

## Reclaiming Japan – Japan as a Cultural Mecca

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(full text)

### **1.0 Introduction : Japan Now**

Japan remains one of my favorite countries and choice countries to visit. Japan emerged as one of world's major economic giant since the 1980s and has remains an exemplary and an inspirational country to the world. Japan is unique in sense that there are many angles to explore such as her mysterious image as a country with rich history and cultural heritages, her contemporary image as a country with demure traditional and vibrant popular cultures, a sophisticated image of fast paced and innovative technological advancement in many fields of research and the unique image of the Japanese's ways of doing things.

Then in 2011, the March 11 Great Eastern Japan Earthquake struck Japan. Flashing back, I remembered myself helplessly watching the television in horror as all news channels were focused in capturing 'the moment' the catastrophe struck. I remembered panicking and worrying for my friends and host families staying in Japan. It was heartbreaking watching live feeds on television and the internet repeatedly featuring the last moments before the deadly waves hit.

Post March 11, Japan now embarks on the road to recovery and reclaim. With attempts to move on from the tragedy, Japan now focuses on rebuilding the lives of the affected while cultivating confidence to deal with on-going and pressing economic, political, social and diplomatic issues. Japan suffered an incredible lost in 3.11 but instead of giving this tragedy a negative connotation, Japan can reclaim this date where a post 3.11 Japan is a transformed into a new and improved Japan<sup>1</sup>. Through this aftermath, I learned about the power of resilience, the meaning of perseverance and the spirit of humanity. Japan showed the world all those traits and I believe if any country can come back stronger, it is Japan.

One of the main concerns for Japan now is her stagnating economic situation. Japan was former second largest economy behind US until 2010 when blooming China dethroned Japan as world's second largest economic in 2010 while also enduring possibilities that India has already surpassed Japan as world's third largest economy globally<sup>2</sup>. Besides slipping down the economic giant charts behind more countries, Japan also risk further diminishing its "Brand Japan" tag which Japan has gained during its reign as World Economic No.2, when Toyota, Honda, Sony, sushi, kaizen or even Doraemon are actually continual images associated (*rensou*) to

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<sup>1</sup> Brown, N., 2012, Japan v.3.11- Reclaiming the Date, (Online) Available from: <http://www.jftc.or.jp/discourse/data2011/201101.pdf> [Accessed: 12 August 2013]

<sup>2</sup> BRICS Post, May 2013, India dislodges Japan as 3<sup>rd</sup> largest global economy, [Online] Available from: <http://thebricspost.com/india-dislodges-japan-as-3rd-largest-global-economy/#.Ugj-m1N4sis> [Accessed: 12 August 2013]

Japan herself.

Japan today are facing various economic challenges such as an aging population with a declining birthrate, growing competition from other countries (especially in the automobile and electronic goods industries) which offer price advantages that Japan could not match, saturated domestic market, catching up with the pace of globalization where countries like South Korea and China are actively pursuing foreign markets to increase their GDP and also their countries' brand image. South Korea is doing so via cultural export like the K-Wave and everything else is made in China. Both countries have achieved certain image perception of themselves. One is a major exporter of K-Pop culture and the other, a manufacturing haven.

The Japanese government has its own sets of strategies aimed to encourage economic growth and country branding. One recent strategy for boost was winning the bid to host the Olympic 2020 Games in Tokyo which is expected to yield over 4 trillion yen (USD 40.4 billion) plus creating more than 150,000 jobs<sup>3</sup>. This historical event will re-expose Japan again to the world. However, that is 7 years away and another new topic for discussion. For this essay, one strategy which I can relate most to and foresee potential in economic growth and at the same time build "Brand Japan" is "Cool Japan" Strategy.

This essay discusses the feasibility of Cool Japan Strategy in contributing to Japan economically in the medium and long term frame and also the various concerns and roles played by government, businesses and individual respectively. This essay is written from a consumer's point of view and by a long time consumer and lover of Cool Japan.

## **2.0 Cool Japan in a glance ~ A Gaijin's (Stranger's) Point of View**

While the term "Cool Japan" is coined by American journalist Douglas McGray, but now the Japanese government is getting behind "Cool Japan" in a big way<sup>4</sup>. According to the mainframes of this strategy by the specially formed Cool Japan Advisory Council by the Ministry of Economy, Trade and Industry (METI), Cool Japan is separated into Content, Fashion, Food, Lifestyle and Tourism<sup>5</sup>.

Due to space constraint, this essay focuses only on the Content scope. Content in terms of "Cool Japan" includes but are not limited to the animation (anime) industry but also mainstream music and entertainment industries, manga, games and niche creative industries (e.g. voice acting (*seiyuu*) industry, performing art (*butai*) industries. I will attempt to explain how promoting via contents can be turned into income generating industry plus

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<sup>3</sup> Fox News, 2013, Tokyo's triumphant bid for 2020 games a chance for Japan to revive sagging economy, spirits, [Online] Available from:

<http://www.foxnews.com/sports/2013/09/08/tokyo-triumphant-bid-for-2020-games-chance-for-japan-to-revive-sagging-economy/> [Accessed: 10<sup>th</sup> September 2013]

<sup>4</sup> The Japan Times, 2010, Promoting 'Cool Japan', [Online] Available at:

<http://www.japantimes.co.jp/opinion/2010/08/15/editorials/promoting-cool-japan/#UjBfG1N4sis> [Accessed: 12 August 2013]

<sup>5</sup> Ministry of Economy, Trade and Industry (METI), 2012, Cool Japan Strategy (Modified version of the Interim Report submitted to the Cool Japan Advisory Council), [Online] Available at:

[http://www.meti.go.jp/english/policy/mono\\_info\\_service/creative\\_industries/pdf/121016\\_01a.pdf](http://www.meti.go.jp/english/policy/mono_info_service/creative_industries/pdf/121016_01a.pdf) [Accessed: 13 August 2013]

boosting Japan's Gross National Cool.

“Cool Japan” is not a new idea, but this is the first time the government has dedicated an office to it<sup>6</sup>. I could not agree more. Looking back into history, in the 1960s, the economic developments in South East Asia began growing and Japan was the most developed country subsequently followed by the rise of industrialization emergence of Asian NIEs followed by ASEAN countries and lastly by then developing countries such as China and India<sup>7</sup> as shown below.

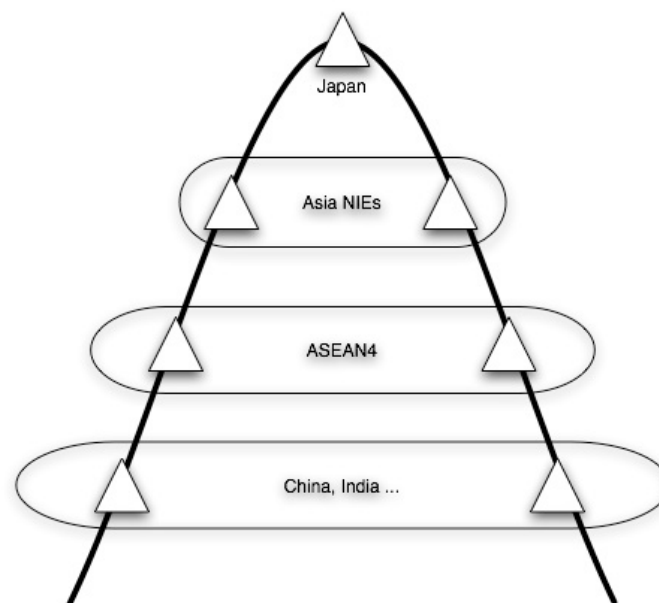


Figure 1 – Famous Flying Geese Pattern of Economic Development in East Asia. Please view Appendix 1 for tier classification.

Source: [https://ir.ide.go.jp/dspace/bitstream/2344/775/3/ARRIDE\\_Discussion\\_No.158\\_kumagai.pdf](https://ir.ide.go.jp/dspace/bitstream/2344/775/3/ARRIDE_Discussion_No.158_kumagai.pdf)

The reasons why Japan started exporting manufactured goods was because Japan's domestic market was then saturated and with a trade surplus, has the ability to stimulate industrialization in neighboring countries via foreign direct investments. While Japan transferred technological know-how to these countries, naturally, some form of Japanese culture was inseminated as well according to the tier in Figure 1. For example during the 1990s when Japanese companies are major investors in Malaysia, there were visible Japanese influences for example, a boom in watching anime, comics translated into native languages and Japanese food were then considered exotic.

Around 2005, along with access to internet, the anime boom went a step further thanks to certain group of fans who started organizing conventions to gather fans of ACG (Anime, Comic & Games) and to further spread the culture even more. Other contents like Japanese dramas and music were popular for a short period of time (until around 2006 when these contents gradually disappear from Malaysian major broadcasting channels but

<sup>6</sup> Amano, T., 2010, How to Promote 'Cool Japan'?, [Online] Available at: <http://blogs.wsj.com/japanrealtime/2010/06/14/how-to-promote-cool-japan/> [Accessed: 12 August 2013]

<sup>7</sup> Kumagai, S., 2008, A Journey to the Secret History of the Flying Geese Model 1 [Online] Available at: [https://ir.ide.go.jp/dspace/bitstream/2344/775/3/ARRIDE\\_Discussion\\_No.158\\_kumagai.pdf](https://ir.ide.go.jp/dspace/bitstream/2344/775/3/ARRIDE_Discussion_No.158_kumagai.pdf) [Accessed: 14 August 2013]

remained popular via internet) to give way to Korean Wave. Fast forward to 2013, Japanese food culture, like sushi, sashimi or ramen are a norm in Malaysian eateries and are widely available in major departmental stores. Malaysians can generally distinguish brands like Honda, Toyota, Daiso, Hello Kitty, Doraemon, Kinokuniya as Japanese brands.

Thus even without much effort from the Japanese government, Japanese contents have spread worldwide since 1960s although only recently the Japanese government recognizes its potential economic opportunities. As McGray mentioned, Japan pioneered a new kind of superpower in the 1980s, only this power has no solid army to speak off, just an economy<sup>8</sup>.

While anime and to an extent Japanese games have successfully seeped into the lives of Malaysians, other contents such as Japanese music and programs (both mainstream and niche) have not been introduced fully in Malaysia. While not really tangible, other contents like music, television programs, movies, fashion or even literature are being spread globally via the Internet and with powerful social media like Facebook, Twitter or Youtube keeping consumers technologically bound and demanding for more. Perhaps I should summarize how anime acted as a gateway to adoring other cool content culture as in Figure 2.

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<sup>8</sup>McGray, D., 2002, Japan's Gross National Cool [Online] Available at:[http://www.foreignpolicy.com/articles/2002/05/01/japans\\_gross\\_national\\_cool](http://www.foreignpolicy.com/articles/2002/05/01/japans_gross_national_cool) [Accessed: 13 August 2013]

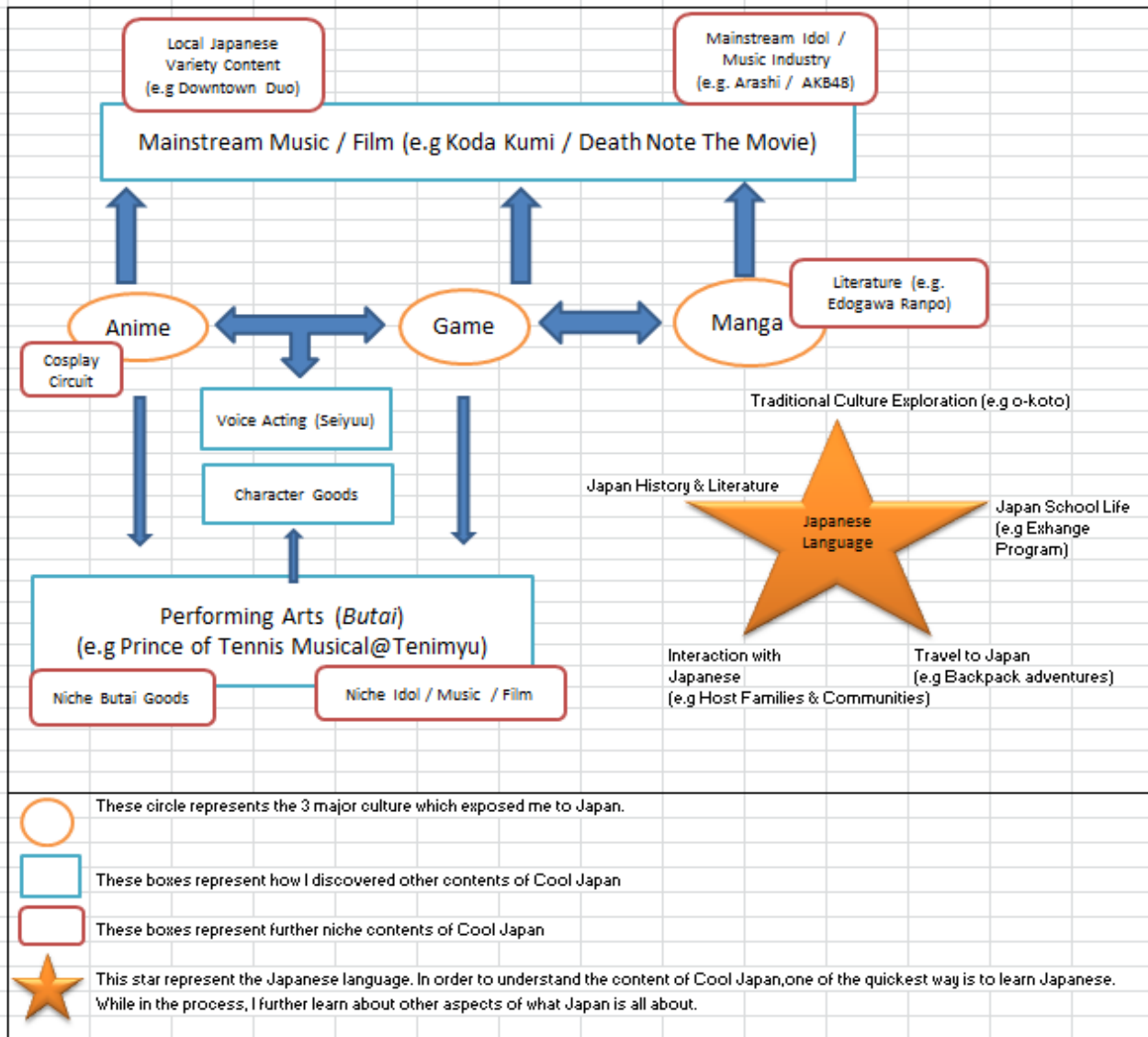


Figure 2 – Exposure of Contents via Anime, Comic (Manga) & Games (Self-made, 2013)

At the time of this essay's completion, I was already reading Chibimaruko and Doraemon since age 6, started listening to Japanese music at age 12, studied Japanese at age 14, participated in exchange program to Japan at age 17, visit Japan thrice and currently serving a Japanese company. For my memoirs as a content lover, please view Appendix 2. Figure 2 also illustrates the potential fields which can be developed into income-generating industries.

Similar to the 1960s, Japan's economy has fallen again into a vicious circle of stagnant domestic demand which leads to slumping domestic consumption<sup>9</sup> thus the introduction of 'Cool Japan' Strategy to expand demand to foreign market. According to the 'Cool Japan' Strategy (CJS) framework by METI the world market for culture industries will become more than 900 trillion yen estimated in 2020 and the strategy's aim is to capture 8-11 trillion of that pie (from the current 2.3 trillion yen foreign market share).

<sup>9</sup> Ministry of economy, Trade and Industry (METI), 2012, Cool Japan Strategy, [Online] Available from: [http://www.meti.go.jp/english/policy/mono\\_info\\_service/creative\\_industries/pdf/120116\\_01a.pdf](http://www.meti.go.jp/english/policy/mono_info_service/creative_industries/pdf/120116_01a.pdf) [Accessed: 12 August 2013]

I am impressed by the framework especially the various action plans prepared and ready for implementation. However despite the action plan, there was little mention on the target market as in, the audience this strategy is aiming to. Even the term foreign market is wide. Thus my recommendations are based on the following angles.

## **2.1 Short Term Focus ~ Operation Otaku**

CJS in my opinion has 2 types of audience which are:

1) The Otaku(s) / Japan Maniacs	Audience with expert knowledge of Japan's popular culture or about Japan in general. They are also loyal consumers of Japanese content and with spending power.
2) Non-Otaku(s)	Audience who might know Japan in general but may not be interested in cultural contents. They are potential new consumers of Cool Japan.

Table 1 – Type of Audience for ‘Cool Japan’ Strategy (Self-made, 2013)

As a short term focus, in my opinion, CJS's content action plan should be launched based on the target audience Type 1, the Otaku(s). The term ‘otaku’ itself has come a long way. Japanese people use this word in non-favorable, negative connotation to describe people as weird, antisocial and obsessed<sup>10</sup> with anime, manga or games. Guess what? They are also the very same main force that helps speed and spread the Cool Japan culture discreetly but globally. They are the main consumers with the purchasing power to indulge in their content passion. The most interesting part is they are also audience with the highest knowledge about Japanese contents regardless what form of *otaku* they are. With the internet, this audience digests contents via online and creates globalized online communities which then further inseminate information about Japan. For example, I am a *seiyuu*, *butai* and *anime* otaku. I consumed these contents by buying original goods (from Japan), watching Youtube or Nico Nico Douga, reading blogs and finding information on various platforms as much as I can. I belong to the tween age group of 20-35 years old and also belong to the middle range income group but for content consumptions, I spend about 20% of my annual income. After the consumption, I spread information about my passion which creates a ripple effect to people my age via Twitter and Facebook. I also look for people who share the same passion and communities formed online further enhanced my product knowledge which again spurs my purchase conditions. From my observations, my home country, Malaysia for example, the market of Japan content consumption especially manga and anime is growing.

With the internet, anime, manga and even niche contents like *seiyuu* and *butai* are slowly gaining global attention thus it is reasonable to say that the otaku group is no longer a niche market and if 2.85 million of Japanese otaku alone can net 290 billion in 2004 in the content fields<sup>11</sup>, reaching the 8-11 trillion mark with all CJS fields combined is not impossible. The challenges are, reaching out to us, the foreign market.

<sup>10</sup> Taneska, B.K, 2009, OTAKU- The Living Force of the Social Media Network, [Online] Available at:

[http://www.manovich.net/icam150\\_winter2008/Otaku.pdf](http://www.manovich.net/icam150_winter2008/Otaku.pdf) [Accessed: 23 August 2013]

<sup>11</sup> Kitabayashi, K., 2004, The Otaku Group from a Business Perspective: Revaluation of Enthusiastic Consumers, [Online] Available from: <http://www.nri.co.jp/english/opinion/papers/2004/pdf/np200484.pdf> [Accessed: 22 August 2013]

### **2.1.1 Reaching out to Otakus ~ Common issues and Recommendations**

To capitalize on the foreign market, Japan has to push the contents and information to us. One challenge faced as a lover of Japanese contents like manga or music is its scarcity in our home countries. We can only get limited original goods in home markets plus with no active content companies promoting goods business, our consumption basically stopped once we finish an anime series and we move on to the next. Also, for otakus who are not Japanese literate, the source of information are scarce and perhaps due to time lag, contents are being pushed/spread (e.g. the latest and hottest anime series in Japan) by online communities (both legally and illegal piracy) instead being promoted by the companies which made them. CJS challenge should be to keep the otaku audience hooked, paying and interested. Some of my recommendations are summarized as below:

<b>Issues / Challenges</b>	<b>Recommendations / Action Plans</b>
Limited Related Character goods	Japanese government should encourage export of content goods (e.g. Mainstream Music) such as DVDs, CDs, Figurines or snacks. This export may create foreign demands which can be developed into industrialization (e.g. Anime Goods Manufacturing) similar to the 1960s industrialization boom, only in the cultural manufacturing. Further challenges include getting SMEs to reach out the foreign markets. Established brands in foreign countries cannot do so because their specifications and expertise are in other fields (e.g. Sony Malaysia, electronics and Nissan, automobile).
Information Flow of Contents	Content information (anime, music, programs and etc.) are abundant in Japan's domestic market to encourage consumption however, less effort is taken to spread this information to the foreign market perhaps due to the language barrier thus discouraging effort to communicate with foreign consumers. The government should encourage platforms like Culture Japan (by CIIC <sup>12</sup> committee member Danny Choo) to spread knowledge of Japan and also provide assistance to close the language barrier gap by encouraging the translation industry, one of the key industries vital to spread information and contents in various languages.
Enforce the "Push" Strategy	Some traits of Otaku audience are loyalty and sometimes ferocious appetite for contents and goods. This audience constantly learns and engages the latest anime and content consumption trend. The aim is to keep them interested not only with the latest content but also to saturate them with choices. Thus SME and government should work together to push their products. If physical expansion is too risky, I suggest

<sup>12</sup> Creative Industries Internationalization Committee (CIIC), with prominent members of various creative and art fields as committee members, including Naoki Kitagawa (Sony Music Entertainment), Yoshiko Ikoma (former Vogue, Marie Claire & prominent magazines' editor-in-chief) and Danny Choo (Produce of Cool Japan) & etc.

	<p>e-commerce. The government should also encourage collaborations with international companies such as Youtube to create premium broadcast like how some small SMEs promote their contents via paid premium channels with Nico Nico Douga.</p> <p>To test markets, popular brands like Animate should attempt an original English oriented e-commerce (not referring to the US based website but a genuine Japanese based English website). While products sold may be in Japanese, sometimes fans look for original Japanese version goods than English version.</p>
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Table 2 – Issues & Challenges identified for CJS Short Term Focus & Action Plans and Recommendations (Self-made, 2013)

The reason why I categorize Otaku audience as short term focus is because basically this segment of consumers is self-sustaining. They are the segment which needs regular re-enforcement (new contents and information) as mentioned in Table 2 and they require less education of contents offered because they will instead actively search for it. The challenge is still remains in maintaining their appetite and the demand for more. If this segment is being satisfied enough, eventually this might create actual desires of consumers to visit Japan, the cultural content Mecca where consumers would want to experience themselves the ‘original’ otaku-dom in Japan. As an otaku, I feel more belonged in Japan indulging my passion than I do in home country.

**2.2 Long Term Focus ~ Japan to the World**

Audience Type 2, dubbed the Non-Otaku(s) refers to the people who generally may or may not have interest in Japanese culture. With globalization, generally people are used to common Japanese brands like Nissan, Naruto, Daiso and they may consume Japanese products like sushi, ramen or to an extent, visited Japan but they are just not interested in content culture.

Thus in my opinion, other parts of CJS like Fashion, Food, Lifestyle (Traditional Cultures) or Tourism may appeal to these consumers more. While the issues and challenges are similar to Table 2, I would like to highlight the exposure level and cultural barriers issues. Unlike the Otaku audience, this audience only knows general Japan and they are not motivated to indulge in contents. However, it is not impossible to create a Japanese Wave like how Korean Wave hit Asia, creating a global culture consumer by the world. Thus my recommendations are as below:

<b>Issues: Cultural Exposure &amp; Cultural Barrier</b>
<p><u>Recommendation:</u></p> <p><u>To bring physical culture to Foreign Market ~ Breaking the cultural barrier</u></p> <p>For non-otaku audience, education and exposure is important. To increase awareness about Cool Japan</p>



cultures, the fastest way is through content dissemination, physical and via social media network. Content providers in Japan have to create more contents which creates reactions from its domestic markets such as Idol group concerts (physical) or educational contents (which can be distributed online) (e.g. documentary, serial dramas, movies and music). Then the Japanese government has to find measures to help export these contents outside of Japan. While there might be cultural misunderstandings but the fact is, if Japan does not approach the foreign markets, Japan cannot assume that foreign market will automatically dig Japanese contents.

For example, Malaysia was exposed to Korean dramas in the beginning of 2000s and for several years, Malaysia was slowly fed more and more Korean contents. The spark started, I believe was when the physical culture actually landed in Malaysia in 2006. TVXQ, one of Korean's popular boy-band made their maiden concert in Malaysia in 2006 and after that, K-Wave was solid in Malaysian's shore. Now, more Korean concerts and expos are being held in Malaysia and Korean elements have successfully seeped in, Korean brands enjoyed more attention and Korean language becomes the next popular language to learn.

As a fan and consumer, I encourage Japanese content creators to collaborate with local content providers to spread non-physical media (e.g. additional Japanese-related channels with Astro Malaysia (paid subscription channels)) while the government should encourage physical culture like concerts and expos to go overseas via the Ministry of Tourism. Unfortunately, there has not been any Japanese concert held even once in Malaysia. I dreamt of a live orchestra performance concert lead by Joe Hisaishi.

Table 3 – Cultural Exposure & Barrier and Recommendation (Self-made, 2013)

In my opinion, this audience segment is the long term focus of CJS because this segment takes time, effort, involves many layers of parties and many unilateral relationships with various countries to cultivate. Also as newer generations are being born, there is a need for continual education to attract younger generation about Japan cultural, regardless whether it is contents or not. However since Japan has a head-start since 50 years ago, I do believe it is only a matter of time until the next Japanese Wave to come infiltrating the world like the Kamehame-ha beam. However CJS is not going to work without the corporation of the Japanese government, businesses (conglomerate and SMEs) and individuals alike plus several concerns which I have observed, as a foreign fan.

### **3.0 Roles & Responsibilities ~ Who does what?**

CJS is an action plan which requires effort from various parties. Thus it is important to know who does what and what not to do to push the success of CJS. Discussions on the roles and responsibilities are as follows:

#### **3.1 The Government**

The Japanese government should be applauded for its initiative for the creation of CJS framework and various commitment pledges to further CJS's progress however since the announcement of CJS and the government's role in it, there are skeptics as well.

### **3.1.1 Flexibility of CJS ~ Seifu (The Government) IN, a yeah or nay?**

In concept, CJS is about the creative industries. Creativity involves freedom for the creators to create and to express themselves, sometimes in the most controversial ways. While CJS attempts to turn ‘creative industries’ into a bigger trade balance (currently the creative industries have a trade deficit of 7 trillion yen<sup>13</sup>) and to turn cool into a commodity<sup>14</sup> however, the government does not always know how to best make use of the framework<sup>15</sup>. I think the furthest the government should go is to set a framework (fields or sectors to highlight), a fund for CJS promotional projects, provide platforms or gateways to allow SMEs to exploit the foreign markets, constant domestic and foreign market researches for the benefits of SMEs (as only the government has the fund to conduct on international scale) and maybe an office to monitor the progress of CJS project by SMEs or individuals and that is it.

What government should not do is to enforce creativity or decide what is cool because what the local government thinks is “cool” however, and what people abroad see as “cool” could be two different things<sup>16</sup> Define sections to promote (that is goals definition), yes. Deciding that *natto* is cool or sending *yakiniku* food evangelist to India, it might backfire. Some example skeptic comments as below:

*“I am incredibly skeptical that a bunch of bureaucrats can succeed in turning the nebulous concept of Cool Japan into something that makes the country money,”* **Charles Spreckley (refer to Appendix 3 for further comments).**

*“The aim (of CJS) is to spur nearly fivefold increase in cultural exports by 2020, to 11 trillion yen (USD 140 million) – almost as much as Japan earns from car exports. In the hands of civil servants, the plans for this are not exactly zinging”* **The Economist<sup>17</sup>**

*“But they (Japanese) don’t understand that you cannot promote popularity with a government decree or government promotional campaigns. If you have something good that people also find interesting and find it to their liking, then it can be popular abroad. What the government can do is to create a society with an environment so that pop culture can be creative and thrive. But beyond that, micro managing and controlling flow of pop culture is never going to work,”* **chucky3176, a commentator commenting in article<sup>18</sup>.**

Table 4 – Snippets of skeptics of CJS from various sources

<sup>13</sup> Creative Industries Internationalizing Committee, 2013, Interim Summary, [Online] Available from: [http://www.meti.go.jp/english/press/2013/pdf/0621\\_01a.pdf](http://www.meti.go.jp/english/press/2013/pdf/0621_01a.pdf) [Accessed: 20 August 2013]

<sup>14</sup> Mackay, M., 2010, Can Japan profit from its national ‘cool’? [Online] Available from: <http://edition.cnn.com/2010/WORLD/asiapcf/11/19/japan.cool.money/index.html> [Accessed: 23 August 2013]

<sup>15</sup> Cabinet Secretariat, 2013, “Cool Japan” Promotion Council, [Online] Available from: [http://www.kantei.go.jp/foreign/96\\_abe/actions/201303/04cooljpn\\_e.html](http://www.kantei.go.jp/foreign/96_abe/actions/201303/04cooljpn_e.html) [Accessed: 20 August 2013]

<sup>16</sup> Amano, T., 2010, How to Promote ‘Cool Japan’?, [Online] Available from: <http://blogs.wsj.com/japanrealtime/2010/06/14/how-to-promote-cool-japan/> [Accessed: 20 August, 2013]

<sup>17</sup> The Economist, 2011, Branding Japan as “Cool”- No Limits, No Laws, [Online] Available from: <http://www.economist.com/node/21532297> [Accessed: 23 August 2013]

<sup>18</sup> Japan Today, 2013, Government draws up 19-point plan to promote “Cool Japan” [Online] Available from: <http://www.japantoday.com/category/national/view/govt-draws-up-19-point-plan-to-promote-cool-japan> [Accessed: 23 August 2013]

Thus the government should dissuade in determining what industries should be promoted over first. For example, in Yamada's (2013)<sup>19</sup> research, China's political system does not allow controversial ideas and without a solid selling structure after production and investment system, Chinese anime has issues both in "content" and "business model" sales get sluggish. Instead the government should formulate plans and focuses on building platforms which can be leveraged by the creative industries. Example initiatives are as below:

Initiatives / Ideas	Description
1. Government Fund for CJS Promotion	<p>With a budget of 50 billion yen proposed to the Diet (as reported by Cabinet Secretariat, this budget should be converted into grants for SMEs or individuals who are interested in promoting CJS. Of course, the committee party in-charge should choose projects based on profitability but also potential ripple effect<sup>20</sup> and to regulate and monitor the progress of these grant receivers. Successful projects should be repeated (e.g. Anime expo or concerts) and failed projects should be evaluated and act as stepping stones to new projects.</p> <p>This fund can also relieve individual or SMEs who have financial constraint to expand abroad. In a sense, the government becomes a shareholder but let creativity take its own course. Also, certain projects (e.g. <i>butai</i> industry) should be non-profit organizations until they have gain momentum and income to self-sustain. That was how US grew its performing arts industries such as Broadway.</p>
2. JET Program	<p>JET (Japan Teaching &amp; Exchange Program) is one platform Japan utilize to increase English proficiency in Japan widely in the teaching field. I suggest that to broaden the prospect of JET program. Could this program be used to enhance the translation industry? After all, English is one of world's widely spoken language and to enhance the quality of contents to be exported to abroad (and also to communicate to foreign consumers), translations is needed. For example, content subtitling, publication translations and customer support in English. This way, there is a two way communication with consumers abroad.</p>
3. Building platforms overseas	<p>The government should help secure not only local broadcast (e.g. Nico Nico, Youtube) and distribution networks but also efforts to establish</p>

<sup>19</sup> Yamada, K., 2013, Market Competition in the Animation Industry between Japan and China: How to Face China's Rising Interest in Promoting Domestically-Produced Animation, [Online] Available from:

[http://www.nhk.or.jp/bunken/english/reports/pdf/report\\_13020101.pdf](http://www.nhk.or.jp/bunken/english/reports/pdf/report_13020101.pdf) [Accessed: 22 August 2013]

<sup>20</sup> Jiji, 2012, New entity in works to promote Cool Japan themes for export, [Online] Available from:

<http://www.japantimes.co.jp/news/2013/03/05/business/new-entity-in-works-to-promote-cool-japan-themes-for-export-2/#.UjBeVN4sis> [Accessed: 22 August 2013]

	<p>oversea distribution networks. While it is important for new and small brands to build its domestic brands before venturing abroad, oversea networks are also important to spread more contents, especially for SMEs'. For example, revising publication copyright fees might encourage oversea publishers to publish more mangas.</p> <p>The government should also assist in contents entry barriers such as bilateral negotiations for contents as part of cultural promotions (e.g. Expos and conventions are places of connections to showcase various contents or perhaps establishing oversea Cool Japan office to facilitate contents transaction), taxes on cultural exports, censorship on contents and culture barriers.</p>
<p>4. Developing inbound common facilities</p>	<p>From Kenichi's research (2013), it is known that China has decided to set up its 'national animation industry' in Hangzhou, Shanghai and Hunan while Korea invests heavily in Pusan International Film Festival and the Gwangju Biennale (Korea's creativity foster place)<sup>21</sup>. According to CJS (Modified Interim Report), Akihabara is noted as one of the source of contents thus the government should consider actually making Akihabara or other areas (such as Ikebukuro) as a contents hub. Having a common culture in the same area creates images like Akihabara=Anime. Production companies should be encouraged to set up in Akihabara which gives contents a total package (e.g. Contents=Akihabara).</p> <p>The government should also take initiatives to host more international forums and expos of contents where foreign companies are invited to learn about the Japan market and to introduce foreign market opportunities. Also, Japanese companies should be encouraged to go overseas for market testing, via conventions or events through CJS connections.</p>

Table 5 – Example initiative for government considerations (Self-made, 2013)

Table 5 is just several initiatives that government can consider implementing though the road to CJS success is still long and unpredictable.

### **3.2 Businesses & Individuals ~ Jyunbi ha iika (are they ready)?**

CJS, in my opinion should emphasize on SMEs and individuals rather than conglomerate though conglomerates can certainly help play a part in boosting the Japanese contents overseas. Their advantages and

<sup>21</sup> The Japan Times, 2010, Promoting "Cool Japan", [Online] Available at: <http://www.japantimes.co.jp/opinion/2010/08/15/editorials/promoting-cool-japan/#.UjLdZFN4sis> [Accessed: 12 August 2013]

disadvantages are summed as below:

Advantages	Disadvantages
Conglomerate like Nissan, Isetan-Mitsukoshi or Sony is well established in the foreign markets.	Conglomerate cannot relate to CJS initiatives because they are diverse fields from creative industries.
Well connected with local distribution networks and local governments.	Conglomerates are too localized to the host market that participating in any out of the box initiative might be too risky (in terms of sales).
Have resources such as facilities, human resources and access to local marketing networks.	
Conglomerate presumed to understand the trends, needs and demands of local consumers.	

Table 6 – Advantages and disadvantage of SMEs & Individuals collaborating with conglomerates in CJS, (Self-made, 2013)

As for SMEs and individuals, in my opinion, one of the main barriers is culture barrier. While Japanese themselves are aware of the potential market abroad, they have done little to capitalize these resources even they might have splendid contents to sell. Of course, other barriers are example, entry barriers, financial constraints, keeping up with the pace of globalization and fluctuating consumers' preferences. Below are some challenges hindering SMEs & individuals from going abroad and recommended action plans:

Challenges of expanding abroad	Recommendations
Culture Barrier	<p>While these creators have brilliant contents or ideas, they lack understanding of foreign cultures, have no information about overseas' market thus ceasing the need to go abroad. Since Japan has a population of 128 million people, even if 1% of its people consume SME or individual contents, more than enough income is generated but for economic long-term growth, it is not enough.</p> <p>Action Plan: SMEs especially young generation individual creators should be exposed more by travelling more abroad. However it is observed that young people today have less appetite to go out of Japan<sup>22</sup> thus in this aspect, the government should start initiatives like giving scholarships to encourage SMEs and individuals to go out and learn about Cool Japan from a foreign market's view. SMEs and individuals</p>

<sup>22</sup> Ikoma, Y., 2011, GI Global Conference 2011: Breakout Panel Session III-B "Cool Japan", Strategies for developing and promoting Japan's creative industries, [Online] Available from: <http://www.youtube.com/watch?v=c4RYo7V5Y A> [Accessed: 13 September 2013]

	<p>should also actively seek for partnerships with companies from host market which can not only help reduce culture shock; they gain direct entry to the existing resources and consumer base.</p>
Determining the local demand	<p>Even if SMEs and Individuals have the ability to expand abroad, there is also the need to determine what foreign market find cool and wants to consume.</p> <p>I have an experience where an inspiring manga publisher who failed to recognize the market which he attempts to break into (e.g He introduced E-Manga but Malaysian audience preferred a hardcopy book). However, if Japan wants to go global, Japan has to localize even more to keep Japan's identity, as quoted by Ikoma (2011).</p> <p>Action Plan: While the government should conduct large scale market research, SMEs and individuals should take initiative to learn about target market. Like the case of my publisher friend, he received feedbacks of what Malaysian audience is like and now he produced hardcopy manga for sale instead of online manga.</p>
Establishing effective communication	<p>Perhaps language is a barrier and without knowing English, it is difficult for SMEs and individuals based in Japan to communicate with their customers. I believe that it is not necessary to physically travel abroad to expand to foreign market. With the internet, everything is a mouse click away but these content providers must establish two way communications to deliver their products to overseas customers. For example, when I wrote in English requesting for a certain product from one popular online retailer, based in Japan, there was no answer for weeks. However when I re-wrote the same request in Japanese, the response came back in 3 days.</p> <p>Action Plan: In this, the government plays an important role to strengthen communication (especially in English) to attract foreign demand. Meanwhile, SMEs and individuals must be prepared to learn not only the language but also how to communicate information via social media network.</p>
Not just going for it	<p>While lots of SMEs companies not opposed to going abroad, Chang (2011)<sup>23</sup> mentioned that one big challenge is getting people to come through with their expansion ideas. "It is like they have this great idea</p>

<sup>23</sup> Cheng, H., 2011, GI Global Conference 2011: Breakout Panel Session III-B "Cool Japan", Strategies for developing and promoting Japan's creative industries, [Online] Available from: [http://www.youtube.com/watch?v=c4RYo7V5Y\\_A](http://www.youtube.com/watch?v=c4RYo7V5Y_A) [Accessed: 13 September 2013]

	<p>but never follow through. Maybe they are too busy or something in Japan. Maybe they are satisfied with the market in Japan already,”</p> <p>Action Plan: There is a need to motivate SMEs and individuals to pursue foreign markets thus there is a need, not for government and the Japanese society to change its mindset. While the Japan market can last now but economic stagnation will continue and if Japan do not take action now, eventually there will more countries which will take over to introduce their culture. Japan will lose out and further spiral down from its confidence. The slogan here is “Just do it, prepare as you go later”.</p>
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Table 7 – Challenges of SME & Individuals expanding abroad with action plans (Self-made, 2013)

### 3.3 Other Issue

#### 3.3.1 Protecting Intellectual Properties

Efforts to protect intellectual properties have come a long way. Due to most contents are copyrighted works but can still be easily be copied and spread, piracy was one of the pressing reason as to why SMEs and individuals do not wish to venture abroad. Contents especially anime and manga are notorious victims of piracy to the extent, raw anime and manga (not subtitled version) are spread via the internet, a few minutes after the contents are broadcast in Japan. Sometimes, these contents are shared before its actual release date. With stringent anti-piracy and illegal downloads laws implemented in Japan, on the contrary, Japan is a conducive country to sell intellectual properties.

However, while illegal sharing of contents hamper companies’ profitability, illegal sharing, in my opinion is a double-edged sword. For instance, illegal sharing is a way for foreign consumers to consume the latest Japanese contents because there are no such contents offered for sale in their home country. For otaku audience, illegal sharing allows them to sometimes inseminate information faster to their otaku peers and sometimes the ripple effect reaches non-otaku audience, converting them to otakus. Illegal sharing also creates fandoms such as fansubs (a group of content lovers who have Japanese proficiency thus proceed to produce non-profit subtitles for animes or mangas (called scanlations)).

Also since there are too many contents from Japan, it is also impossible for foreign markets to pay for everything at the beginning. As an otaku myself, I prefer reading previews of a new manga before I actually buy the manga or I would prefer to have sneak-peak trailers about the latest anime in Japan. Thus illegal content sharing is similar to a sneak-peak where a consumer consumes the anime or manga then move on to demand for things like character goods. However, illegal sharing is still illegal. Thus my recommendations to curtail the risk of illegal sharing are:

<b>Recommendations</b>
Content companies can adapt mobile company strategy where consumers gets free preview for a few minutes (anime or premium broadcast as what is implemented by Nico Nico Douga) or a few pages (manga) and then

consumers will have to pay to continue. Anti-piracy should be developed to lessen the risks of piracy (such as download code tracking).

Content companies can opt to collaborate with online companies such as Crunchyroll.com (which was a former pirated streaming website created by and for fans but has since went legit via licensing deals with Japanese producers in 2008<sup>24</sup>). The founder of Crunchyroll went on to comment, “The fans genuinely want to support creators and the industry. They just have not been educated on how the industry works. We are doing our best to inform them,” This also proves that Japanese contents are not reaching out enough to foreign markets until they have to resort to illegal means of obtaining it.

The Japanese government, to encourage foreign expansion should struck agreement with governments of target foreign market to enforce and improve anti-piracy laws. While this is difficult to implement because piracy especially in many Asian countries, are still weak, including China. However these countries should also be educated on the importance of intellectual and copyright laws because it is only a matter of time when these countries evolve and also attempt to export their culture too.

Table 8 – Recommendation to curtail the risk of illegal content sharing (Self-made, 2013)

Content companies attempting to go abroad have to be prepared of the intellectual and copy right risks but that should not stop companies from going out and reaching to the genuine consumers who genuinely wants to support CJS.

#### **4.0 Sustainability ~ A Conclusion**

Picking a snippet from McGray’s Japan’s Gross National Cool article, “Yet Japan is reinventing superpower again. Instead of collapsing beneath its political and economic misfortunes, Japan’s global cultural influence has only grown. Japan has far greater cultural influence now that it did in the 1980s, when it was an economic superpower”. I can agree no more. Japan has come a long way to find her inner core strength without realizing, it was there all along.

Will CJS sustain in the future? I do not predict the future and this strategy definitely need results as most action plans are still part of the mainframe, on paper. Thus this strategy deserves a chance to grow and should be researched more in the coming future. While skeptics are sure that Cool Japan will tank but I beg to differ. Here I am an avid consumer of Cool Japan to state this. Cool Japan, even prior to actual implementation of anything by the government has created a ripple effect to throughout the world. While the quest for turning a trade deficit to a surplus might take decades, that does not mean Cool Japan is not successful. Plucking a statement from McGray again, “A cultural superpower needs a healthy economic base but not necessary a healthy economy. Perversely, recession may have boosted Japan’s national cool, discrediting Japan’s rigid social hierarchy and empowering young entrepreneurs”

When he mentions a healthy economic base, it might refer to the healthy economic base demand from overseas.

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<sup>24</sup> Kelts, R., 2010, Japanamerica: Why ‘Cool Japan’ is over, [Online] Available from: <http://www.3ammagazine.com/3am/japanamerica-why-cool-japan-is-over/> [Accessed: 23 August 2013]



Even if CJS is not successful in yen figures, it has already created ripple effects that spurred not only domestic industries but gradually overseas industries (e.g. Character good manufacturing, animation and manga know-how and etc.). I do not believe CJS is tanking anytime soon simply because nobody can stop absorbing culture because it is something intangible and it comes naturally.

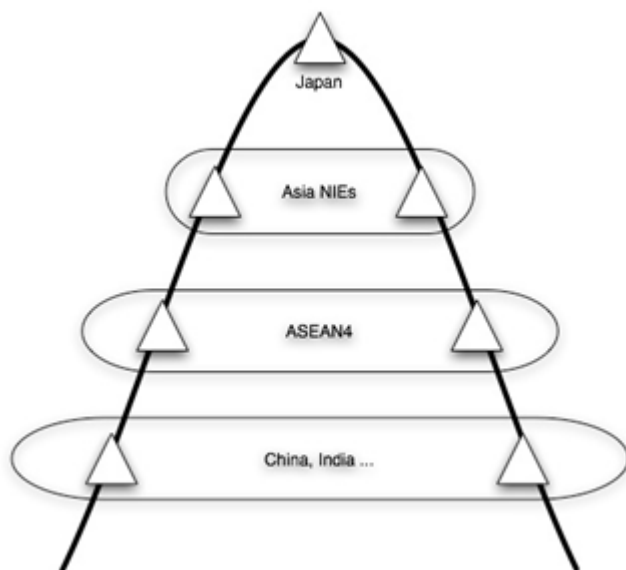
“There are so many parts of cool that I think probably are the beauty of Japan. In fact, if I ask everybody in this room, they will have a different Cool Japan experience to tell,” Cheng mentioned (2013)<sup>25</sup>

I do indeed. Japan is my cultural Mecca where I try my best to do annual pilgrimages. Japanese contents expose me to experiences that only I can comprehend (sometimes with my peers who love the same contents). I do have stories to tell and this essay is definitely one way I express my sincere wish for the success of Cool Japan. Japan is indeed the true Cultural Mecca. It cannot be any other way. Banzai Nippon.

Total word count: **(3549 words) excluding graphs, tables and appendix**

## 4.0 Appendix

### Appendix 1



<b>Tier 1 – Lead Geese (Japan)</b>
<b>Tier 2 – Asia NIEs (Asian Four Tigers, consist of Hong Kong, Singapore, South Korea &amp; Taiwan)</b>
<b>Tier 3 - ASEAN 4 (Malaysia, Thailand, Indonesia &amp; Philippines)</b>
<b>Tier 4 – China , India, Emerging and developing countries (e.g. Vietnam)</b>

<sup>25</sup> Cheng, H., 2011, GI Global Conference 2011: Breakout Panel Session III-B “Cool Japan”, Strategies for developing and promoting Japan’s creative industries, [Online] Available from: [http://www.youtube.com/watch?v=c4RYo7V5Y\\_A](http://www.youtube.com/watch?v=c4RYo7V5Y_A) [Accessed: 13 September 2013]

## Appendix 2

### Reminiscence of an Otaku's Journey

My first manga was the Malay version of Doraemon. I was 6 years old and could barely understand the words but something drew me to continue. Back then I did not even know what a comic was but I was fascinated with how this blue robot cat came about to help a rather weak willed little boy called Nobita. I did not like Nobita because he reminds me of me.

Before I knew it, I was reading more and more of these 'picture books'. I finally realized that these are not normal Enid Blyton story books because these stories are told in picture forms and it was easy to understand. Reading comic quickly became my favorite past time and so is watching Doraemon dubbed in Malay Language on national television every Saturday and Sunday. Fast forward, I was 12, entering the pubescent age when boys were part of the topic. One day, my 10 year old sister brought back a CD. The front cover featured 5 young teenage boys posing with volleyballs. I did not know their names then nor understood a word they are saying as I do not know Japanese or could I read the subtitles in Mandarin (I went to an English school). Soon enough, I found out who they were. They were called Arashi. Oh, I must say, I still belong to Team Aiba.

Then gradually I found they belong to a company called Johnny's Entertainment where good-looking idols are produced. For years, I chased them on the only channel available in my home country, NHK. From Arashi, my passion escalated to KATTUN, Kinki Kids, Tacky & Tsubasa and Hey Say Jump recently. Also, I am a big fan of Utada Hikaru and still a passion follower of Joe Hisaishi who composes for Studio Ghibli. For reasons unknown, I fell in love with anime, Hunter x Hunter remains my top 10 favorites but it was Prince of Tennis which took the apple. At age 17, I was selected to participate in an exchange program to Japan. Do you know I was already learning Japanese for 3 years already, just so I can understand anime? Culture shock was minimal to me as I blend right into the Japanese Highschool but at the same time still remaining as 'The Gaijin'. I managed to make friends who love pop-culture like I do and I learned the meaning of 'Fan-girl-ling' (it means 2 people or more who loves a certain popular culture going crazy and talks non-stop about that topic).

Religiously, I visited the small Animate store in my host town every week for 10 months. One day, I saw a pamphlet, of boys wearing Prince of Tennis outfits. Hmm...were they cosplayers? I was not far off. Subsequently, I learned about the stage (*butai*) world. There are actually companies hiring good-looking boys to sing, dance AND act like the characters of Prince of Tennis. Needless to say, I dive straight to the goods. Trust me, if I was not a poor student, I would have bought the mineral water with my favorite character on the cap. I did not though. I saved for the DVDs instead.

As I watch even more anime, one day I realized that Naruto's voice sounded a lot like Hunter x Hunter's Gon. A quick search on Google and I got the shock of my life. It was a GIRL voicing two MALE characters. I never knew people can do this, for a living. Surely I must be mistaken? Fast forward 6 years, I naturally can name a minimum of 50 seiyuu names without breaking a sweat. Oh dear, please do not tell my mom about my seiyuu secret stash of character goods. My otaku 'career' or history is almost 16 years but I do not see my appetite

ceasing, in fact, it grew. Consecutively in 2012 and 2013, I visited my pop-culture Mecca, both time, with money to stimulate Japan's economy. Both trip average, I watched 4 *butai* shows each trip and bought enough DVDs and goods to shame my own wardrobe. Both trips cost me 3 months' worth of salary. That is equivalent to a month's worth of net income of a general salary man in Japan.

Even spending so much, I cannot seem to stop because while I enjoy the entertainment, Japan is where I go for soul-searching. The people I met there, the experience every time I lost my way, the *zen* when I visited shrines and vibrancy I do not feel back home, I find it in Japan. Of course, I will be back because I love this country too much to not come back. While I do not expect everyone to understand why I feel this way but I think the two foreign girls (one from Hong Kong and the other from Thailand) who I met in my hotel (who both came for the same *seiyuu* event) understood what I felt. By the way, having anime knowledge is kind of useful. In fact there is lots of philosophy stuff I have picked up that I apply in my life. If you ask me one thing I never regret doing, I would say-

I do not regret being an otaku. Quoting Echizen Ryoma from Prince of Tennis, "Mada mada dane"

Indeed, my otaku journey is still not enough.

### Appendix 3

Snippets of Can Japan profit from its national 'cool', an article by Mackay, M., CNN, 2010

Charles Spreckley, Tokyo-based co-founder of consumer research and trends company Five by Fifty comments, "*I am incredibly skeptical that a bunch of bureaucrats can succeed in turning the nebulous concept of Cool Japan into something that makes the country money,*" he told CNN in Mackay's article. He further states, "*Part of what makes Japan cool is this innocence they (creative individuals) have in the way they do things,*" Also adding, "They do things very well here, with sincerity and lack of ego and I think the very act of commercializing it will make it inherently uncool,"