120 pages long with bonus material and published by Dark Horse.

Place

Penny Arcade sells their merchandise on their own online store and during conventions. Comic books are taken care by their publishers, who distribute them in bookstores and even on Amazon.

Price

T-shirts cost at least $17.99 and comic books cost $12.95 each. A bundle pack of volume 1 to 8 that costs $89.99 is also sold.

Promotion

As one of the early adopters of webcomics with a very targeted audience, there is no need for promotion as word-of-mouth spreads fast within the tight gamers community. Even a fan gathering soon turned out to be a large-scale festival called Penny Arcade Expo (PAX) for console, PC and game enthusiasts that was not included in the original business plan. They also started a charity fund called "Child's Play" in 2003, to deliver toys and video games to children in hospitals around the world. There is even an on-going reality game show called "Strip Search" for web cartoonists. The show is aired on their website via Youtube every Tuesday and Friday, sponsored by MAGIC The Gathering (trading cards company), Comic Con, Power Notebooks, COPIC (graphic markers manufacturer), WACOM (graphics tablet manufacturer) and their own fund raising campaign conducted through Kickstarter.com (Exhibit 5-1).

Exhibit 5-1: Penny Arcade's Kickstarter campaign promotional material

Because Penny Arcade's website is already attracting millions of hits and already established as the leader in webcomics for gamers, there is little need to promote in other social media platforms. Although they opened a Facebook page in 2007, it was not until 2011 that they updated the page more frequently with Youtube interviews and teasers about their reality shows. To attract fans to their website (so they can tempt them to read more and purchase their goods), Penny Arcade only uploads the first panel of their webcomic on Facebook and provided a link to the respective comic page on their website. It is uncertain if this resulted inconvenience for readers to share their comics as there is only 47,000 likes on Facebook as of May 2013, compared to the estimated 3.5 million readers as claimed by Del Rey Books, one of Penny Arcade's publisher. [28]

Section 2.   CASE STUDY 2 - WAN WAN

Wan wan (http://www.wretch.cc/blog/cwwany) is the pen name of a Taiwanese blog comic artist who debuted her comics on the Taiwanese blogging platform Wretch.cc on 2004. During its heydays, the blog could attract tens of thousands of hits per day and hundreds of comments per blog post. Her blog became so popular that she won the Global Chinese Blog Award contest in 2006.

Her rise to fame started when she drew some cute MSN emoticons for people to use on their MSN instant messenger, which was growing in popularity at that time. The MSN emoticons featured a simply drawn character that looks like a stick-man with volume, representing the artist. She also drew comic strips about her daily life with cute exaggerated expressions and humor. During the early days of her blog, she had to go around telling friends about her new posts. After a year of hard work, her blog started to top the charts on the Wretch.cc homepage and continued to stay there. However a problem came when a well-known Taiwanese band altered her emoticon and used it as their own on their website. Wan wan was disappointed and posted a "sighing" emoticon that shocked her fans, which later left comments to cheer her up and pressured the band to apologize for stealing the

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[28] Geddes, John. "'Penny Arcade' a testament to the power of gaming culture." USA TODAY. N.p., 2 Apr. 2010. Web. 29 May 2013. <http://usatoday30.usatoday.com/life/comics/2010-04-01-pennyarcade-creators01-ST_N.htm>.

artwork.[29] Like Penny Arcade creators, she quit her daytime job and is now living off with her webcomics and book publications.

Business Model

After becoming a popular comic blog, she was offered a contract from a Taiwanese book publisher, who eagerly helped in promoting her books with creative ideas. With immense fame in Taiwan, she also received many requests from merchandise manufacturers to get her exclusive artwork on their goods, as well as numerous advertorial jobs that ranged from creating animation for a music award, to KFC egg tart packages.

Positioning and Targeting

She wants anyone who reads her comics to leave with a smile. Her focus is on young Taiwanese who uses MSN and blogs.

Product

Besides comic books, she also offers design services and license for her characters to be used on various goods. She also does co-branding with other Taiwanese brands to promote their products and services.

Place

Her merchandise are sold only in Taiwan, while her Chinese comic books are sold in bookstores around the world that has Chinese books collection. Although her publishers brought her books into China, they were already too late as China's homegrown artists had already entrenched their own market with their own MSN emoticon characters and blog comics. There were even copycats that looked like Wan Wan's character. Because Wan wan's comic dialogues are in a vertical format (versus the horizontal format used in English), it is ideal to be translated into the Japanese language but the author of this thesis is uncertain why it did not happen.

Price

The price of her full-color comic book in Taiwan is around 730yen.

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[29] Quan, Zi Qiang. "Life through comics - Wan wan blog." China Times. N.p., 8 Nov. 2005. Web. 6 June 2013. <blog.chinatimes.com/blognews/archive/2005/11/08/24381.html>.

Promotion

Her cute MSN emoticons was a novel idea and its popularity rode along with MSN's rising penetration rate. Besides doing word-of-mouth in the early days, the consecutive appearance of her blog among the top charts on the wretch.cc homepage also helped in increasing her blog traffic. Her publisher also made effort to market her books by including a special freebie like the Japanese "omake"(extra) to entice people to buy her books. Although she tried to keep her identity a secret, but her rising fame attracted many Taiwanese news stations, magazines and newspapers to interview her. Since then, she appeared frequently on TV, acted in a commercial and even appeared in a Taiwanese movie. As her fans move from wretch.cc blogging platform to Facebook, she began to update more frequently on Facebook to keep her fans updated about her thoughts and latest news, very much like a comic star. She currently has 242,000 likes on Facebook as of May 2013. Despite the shift, she still continues to update on her blog with different comics content.

Section 3.　　　　CASE STUDY 3 - TEDDY

Although Singapore comic artists usually do no promotion before releasing their books, this case study is about a comic artist who promoted his comics on Facebook (https://www.facebook.com/teddycomic) even before any books are published. The comics is called "Teddy", which is about a teddy bear that defends children from their nightmares. Unfortunately, this shares a similar plot with another comic book called "A Teddy Bear Tale" by an indie artist from UK, and the book author regularly promotes his work on Teddy's Facebook page. Since there are no products and business model yet, the focus of this case study is on its social media marketing efforts. It is presumed that a comic book and merchandise will be released to generate revenue for the artist.

Positioning and Targeting

The story seems to be for children but the drawing style and monotonous colors are closer to adult taste. Teddy is positioned as a hero comic and the comments left by its readers suggests that the artist is targeting people who like teddy bears.

Promotion

The artist paid $56 for a Facebook campaign that lasted over a month and obtained more than 6000 additional likes in the end. The most liked and shared is his weekly TGIF (Thank God It's Friday) illustrations, which featured his characters happily celebrating Fridays. Because of the great increase in numbers with only $56, the artist did another campaign to get more likes. However, although the Facebook Page has more than 33,000 likes as of May 2013, the number of likes per post hardly exceeds 100. The decrease in likes and shares is especially prominent after stopping the ad campaign. Since then, the artist occasionally posts his caricature illustrations and "making of" videos of some 3D simulations of Teddy, which barely generated any likes or shares by his fans and appeared more like fillers. There is no website for further information.

Section 4.   CHAPTER FIVE SUMMARY

- Three comics were selected as case studies to examine their starting point, business model and promotion method on social media. The first was selected as an example from the west, the second from the east, and the third from Singapore. The first two comics series grew rapidly, allowing their creators to earn a living from drawing webcomics.

- Successful webcomics have a very focused target group of audiences and are very clear on what they offer to their readers.

- Revenue model comes mainly from books and merchandise. Only when the work has achieved certain fame can advertising become an attractive preposition to other companies.

- There is a sense of tight community building and bonding with Penny Arcade and Wan Wan, which helped combat piracy in the case of the latter example.

- Paying for a Facebook campaign can generate many likes but without continuous good content, the number of likes and shares will decrease.

CHAPTER 6. SELLING EBOOKS

Section 1.   HOW TO SELL MORE EBOOKS

Selling hardcopy books at the brick and mortar store and selling ebooks online have some obvious differences that authors must know in order to devise the best marketing mix for their books. The obvious difference besides place and price is shelf life. If a hardcopy book title does not sell well within the first few weeks of its launch, the stock is usually stacked away and returned to the publishers a month later. However ebooks enjoy a perpetual shelf life that authors can make use of to launch several marketing campaigns over time, and even change certain parts of the book until it is right. Based on Smashword's founder, Mark Coker's ebook, "The Secrets to Ebook Publishing Success,"[30] there are certain steps that self-publishing authors can do to increase their book sales.

A Good Book

Although marketing can help to get the author's first readers, a bad product remains a bad product that first batch of readers will not recommend to their friends. Word of mouth can lead to virality but all these will work only when the book is good enough. That means either it is useful for the reader, or a great story that touches or inspires the reader. Good editing and proofreading are also essential to improve the book content.

A Good Cover

Everyone knows too well that it is human nature to pick up a book based on its cover. Coker brought up a great example of a book that was in full distribution for 18 months, selling above average (approximately five copies a day), and received some great reviews from readers. However, the book didn't manage to break out. Finally the author changed her book cover (Exhibit 6-1) and suddenly sales spiked at Apple iBookstore, becoming the No.5 bestseller (Exhibit 6-2).

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[30] Coker, Mark. The Secrets to Ebook Publishing Success. Los Gatos: Smashwords, 2013.

Exhibit 6-2: Book Cover Change

Old Cover   New Cover

Exhibit 6-1: Book Cover Change Resulting in Sales

A Good Title and Description

The top 100 titles selling at Smashwords averaged 4.2 words in their book title, whereas books ranked between 1000-2000 had 5.7 words (Exhibit 6-3). Besides choosing clear and intriguing book titles, authors should also consider a more concise book title that will help readers make the pick. A good and appropriate description that interests the reader is common sense but many fail to write properly and even make spelling mistakes. Coker suggests to studying the bestselling books in

the same genre and looking for commonalities such as sentence length, active or passive language, whether or not it included reviewer quotes or suggested recommendations like "If you like [some well-known author X], you'll also like this."

Exhibit 6-3: Do Shorter Titles Sell More Books?

Word count left axis. Results indicate that yes, shorter titles may give slight sales advantage (don't bet the bank on this one!)
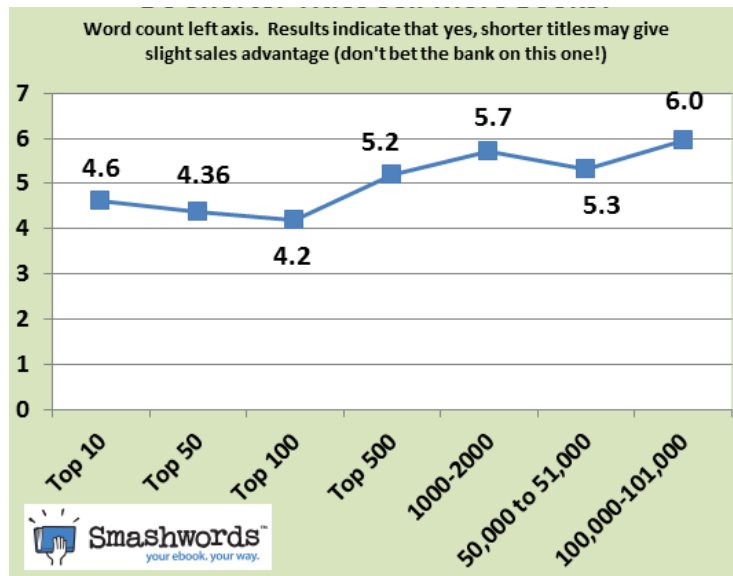
Source: Smashwords Blog

Choose the Appropriate Category

The category of a book tells the retailer where to list it. Although Evacomics is a comic book, it wants to be targeted to anyone who likes Japan.

A Good Price or FREE

Obviously the lower the price, the more books will sell. However this is not exactly true with ebooks priced at $1.99 according to Exhibit 6-4. Instead, books priced at $2.99 appear to sell more than 99-cent books. However based on Exhibit 6-5, ebooks that are priced from $3-$3.99 returns the best earnings for the author. Some readers are attracted to low priced books while some have the notion that a higher price ebook might mean a better quality, similar to buying products in physical stores. Although a higher price tag usually returns more profit for the author, a lower price to gain a new reader is probably more valuable if the author plans to publish multiple books in order to build a fan base. After building reader trust and loyalty, authors can then consider raising the price for their

next book. Nevertheless, if the book does have value that appeals very much to the targeted reader, even a price of $10 will not stop him from buying it. Finally, Coker argues that giving away the book for FREE, even for a limited time, will help to increase exposure by gaining new readers quickly. Most of the highest earning authors at Smashwords have at least one free book.

Exhibit 6-4: How Does eBook Price Impact Unit Sales Volume?
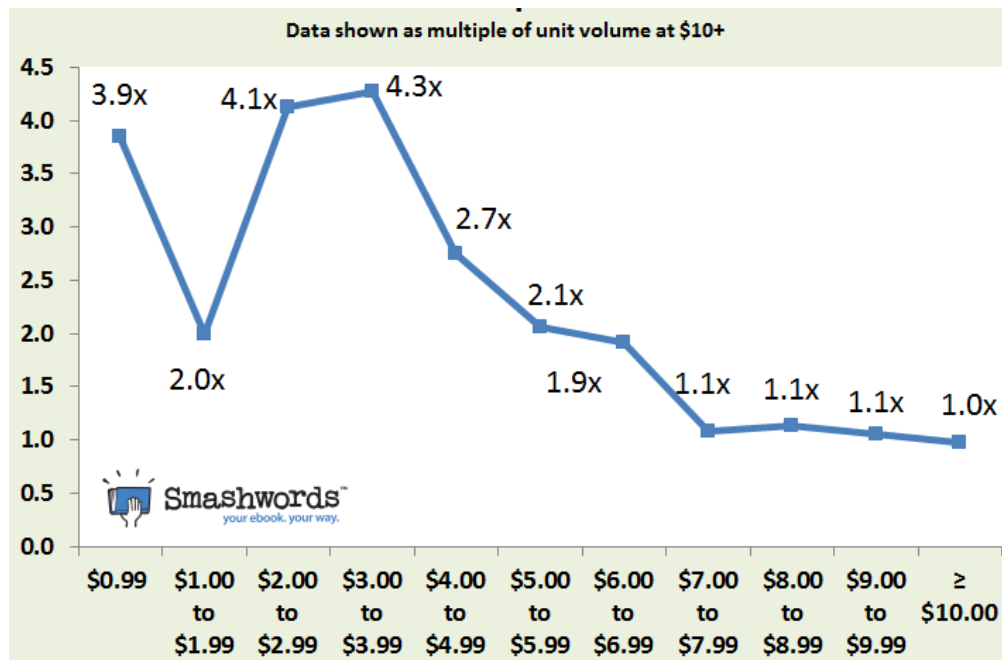
Source: Smashwords Blog

Exhibit 6-5: Which eBook Price Yields the Author the Greatest Earnings?
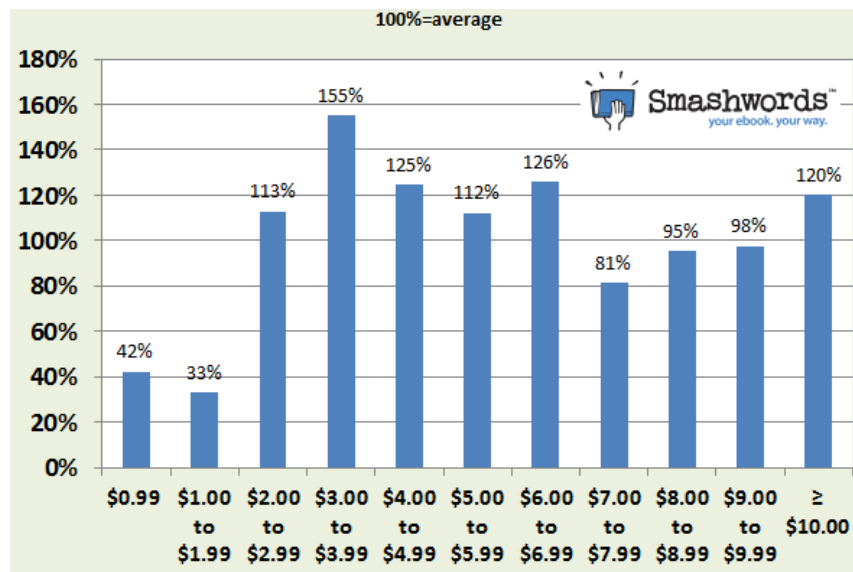
Good Marketing

Marketing should start when the author decides to write a book. With social media, this becomes easier for authors to build a community fan base and cultivate reader trust and loyalty. This is especially effective as proven in the previous chapter that studied Penny Arcade and Wan Wan's webcomics. They steadily built a fan base through regular comic updates and then sell books and merchandise to them later. Although Teddy, the third case study, had a larger number of Facebook likes than Evacomics, its inappropriate posts will not only affect reader trust, but also affect Facebook's algorithm, which selects what top stories a person see on their news feed. Besides marketing before the book launch, after sales promotion like interviews or behind-the-scenes specials are good ways to continue the buzz and generate a conversation with fans as mentioned in chapter two.

Understanding Algorithm

An algorithm is a set of automated logic that determines what will appear. Algorithms for ebook retailers attempt to mimic and capture human recommendation methodologies by looking at purchasing behavior, browsed books and reviews, then mapping it along with other thousands or millions of other customers. Although each retailer has different algorithms, a common measurement

is sales velocity that considers the rate of change and timing of the change. For example, sales made within the last few days will be weighted more heavily than sales from two weeks ago, as retailers will always want to sell what is hot and moving today. Because bestseller charts usually get readers' attention, so it is worth considering targeting sales efforts to a specific time in order to make the spike in sales and appear in the bestseller ranking. Retailers also adjust their algorithm to ensure a strike between reader satisfaction and profitability. Therefore some retailers might promote a $9.99 ebook instead of a 99-cent ebook that is selling more in terms of quantity.

Amazon's "Customers Who Bought This Item Also Bought" is another algorithm that taps into the purchase history of readers. Positive reviews and recommendations will improve chances of getting into this contextual connection. Therefore authors can consider partnering with other authors of the same genre into cross-promoting each other's books at the same time to get into this algorithm. While Amazon use purchases as part of their algorithm, other retailers use browsing history as an indicator of reader preference. Becoming a series writer and releasing more books will also help in selling more.

Understanding How Ebook Retailers Select Titles to Feature

While publishers pay to get their books displayed face up at prominent positions on the book shelves of brick and mortar stores, merchandizing managers from ebook retailers use several methods to identify books that are worth bestowing their promotional boost.

These methods are:

- Sales trend, reviews and quality of book cover.
- Monitoring national ebook bestseller lists and even competing ebook retailers lists. Genre-specific bestsellers are also noted.
- Monitoring influential book review platforms such as New York Times, national network talk shows or popular blogs to check out the next buzz.
- Asking distributors like Smashwords for recommendation.
- Looking at the author's entire catalog of available titles to generate more follow-up sales of other titles.

- Monitoring social media to see if the author is aggressively promoting their books at the respective retailer's store and yielding results.

Section 2. CHAPTER SIX SUMMARY

- Virality by word of mouth will only work with a good product.
- An attractive book cover, a short book title and appropriate description will help sell the book.
- $2.99 sells the most ebooks but the author can also give away the book for Free to grow a fan base to sell future titles. Other alternatives include Free for a limited time or offering another book title for FREE as a way to allow readers to sample the author's standard.
- Marketing should start before the book launch and continue after sales to keep the conversation on-going with readers.
- Community building to cultivate reader trust and loyalty is essential for the long term.
- Concentrating marketing efforts to make sales spike to appear at bestseller chart will churn up more sales.
- It is better to have more than one book to get into the algorithm and more attractive for retailers to feature in their list.

CHAPTER 7. SOCIAL MEDIA MARKETING

Section 1.   PROMOTING ON SOCIAL MEDIA

Before throwing in time and money to set up a social media ad campaign, it is important to focus on what the company wants to achieve and find out where the target customers are and how to get their attention. The following is a guide adapted from Eloqua's "The Grande Guide to Social Advertising"[31], and "Controlled infection! Spreading the brand message through viral marketing" from Kelly School of Business.[32]

1. **Choose the Right Platform.** Researching on which networks potential buyers frequent for community interaction and information is the initial step for the social media marketing plan. For example, if the company sells fashion goods and target women in the US, Pinterest would be a good network to go into.

2. **Think: Focus.** Social advertisement is more about targeting efficiency than mass awareness. Therefore it is important to think about the exact people the company wants their message to reach: who they are, where do they live, what do they do for work and fun, their interest, hobbies, etc. Fine-tune the campaign to target them and only them.

3. **Keep it Short.** As mentioned in Chapter two, people on social media are surrounded by new content every minute, so messages have to be short to capture their attention within a short time. A clear call to action, hyper-personalization (messages tailored specifically to them), and intriguing or humorous messages are always great.

4. **Maximize Keywords.** Use keywords that will bring in traffic by looking into what competitors use and what people search for when they are looking for the related product or service.

5. **Tell Viewers What to Do.** People are more likely to engage with the brand if they were told

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[31] "Eloqua Grande Guide to Social Advertising." Eloqua. N.p., n.d. Web. 3 June 2013. <http://www.eloqua.com/grande/Grande_Guide_To_Social_Advertising.html>.
[32] Dobele, A, D Toleman, and M Beverland. "Controlled Infection! Spreading The Brand Message Through Viral Marketing." Business Horizons 48.2 (2005): 143-149.

what to do in simple steps. For example, to click a button, complete a survey or share a post.

6. **Drive Customers "Home"** (website, microsite, landing page). Many times, the data on the social platform is limited so driving customers to a specific webpage for more information will not only allow interested customers to know more, but also allow data to be collected on the website. However, minimizing the number of clicks required to complete the call to action is important to make it simple for the customers.

7. **Focus on a Few Channels.** It is important to focus on a few social advertising sites at a time to make it easier for tracking and fine-tuning.

8. **Engage and Entertain.** Qualities people find most connection-worthy include attributes like human, entertaining and informative. Messages with fun and wonder will provide point of interest for people to talk about it with others.

9. **Choosing the right time.** Timing is important in some campaigns. For example, running a social media campaign when TV advertisements are also on going, or running a Twitter campaign during a live event.

Section 2.   PROMOTING ON FACEBOOK

7.2.1. Facebook Edgerank Algorithm

Facebook users usually set their News Feed as the default landing page when they login to Facebook. Unfortunately, Facebook tries to set the News Feed to sort by "Top Stories" although one can keep on trying to set it back to "Most Recent". This algorithm, which Facebook named it as Edgerank, chooses which stories to display on the user's News Feed. Because 96% of fans[33] will not go back to the brand's page after first liking them, understanding how Edgerank work will increase the chances of fans seeing the page updates. Edgerank is based on Affinity, Weight and Time Decay. (Exhibit 7-1)

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[33] Al-Greene, Bob. "What Is Facebook EdgeRank and Why Does It Matter?." Mashable. N.p., 8 May 2013. Web. 3 June 2013. <http://mashable.com/2013/05/07/facebook-edgerank-infographic/>.

Exhibit 7-1: Facebook's Edgerank
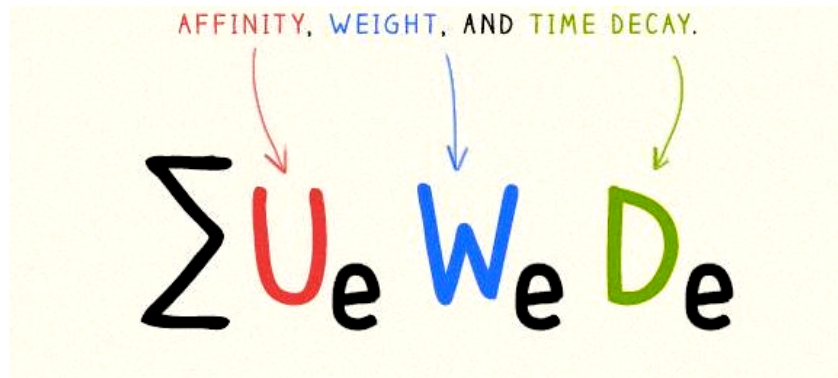
Affinity. Affinity measures the relationship between the reader and the creator of the story. The closer the relationship, the higher the score. Therefore posts from family or close friends will prioritize over posts from new strangers. If user A likes posts from user B regularly, Edgerank will also prioritize user B's stories on user A's news feed. Unfortunately, this is a one-way algorithm, so it does not mean that user B will see user A's stories on his news feed.

Weight. Different types of posts carry different weights. The higher the weight, the higher the score and rank. Photos and videos are the top, followed by links, then plain text updates. However although the initial assigned rank of a photo story may be high, if it does not receive any likes and comments, it can drop below a text update that has more engagement.

Time Decay. As the post ages, its value drops in order to make way for fresher news on the user's news feed. However, if a user logs in once a week, it is possible to still see stories that are a few days old.

With these in mind, it is important for pages to post only interesting or informative stories to get more engagement (likes, shares and comments) so their stories will rank higher on their fan's news feed. Try to post with Photos or Videos and update everyday if possible to remain fresh on customer's news feed.

7.2.2. When and What to Update

According to a study conducted by Dan Zarrella, the author of "The Science of Marketing:

When to Tweet, What to Post, How to Blog, and Other Proven Strategies,"[34] photos get the most likes and shares, based on the top 10,000 most-liked Facebook pages. This is in-line with the Edgerank algorithm. The most commented was plain text stories, followed by photo stories. Posts with self-referential words like "I" or "me" tended to get more likes too (Exhibit 7-2).

Exhibit 7-2: Self Reference
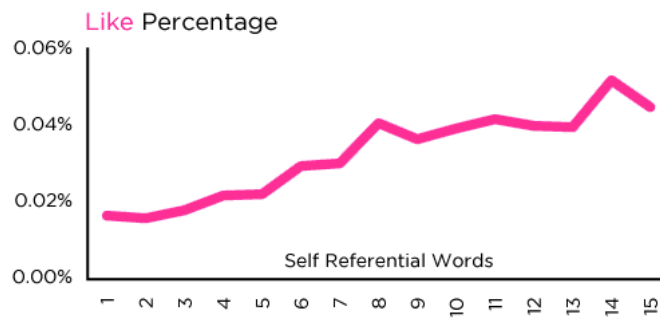
Source: Dan Zarrella

Content that was posted later in the day tend to get more likes and shares (Exhibit 7-3), coinciding with the time people get off from work or school. Although Saturdays and Sundays seem to generate the most likes (Exhibit 7-4), but experience on Evacomics seem to differ with posts on Sundays faring weaker than those on weekdays. It is advisable to experiment with different times of the day to find out the best time to update to capture the most audience engagement, as each page demographics will differ. After finding out the best time, it is better to stick with the schedule.

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[34] Zarrella, Dan. "How to Get More Likes, Comments and Shares on Facebook." Dan Zarrella. N.p., n.d. Web. 3 June 2013. <http://danzarrella.com/infographic-how-to-get-more-likes-comments-and-shares-on-facebook.html>.

Exhibit 7-3: Hour of Day

Like Percentage

Share Percentage
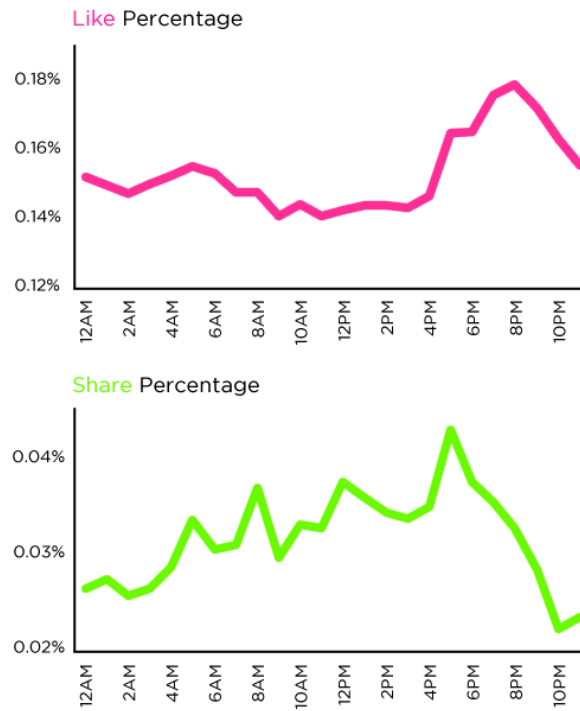
<div align="right">Source: Dan Zarrella</div>

Exhibit 7-4: Day of Week

Like Percentage
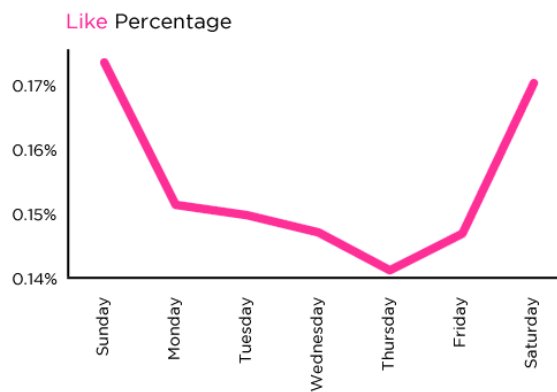
<div align="right">Source: Dan Zarrella</div>

Section 3.   HANDLING UNHAPPY CUSTOMERS

As mentioned in Chapter Two, Evacomics deals with cultural differences and stereotypes so there are always people who are irritated and want to vent their anger. If other people respond to support the negative sentiment, there will be a risk of spreading the negative story and ruining

Evacomics's reputation. Of course, there are also people who are just plain crazy malcontents. So to decide whether or not to get into the conversation, Christopher Barger, director of social media at General Motors, says that if someone raises a thoughtful criticism and people answer back with thoughtful responses, it is an intelligent conversation that they ought to get into.[35]

For genuine complaints, they should be dealt quickly because people are generally impatient on social media and each complaint should end with a "thank you" from every complainant as a measure of success, says social media practitioner Pat Law from GOODSTUPH, which handles brands operating in Singapore like Nike and HP. [36]

Section 4.   CHAPTER SEVEN SUMMARY

- Focus on your targeted customers, and only on them.

- Keep messages short. They should have a clear call to action that is easy to execute, such as visit to a link or like a post. They must also be engaging, entertaining or informative.

- Due to Facebook's algorithm called Edgerank, it is important to post only interesting or informative stories to get the most engagement (likes, shares and comments) so future stories will rank higher on fan's news feed. Try to post with Photos or Videos and update everyday if possible to remain as fresh stories.

- Posts with self-referential words like "I" or "me" tended to get more likes.

- Test different times to update for maximum exposure to fans and stick to the schedule.

- Only get into a thoughtful criticism when there are other thoughtful responses from other fans. Ignore crazy comments.

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[35] Scott, David Meerman. Real-time marketing & PR: how to instantly engage your market, connect with customers, and create products that grow your business now. Hoboken, N.J.: Wiley, 2011. 88-89.
[36] Wong, Alicia. "The business of friending." TODAY [Singapore] 15 Jan. 2012: 1.

CHAPTER 8.   BUSNESS PLAN FOR EVACOMICS

Section 1.   EXECUTIVE SUMMARY

Evacomics is a sole proprietorship, owned by Evangeline Neo. Evacomics are comics about my experiences in various countries: US, Japan and Singapore, and also comparing the cultural differences in these countries. The dog and cat characters are added into the cast for commercialization purpose to be used in creating merchandise. The comics are for anyone who is interested to know more about Japan, mainly foreigners living outside or in Japan. I plan to publish the first book in 2014 and the second book in 2015. They are to be sold through Amazon and other ebook distribution channels like Kindle, iBookstore and Kobo, to maximize global reach. Merchandise like art prints, t-shirts and tote bags will be sold through Society6, which is an online fulfillment service that takes care of credit-card processing, production and shipment of products to customers. Profit margins are thin but it allows the artist to focus on creative work and marketing. Exhibitions may be held depending on availability of sponsors. Evacomics aims to become a familiar name to anyone who is into Japan and its culture.

Marketing efforts are mainly through social media to build and grow a community of loyal fans who will support future products and comic books. There are also possibilities to develop teaching materials for cross-cultural training or for learning Japanese, and co-branding campaigns with other brands that promote Japanese products and services.

Key Drivers of Success include bonding and building of fans through social media, mainly on Facebook and Google Plus. Frequent new interesting content such as photos, monthly wallpapers, greeting cards and illustrations will be posted at different times to increase reach to fans from western hemisphere. An attractive book cover, good editing and description would help to sell the book, but blitz promotion will spike sales number to increase probability into the bestseller chart. A portfolio with more than one book will become more attractive for bookstores to feature, so sales in Year Three are expected to increase with the release of the second book.

8.1.1. Objectives

The initial objectives are as follow:

- To sell merchandise through Society6.com. At least 8 designs should appear in store by end of November 2013 (U.S. Thanksgiving).

- To submit comics to magazines and other popular blogs that are about Japan.

- To hit 30,000 fans on Facebook by end of 2013, and 200,000 by end of 2014.

- To seek partners to do co-branding of products and services that are related to Japan.

- To publish first Evacomics book in 2014 and second book in 2015.

- To organize my first art exhibition in 2016 to feature artwork and to sell books and merchandise. If sponsors can be found, it can be organized earlier.

8.1.2. Mission

Evacomics aims to deepen the understanding of Japanese culture by the world through comics about cultural differences and experience living in three different countries, using humor from a Singaporean's perspective. The comics are for anyone interested to know more about Japan, mainly foreigners. The comics aim to be original, entertaining, and most importantly very cute, to attract people who usually don't read comics and to commercialize them into utilizing copyrighted merchandise. Marketing efforts are mainly through social media to build and grow a community of loyal fans who will support future products and comic books. There are also possibilities to develop teaching materials for cross-cultural training or learning Japanese language, and co-branding campaigns with other brands that promote Japanese products and services. Ebooks will be self-published to leverage the increasing number of smartphone and tablet users worldwide, who are also demanding more downloadable content. Evacomics aims to become a familiar name to anyone who is interested in Japan and its culture.

8.1.3. Key Drivers of Success

The key success factors are:

- Able to build a strong reputation and fame by building a large community of fans through social media by continuously introducing new interesting content such as monthly wallpapers, greeting cards and illustrations, to keep the "conversation" ongoing.

- Attractive cover, good editing and good descriptive blurbs to sell the books. But orchestrated marketing effort will be required to spike sales into the bestseller ranking.

- Publish a series of books, one or two a year, to accumulate a portfolio to improve the chances of being selected as a feature in bookstores and to build credibility for partnerships.

- Easy purchase of products and books by fans.

- Flexible to changes based on market demand from consumers and business partners.

Section 2.   COMPANY SUMMARY

Evacomics is a sole proprietorship, owned by Evangeline Neo. Evacomics are comics about my experiences in various countries: US, Japan and Singapore, and also comparing the cultural differences in people and environment from these countries. The comics aims to be original, entertaining and most importantly, very cute, in order to appeal to anyone who are interested to know more about Japanese culture and not just to hardcore comic readers. Originality is important, as I do not wish to use other people's content. The dog and cat characters are added into the cast for generating commercial merchandise.

The artist has managed to grow the number of Facebook fans to 11,200 without paying for an advertisement and will continue to seek organic growth through regular postings of interesting content. Evacomics will continue to grow by updating regularly with interesting content and continue to target readers from the English-speaking world. I plan to release merchandise, publish books, and partner with other brands that wish to promote Japan by utilizing Evacomics characters.

8.2.1. Start-up Summary

I am capable of doing my own website, promotional material and marketing but require expensive digital equipment for production. These include a media tablet to present work to clients and purchase of Applecare support package to extend my macbook warranty for another two years. My older macbook will be used as a backup machine in case the current hardware fails so I can still continue to work. I will be making use of various free services such as Society6.com, which will take care of online payments, manufacturing and shipping to customers, so I can concentrate on marketing and creating my artwork. $1,000 in cash is required in case there is a need to print materials for marketing purpose or repair of hardware that is not under warranty. The following chart outlines the start-up requirements (Exhibit 8-1).

Exhibit 8-1: Start-up Requirements

Start-up Requirements	
Start-up Expenses	
Applecare (till Aug 2015)	$440
Namecards	$33
iPad mini	$400
Website domain and hosting	$154
Total Start-up Expenses	$1,027
Start-up Assets	
Cash Required	$1,000
Start-up Inventory	$0
Other Current Assets	$0
Long-term Assets	$0
Total Assets	$1,000
Total Requirements	$2,027

8.2.2. Company Ownership

Evacomics is a sole proprietorship, owned by Evangeline Neo.

8.2.3. Company Locations and Facilities

The company is located in the home of Evangeline Neo in Singapore. It is not anticipated that expanded facilities will be needed for the first few years of the plan. All design and planning work will be done at home. All printing bigger than A4, and selling of merchandise and books will

be outsourced. Bookkeeping is done in-house and then outsourced to a retired accountant to compile into yearly statements for tax declaration.

Section 3.   THE PEOPLE

The company has only one full-time worker -the owner. Evacomics will outsource or contract other services: printing, book and merchandise selling, and accounting. Editing will be outsourced to an experienced writer who wrote scripts for an award-winning local comedy sitcom and taught script writing for over 10 years.

The owner had worked and taught drawing at a polytechnic for five years. She has six years of experience at drawing webcomics on a part-time basis and has two years of experience on social media marketing for her comics. She was also the founder of SGanime, Singapore's earliest and largest community of anime fans with over 800 members, and founded SGMA (Singapore Manga Artists), which gathered more than 200 local artists. These experiences allowed her to obtain skills in managing online communities and maintain a network with hundreds of creative talents. The owner is determined to make Evacomics a well-known comic series but realizes that community building takes time and the first book may not be a bestseller. She will be doing part-time teaching and freelancing until income from Evacomics is able to support her living expenses. If the venture expands in the future, part-time assistants will be hired to complete comics and other design work.

The owner holds a Bachelor of Fine Arts from Academy of Art University in San Francisco and an MBA from Waseda Business School in Tokyo. She also attained a Japanese Language Proficiency Test (JLPT) level 1 certification and has Mandarin Chinese as her mother tongue.

8.3.1.   Salaries

My pay for first year is mainly for minimal living expenses and annual insurance in case of hospitalization or disability. Salary from Evacomics is not expected to be sufficient because I need to dedicate time to work on my first book and constant freelance contracts are not certain. Therefore I will be also teaching part-time and partner with my friend's company called "Rays Inspiration" to design and market creative thinking through comic drawing courses to schools. Income from these

part-time activities will be excluded from Evacomics accounts. I anticipate that income from Evacomics will only become substantial from Year 2 onwards as I build and reputation through more projects and release of my first book. I should be able to earn a living from Evacomics from Year 3 onwards and hire a part-time assistant to do some coloring work for me. The following Exhibit 8-2 shows my salary increment for 3 years and hiring a part-time assistant on the 3rd year.

Exhibit 8-2: Personnel Plan

Personnel Plan			
	Year 1	Year 2	Year 3
Owner	$6,000	$12,000	$30,000
Assistant	$0	$0	$4,800
Total People	1	1	2
Total Payroll	$6,000	$12,000	$34,800

Section 4. PRODUCTS & SERVICES

8.4.1. Product Description

There are two kinds of products from Evacomics. One is merchandise sold through Society6 that includes art prints, printed canvases, art cards, iPhone stickers, t-shirts, hoodies and throw pillows. The other is the comic book. Payment from Society6 is compiled every month and then sent to my Paypal account. However because of this, profit margins are extremely low. The objective of setting up this store is to allow fans to support the artists, see how well designs transfer onto tangible objects, test market response and to determine what kind of designs sell well. It can also be used as a visualization to present to clients who are interested to use my design for their products. Evacomics will target to release at least 20 designs per year with 8 designs released before November 2013 for Thanksgiving. Designs will be removed or updated based on fan feedback from Facebook Page or on Society6.

Exhibit 8-3: Product Pricing at Society6

Product Pricing at Society6		
Product	Price (USD)	Price (SGD)
Art Print MINI-8"x10"(printed area: 6"x8")	18	21.6
Art Print SMALL-13"x16"(printed area: 11"x14")	22	26.4
Art Print MEDIUM-17"x21"(printed area: 13"x17")	28	33.6
Framed Art Print MINI	30	36
Framed Art Print SMALL	38	45.6
Stretched canvas/SMALL (13"x17")	85	102
iPhone case	35	42
iPhone skin	15	18
Laptop & iPad skins	25	30
Tshirts	22	26.4
Hoody	42	50.4
Throw pillow (16"x16")	20	24
Throw pillow (16"x16") with insert	27	32.4
Tote bag (natural beige)	18	21.6
Tote bag (black)	22	26.4

*All product prices are set by society6. The artist can set only art print prices.
*USD1=SGD1.2

Hardcopy comic books will be sold through Amazon's print-on-demand self-publishing service called Createspace and ebooks will be sold through Amazon's KDP (for Kindle Store) and Smashwords (for iBookstore and Kobo). Amazon charges an additional $25 for their expanded distribution plan to be included inside bookstores and libraries. KDP offers two royalty rates: 35% and 70%. The latter charges a delivery fee per megabyte of download so it becomes too expensive for graphics heavy books such as comic books. The artist will also try to negotiate publishing contracts with local publishers when the manuscript is near completion. Pricing below is based on the assumption that it will be a 96-page full-color comic book on U.S. Trade size (6"x9"). $2.99 is set for ebooks based on earlier research in Chapter Six that it is not too low such that the buyer may perceive it as a book worth little value, while not too high that it will steer them away. Evacomics would like to increase downloads to earn more fans for future book release, whose pricing can be increased over time as Evacomics gains credibility and reader trust.

Exhibit 8-4: Comic Book Pricing

Comic Book Pricing (assume 96 pages in full-color, 6"x9")		
Product	Price (USD)	Price (SGD)
Hardcopy at Amazon Createspace*	$16.00	$19.20
Amazon KDP (35% royalty rate)*	$2.99	$3.60
Smashwords (60% royalty rate on average)	$2.99	$3.60

8.4.2.   Service Description

Services include drawing caricatures, storyboards, illustrations and advertising campaigns using my comics or characters. All deliverables are in digital format either in tiff or jpeg, unless requested by clients. All artwork, except for caricatures, will have a sketch or sketches for pre-approval before inking and coloring. Amendments and changes should be requested by clients at this stage and included in the commission. Changes requested after the final artwork is completed are subject to additional alteration fees. Rates can be raised or lowered depending on individual requirements, urgency and order backlog.

Exhibit 8-5: Rate Card (Year 1)

Rate Card (Year 1)	
Service	Charge (SGD)
Caricatures (Face only)	18
Caricatures (full-body)	25
Storyboards (up to 20 panels) -B&W	300
Illustrations/Comic strips (simple)	200
Illustrations/Comic strips (complicated)	300
Advertising campaigns (package of 4 comic strips)	600

8.4.3.   Competitors

General humor category in comics has been saturated and dominated by big players like Garfield and Peanuts. So Evacomics seeks to enter through a niche position on Japanese themes and cultural comparisons. My main competitors include other comics about life in Japan and can come from either Japanese or foreign artists. Fortunately, although there are already some comics about

Japanese life by Chinese comic artists, but perhaps due to the different reading format of the east (such as reading from right to left and display words vertically), these comics had not penetrated the English speaking world. Other competitors include travel blogs and Facebook pages about Japan.

There are many artists in Singapore that can do caricatures, illustrations and comics, so Evacomics seek to differentiate with my unique style and brand recognition by increasing the number of Facebook fans.

Section 5. MARKET ANALYSIS SUMMARY

More and more people are logging into social network everyday and also looking for interesting stories to read and share. Increasing number of smartphone and tablet users also mean an increasing demand for downloadable content such as comic books. Although Evacomics target primarily to people who are interested to know more about Japan or like Japanese culture, there are also other market segments that have reflected their interest in my comics through their comments on my Facebook page. The focus of this analysis is on comics and not on services.

8.5.1. Market Segmentation

Foreigners who like Japan very much

There are more than 11 million people on Facebook who list Japan as one of their interests. The large number is probably due to the penetration of Jpop, anime and manga culture globally and Japan appearing as "exotic" to Westerners. These include people who are avid collectors of Japanese art books, comic books, toys and figurines, not to mention downloading anime fansubs (subtitled by fans) and comic scans. I myself belong to such category and even went to learn Japanese right after high school. These people might have come to Japan before on holiday or had never visited and only know about Japan through Japanese drama, anime and manga. They may also follow social media pages about Japan, blogs about life in Japan, or travel blogs about traveling in Japan, because they usually aspire to come to Japan eventually at least for a holiday. They are very interested to know what it is like to live in Japan and anything that is "only in Japan". I can place a Facebook ad to acquire more such fans but it will cost US\$50 per 160 likes (31 cents per potential customer). It is

too expensive so generating new content is a better preposition unless Facebook lowers their advertising fee. So far, many current readers and friends have expressed interest to see a book published so they do not have to scroll around the social media page to find past comic strips.

Japanese and Foreigners who want to understand each other's cultural differences

Many foreigners experience culture shock when they come to Japan for study or work because Japanese culture is very different from other countries, even with other Asian countries like Korea and Singapore. Foreigners are usually surprised and are likely to seek guidance from friends from the same country or visit forums that target foreigners in Japan like Gaijinpot or JREF for tips and advice. They might also follow blogs by foreigners about their life in Japan in the hope of understanding more about the Japanese culture so they can blend in better at the workplace or everyday life. They also follow social media to learn more about Japan and had found Evacomics entertaining for illustrating what they had gone through and making fun of the situation. These include myself and other classmates in my Japanese school and university. There are 2 million registered foreigners who are staying in Japan based on 2011 statistics from the Official Statistics of Japan.

Japanese are also likewise shocked about foreign culture when they work in global companies or when they are sent to an overseas branch from their Japan headquarters. Japanese students tend to have a less shocking experience because they usually go overseas as an exchange student and have more of a tourist mentality then trying to understand and blend in with the foreign culture. My Japanese colleagues from the MBA program expressed their interest in my comics because they would like to do more international business and reading my comics helps them to understand some problems that they had gone through or will go through.

Readers from this segment have all expressed interest in buying Evacomics book about cultural comparisons with the objective to learn more about each other's cultural differences for work and living.

Japanese who want to learn English

There is also a slowly increasing number of Japanese that simply liked my Facebook page

because they wanted to learn "natural English" through comics. Comics are more interesting and easier for them to read because it is something that they are used to and is part of their culture. They are also interested to know how foreigners see their own country and make effort to leave comments in English to practice their writing skill. They usually join forums or websites that can interact with native speakers and they even exchange Skype contacts so they can practice conversation. Due to declining popularity of MIXI, Japan's local social network service, more and more Japanese are logging into Facebook to find more like-minded people there. Japanese who want to learn English can join language practice groups where they can also find foreigners who want to learn Japanese. Evacomics blog was recently listed in a Japanese blog that compiled a list of blogs by foreigners living in Japan to encourage Japanese who are learning English to read.

Section 6.   MARKETING PLAN

8.6.1. Target Market and Value Proposition

Evacomics target foreigners who like Japan and are interested to know about Japanese culture. Readers will be entertained through humorous comics while at the same time understanding more about the Japanese culture. This may help those who are going to go to Japan to study or work, or are already in Japan. The comics will also bring back memories of those foreigners who had experience living in Japan and had returned to their countries or are in other countries.

8.6.2. Unique Selling Point

What makes Evacomics different from other comics and blogs about Japan are:

- Cute drawing style
- Unique personality of Eva: intellectual and humorous
- Cultural comparisons from an Asian

8.6.3. Promotion

On Social Media. Besides continuing to update webcomics every Monday night and posting interesting things found in Japan, I will also post more regularly by making monthly desktop wallpapers and posting more illustrations. I will also use social media to announce when I have new designs for sale at society6 or when my drawings appear in public. I will also ask them to post photos of themselves with my products on my Facebook page when I receive special codes for free shipping from society6. I will also use social media to ask what kind of books fans want to see from Evacomics and even ask them to help me by suggesting titles for my books. I will be trying to target more readers from the Western hemisphere by using Facebook's scheduled post feature, that allows page admins to set a specific time for their posts to appear on the timeline. Based on studying the Garfield and Peanuts Facebook page, 4am Japan time seems to be a suitable time, but I will continue to experiment posting on different hours for the maximum reach.

On Website. The website is the official homepage and contains information about the artist, the characters and links to all Evacomics social media pages. Once the store is ready, the link will also be added to the official homepage. The Evacomics blog is where I post my webcomics and post articles about my experience in Japan or just some other thoughts. The blog has some subscription features and I also post the link to new blog post on Facebook and Google Plus.

Book launch promotion. When the book is going to be launched, I intend to contact the local radio station for an interview, announce on Evacomics social media pages and post around forums and blogs that are about Japan such as Gaijinpot and JREF. Promotions such as a caricature or bookmark set giveaway for the first 20 readers who leave book reviews can be done to spur sales at one shot onto the ranking. Book signing session can be negotiated with Kinokuniya in Singapore and art exhibition may be possible if funding from National Arts Council can be secured.

8.6.4. Distribution

Distribution of webcomic strips is on Facebook and my blog. The hardcopy will eventually be distributed on Amazon.com and the ebook on Kindle store, global iBookstores (excluding certain

Asian countries like Singapore) Kobo store and on Smashword's own estore.

8.6.5. Strategic Alliances

I will be proposing my comics to Waseda University International Community Center (ICC) and Waseda Weekly to see if it is possible to put my comics at their lounge, publications or website. I will be also looking out for English publications and websites that are targeted to foreigners in Japan. If a Japanese partner can be found, Evacomics will be able to open up a Japanese Facebook page since more and more Japanese are on Facebook and comic publishers and Japanese artists are slow in entering new channels. Finally, ideally after two years, Evacomics will become a familiar brand to anyone who had lived in Japan before or are interested in the Japanese culture. This will become a strong preposition to negotiate co-branding deals with Japanese brands or tour agencies that are doing special promotions to Japan.

8.6.6. Sales Forecast

Sales from products and services are not expected to be high, as Evacomics needs to gradually increase reputation and portfolio to sell more products and negotiate for better prices for her services. The first book can only be release a year later and strong book sales can only be expected after the second book on the third year. Assumed that royalty rates and profit margins from society6 does not change over three years. Rate: USD1=SGD1.20.

Exhibit 8-6: Sales Forecast

Sales Forecast			
	Year 1	Year 2	Year 3
Unit Sales			
Art Print MINI-8"x10"(printed area: 6"x8")	15	30	100
Art Print SMALL-13"x16"(printed area: 11"x14")	10	20	60
Art Print MEDIUM-17"x21"(printed area: 13"x17")	5	10	30
Framed Art Print MINI	5	10	20
Framed Art Print SMALL	1	2	10
Stretched canvas/SMALL (13"x17")	1	2	4
iPhone case	2	4	8
iPhone skin	8	16	30
Laptop & iPad skins	4	8	12
Tshirts	20	40	80

Item			
Hoody	3	6	12
Throw pillow (16"x16")	1	2	8
Throw pillow (16"x16") with insert	1	2	8
Tote bag (natural beige)	8	15	30
Tote bag (black)	8	15	30
Hardcopy book through Amazon Createspace	0	200	1,000
Ebook through Amazon KDP	0	1,500	7,000
Ebook through Smashwords	0	1,500	7,000
Service: Caricatures (Face only)	10	12	20
Service: Caricatures (full-body)	10	12	20
Service: Storyboards	3	0	0
Service: Illustrations/Comic strips (simple)	5	5	5
Service: Illustrations/Comic strips (complicated)	5	5	5
Service: Advertising campaigns	2	4	6
Total unit sales	127	3,420	15,498

Unit Prices			
Art Print MINI-8"x10"(printed area: 6"x8")	21.6	21.6	21.6
Art Print SMALL-13"x16"(printed area: 11"x14")	26.4	26.4	26.4
Art Print MEDIUM-17"x21"(printed area: 13"x17")	33.6	33.6	33.6
Framed Art Print MINI	36	36	36
Framed Art Print SMALL	45.6	45.6	45.6
Stretched canvas/SMALL (13"x17")	102	102	102
iPhone case	42	42	42
iPhone skin	18	18	18
Laptop & iPad skins	30	30	30
Tshirts	26.4	26.4	26.4
Hoody	50.4	50.4	50.4
Throw pillow (16"x16")	24	24	24
Throw pillow (16"x16") with insert	32.4	32.4	32.4
Tote bag (natural beige)	21.6	21.6	21.6
Tote bag (black)	26.4	26.4	26.4
Hardcopy book through Amazon Createspace	19.2	19.2	19.2
Ebook through Amazon KDP	3.6	3.6	3.6
Ebook through Smashwords	3.6	3.6	3.6
Service: Caricatures (Face only)	18	20	20
Service: Caricatures (full-body)	25	30	35
Service: Storyboards	300	300	300
Service: Illustrations/Comic strips (simple)	200	200	200
Service: Illustrations/Comic strips (complicated)	300	350	400
Service: Advertising campaigns	600	800	1,000

Sales			
Art Print MINI-8"x10"(printed area: 6"x8")	324	648	2,160
Art Print SMALL-13"x16"(printed area: 11"x14")	264	528	1,584
Art Print MEDIUM-17"x21"(printed area: 13"x17")	168	336	1,008
Framed Art Print MINI	180	360	720
Framed Art Print SMALL	46	91	456
Stretched canvas/SMALL (13"x17")	102	204	408
iPhone case	84	168	336
iPhone skin	144	288	540

Laptop & iPad skins	120	240	360
Tshirts	528	1,056	2,112
Hoody	151	302	605
Throw pillow (16"x16")	24	48	192
Throw pillow (16"x16") with insert	32	65	259
Tote bag (natural beige)	173	324	648
Tote bag (black)	211	396	792
Hardcopy book through Amazon Createspace	0	3,840	19,200
Ebook through Amazon KDP	0	5,382	25,116
Ebook through Smashwords	0	5,382	25,116
Service: Caricatures (Face only)	180	240	400
Service: Caricatures (full-body)	250	360	700
Service: Storyboards	900	0	0
Service: Illustrations/Comic strips (simple)	1,000	1,000	1,000
Service: Illustrations/Comic strips (complicated)	1,500	1,750	2,000
Service: Advertising campaigns	1,200	3,200	6,000
Total sales	7,581	26,208	91,712
Unit Cost of Goods			
Art Print MINI-8"x10"(printed area: 6"x8")	15.0	15.0	15.0
Art Print SMALL-13"x16"(printed area: 11"x14")	18.7	18.7	18.7
Art Print MEDIUM-17"x21"(printed area: 13"x17")	25.0	25.0	25.0
Framed Art Print MINI	34.2	34.2	34.2
Framed Art Print SMALL	43.2	43.2	43.2
Stretched canvas/SMALL (13"x17")	91.8	91.8	91.8
iPhone case	37.8	37.8	37.8
iPhone skin	16.2	16.2	16.2
Laptop & iPad skins	27.6	27.6	27.6
Tshirts	23.8	23.8	23.8
Hoody	45.4	45.4	45.4
Throw pillow (16"x16")	21.6	21.6	21.6
Throw pillow (16"x16") with insert	30.0	30.0	30.0
Tote bag (natural beige)	19.4	19.4	19.4
Tote bag (black)	23.8	23.8	23.8
Hardcopy book through Amazon Createspace	16.8	16.8	16.8
Ebook through Amazon KDP	2.3	2.3	2.3
Ebook through Smashwords	1.4	1.4	1.4
Service: Caricatures (Face only)	0	0	0
Service: Caricatures (full-body)	0	0	0
Service: Storyboards	0	0	0
Service: Illustrations/Comic strips (simple)	0	0	0
Service: Illustrations/Comic strips (complicated)	0	0	0
Service: Advertising campaigns	0	0	0
Cost of Goods			
Art Print MINI-8"x10"(printed area: 6"x8")	224.6	449.3	1,497.6
Art Print SMALL-13"x16"(printed area: 11"x14")	187.2	374.4	1,123.2
Art Print MEDIUM-17"x21"(printed area: 13"x17")	124.8	249.6	748.8
Framed Art Print MINI	171.0	342.0	684.0
Framed Art Print SMALL	43.2	86.4	432.0
Stretched canvas/SMALL (13"x17")	91.8	183.6	367.2
iPhone case	75.6	151.2	302.4

iPhone skin	129.6	259.2	486.0
Laptop & iPad skins	110.4	220.8	331.2
Tshirts	475.2	950.4	1,900.8
Hoody	136.1	272.2	544.3
Throw pillow (16"x16")	21.6	43.2	172.8
Throw pillow (16"x16") with insert	30.0	60.0	240.0
Tote bag (natural beige)	155.5	291.6	583.2
Tote bag (black)	190.1	356.4	712.8
Hardcopy book through Amazon Createspace	0.0	3,352.8	16,764.0
Ebook through Amazon KDP	0.0	3,498.3	16,325.4
Ebook through Smashwords	0.0	2,152.8	10,046.4
Service: Caricatures (Face only)	0.0	0.0	0.0
Service: Caricatures (full-body)	0.0	0.0	0.0
Service: Storyboards	0.0	0.0	0.0
Service: Illustrations/Comic strips (simple)	0.0	0.0	0.0
Service: Illustrations/Comic strips (complicated)	0.0	0.0	0.0
Service: Advertising campaigns	0.0	0.0	0.0
Subtotal Cost of Goods	2,166.7	13,294.1	53,262.1
Gross Margin	5,414.5	12,914.3	38,449.9

Section 7. FINANCIAL PLAN

8.7.1. Pro-Forma Operation Specifications

These are all the cost required to run the business in the first year.

Exhibit 8-7: Pro-Forma Operation Specifications

Pro-Forma Operation Specifications	
Equipment Costs:	
iPad mini	$400
Applecare (till Aug 2015)	$440
Total PPE	$840
SGA	
Business renewal	$20
Domain & Webhosting	$154
Namecards	$33
Travel	$4,000
Entertainment & Meals	$500
Salary	$6,000
Editing fees	$500
Accountant fee	$150
Total SGA	$11,357
Total Expenses:	$12,197

8.7.2. Checklist

These are used to track all assumptions and measurement.

Assumption	Year 1	Year 2	Year 3
Profit from Society6	$400	$760	$2000
Sales from services	$4800	$6,700	$10,000
Unit sales of books	0	3,200	15,000
Profit from books		$5,600	$26,000
Editing fee per book	$500		
Accountant fee	$150		

8.7.3. Other Opportunity Costs to Consider

- Licensing deals / co-branding with other brands.

- Talks and Workshops using Evacomics brand.

- Increase sales in products and ebooks.

- Opportunity to gain funding or sponsors for gallery exhibition or publications.

8.7.4. Evaluation and Control

- Check market response to product designs at society6 and adjust accordingly. Remove unpopular designs that receive none or less than 3 orders for 3 months.

- Monitor popular webcomic strips at Facebook and make appropriate changes for compiling into a book.

- Monitor sales of first book and continue to tweak book META information until it is able to sell better.

- Check product and book sales to update forecast respectively.

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