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Japanese Pop Culture and Merchandising

In both the west and the east media industries are supported by both advertisements and merchandising. The whole spectrum of eastern pop-culture, notably that of South Korea and Japan have started merchandising models which has set the new market standard for the west. The “godfather of manga” Osamu Tezuka is noted as having realized the potential of character-based merchandising as far back as 1952 with *Tetsuwan Atom*. Since most elements of Asian pop culture have adopted similar practices in the marketing sphere. In this essay, I will demonstrate how the merchandising came to be in the Asian market (namely in Japan) and in what ways it has adapted to the US market. How it was influenced by some of the United States’ own practices. I will also discuss some examples of Japanese firms that engage in this marketing model and how they contribute to the growth of the central industry.

The Japanese pop-culture market is most often oriented toward children and young adults. That said, there is still a wider appeal which certain industries are still able to reach primarily in the domestic Japanese market. The primary sectors’ merchandising that I will discuss are animation and the mecha genre, Idols and musicians, and finally Vtubers. These industries have excelled at creating opportunities for fans to spend money, and have created practices that are becoming increasingly common in the United States, some as notable as the Pokémon craze at the end of the 1990’s. The growth of this young adult market in Japan has in the last ten years made many forays into the international popularity.

In 1946 Osamu Tezuka saw wooden dolls of his character “Ma-Chan” being sold in the streets of Osaka, this was when he realized the market power of characters. Even in the rubble and wake of destruction left by the second world war, people were still actively seeking character goods whether from themselves or for their children. Following this, in 1963, Osamu Tezuka knew there was a place for animation in the Japanese media mainstream. Furthermore, given his experience, he knew that by merchandising his characters he would have sufficient revenue to continue his arts. Thusly he sold the airing rights for cheap and counted on building a merchandise empire around his works. This became the basis for the modern Japanese media market. This has led to collaboration between Japanese media enterprises and other industries. Animation publishers collaborate regularly with toy manufacturers to ensure that upcoming shows can succeed with multiple revenue streams instead of just that advertisements run during an episode’s original airing time. The idol and music industry has similarly worked to produce a plethora of adjacent goods and industries to supplement the revenue purely generated through concert ticket sales. This practice has also been adopted in part by the South Korean K-pop industry, though I will only mention that briefly. Finally in the new field of Vtubers, a fusion of the practices as those seen in animation and idols is being used to generate revenue. In 2023, the estimated GDP contribution of creative industries in Japan was worth approximately 32 billion USD. Meanwhile their overall “cultural exports” account for around 130 billion USD as of 2006.

The first Japanese media sector which uses merchandising to achieve its revenue goals is the Animation industry. Currently the Japanese market accounts for sixty percent of the world’s animation. That said the pipeline for animation production in Japan is uniquely competitive and collaborative compared, and its processes have started to inform the west. In particular, the Mechanical (mecha) genre of animation found its roots in collaboration between animators and

the Japanese toy industry. In 1972 the first “super robot anime” *Mazinger Z* aired to widespread success, soon after die cast toys of the main robot and its weekly villains were commonplace on store shelves. This popularity attracted the speculative eyes of the companies Sunrise (now Bandai Namco) and Clover. Clover, a toy company specializing in die-cast figurines and Sunrise doing animations and making model kits, decided to partner in making an animated series to market a new line of children’s toys. This Gundam series which they created was initially a failure and led to the closure of the company, however Sunrise’s model kits were a great success and sparked the future growth of the model kit industry in Japan. Sunrise/Bandai has since then vertically and horizontally integrated all elements of their merchandising machine, going so far as to being the primary supplier for most of the anime merchandise industry. Considering any other mainstream anime, one will find a vast number of goods available for purchase, and some only attainable through collaborations with other companies. Taking one of the most popular ongoing anime *One Piece*, one will be able to find statuettes, model kits, stuffed characters, apparel and more. Collaborations are also a large part of the merchandising machine, utilizing scarcity and time-limited collectables to attract customers. Within a single Japanese convenience store such as Lawson or Seven-Eleven one will find a variety of media collaborations taking place. Recently a mint brand *Mintia* placed *One Piece* characters on their packaging, at the front of the store *One Piece* lottery tickets can be purchased granting a chance to win one of a few different collectable prizes ranging from tumblers to character statues. Most of these products are produced by Bandai Namco. Brand collaborations with intellectual property from animation range across the entire socioeconomic span. Sanrio’s *Hello Kitty* has appeared alongside high-fashion brands such as Balenciaga and in the London Fashion Week.

Moving into the real world, the Japanese music and idol industry has found its own innovative merchandising methods. Idol groups are musical groups of either young men or women often backed by a licensing or production company. As per the norm, these groups gather some revenue from concert ticket sales and the licensing of their music to various other organizations. Also, like other artists, old instruments and sometimes uniforms are auctioned off for hefty sums to superfans. In the west a majority of music listeners consume music through internet streaming, no longer using CD or record players. Despite nearly 95% of the Japanese population having access to smartphones and the internet, a vast majority of music sales are still done in the physical medium. Alongside CD's fans are also able to buy photobooks and trading cards of their favorite idols, things which seem to be from a bygone era here in the United States. Concerts too bring their own host of special goods, light sticks¹, towels and shirts. Then at special fan meet-and-greets, fans can pay to meet idols. At these events many interactions are available at a price, such as shaking hands or getting a piece of memorabilia signed, which may raise its value tenfold.

Virtual Youtubers, Virtual Idols, or more commonly, Vtubers are a rather new fusion of both the idol and animation industries. The internet space has allowed many individuals to attain fame and fortune through creating various forms of content. However, following the rise of the alpha Vtuber KizunaAI, the industry has exploded with several corporate groups throwing their hats in the ring. Many of these companies style themselves after normal flesh-and-blood idol groups. Some of the major names in the industry include Hololive, Nijisanji and Phase-Connect. Each of them have their own cast of characters and personalities. The content of these creators varies a lot more than that of standard idols. Most often they will livestream themselves

¹ A light-up baton that fans wave around in the often-dark concert venues.

interacting via chat with an audience or playing a video game. Their content has even gone so far as to be somewhat lurid, which is a strict taboo in the standard idol industry. The explosive growth of this field can be measured by the Youtube subscription count of some of these idols. Gawr Gura, and idol within Hololive, debuted² in September of 2020. By October 22nd of the same year, she had already amassed over 1 million subscribers, making her growth the fastest ever in the industry. Being a fusion of animation, streamers, and idols has allowed the corporate backers of these content creators to leverage all of the aforementioned merchandising models to great success. Previously I mentioned Hololive, the name of the Vtuber group owned and managed by Cover Corporation (Cover) which was founded in 2016. Cover's CEO Tanigo Motoaki (nicknamed Yagoo by fans) stated in an interview on May 18th, 2023 that Cover's "unfortunate circumstance of most Hololive production Official Merch is that it is almost always out of stock!" Visiting the Hololive webstore, one will see a vast assortment of goods that range from acrylic stands, statues, accessories, and voice packs³. Also like the collaborations of the anime industry, Hololive has been able to collaborate with both Japanese convenience stores and video games. Most notably getting a collection of skins⁴ in the popular game *Among Us*, gameplay of which is frequently streamed by Hololive members. Additional collaborations have been done with card games such as *Weiss Schwarz* which included a chance to get playing cards which had been signed by some of Hololive's talents, some of which were valued on the resale market in the in the thousands of dollars. Motoaki is also notable for trying to run Hololive as closely as possible to a regular idol group, all the talents are hired for a suite of artistic skills, notably singing. All of Hololive's idols participate in live concerts and release their own music

² Most of the corporate Vtubers launch their careers in groups which are often referred to as debuts.

³ Voice Packs I believe are packages of soundbites to be downloaded and used by fans.

⁴ Alternative appearances for the player character.

singles which are available for purchase on CD and Vinyl. Other companies like Phase Connect and its talents such as Pipkin Pippa, do not have as much leeway in the merchandising space, but they do achieve an appeal to niche audiences. The potential of these creators is limited by their own reach to audiences and the revenue potential of their goods.

Many Japanese companies have specialized themselves to exist within the collaborative domain. Uniqlo is a fast fashion brand which, aside from offering a large selection of fast fashions, has capitalized on offering a more designer touch to collaborative apparel. Uniqlo will regularly partner itself with pop-culture icons or artists to offer fan apparel. Notable collaborations include Disney's Mickey Mouse or artwork from Dragon Ball Z. A much smaller firm, B-Side Label is a sticker company which has made itself the premier in offering quality stickers to consumers. While B-Side Label has a number of artists on staff to release multiple collections of stickers every year, they have also gotten the licensing to make stickers of various anime characters. In Japan's many Pokémon Center stores, B-Side Label has an entire section on its own with stickers depicting a vast selection of Pokémon characters. They have also done collaborations with various anime franchises such as *One Piece* and *Jujutsu Kaisen*. The final brand which I will recognize in this space is Bandai Namco (formerly Sunrise.) Bandai has immense control over the entire merchandise sector. They are responsible for manufacturing most of the goods currently on the market. Their subsidiary brands service everything from the cheapest gachapon machines to premium thousand-dollar model kits through P-Bandai. They are responsible for the manufacture of most other companies' goods. Most of Hololive's merchandise is produced through Bandai, thus they are the cornerstone of the entire merchandise market.

The expansion of the “Cool Japan” initiative to the west has been notable especially over the last decade. Since the Pokemon craze of the late 1990’s, America has been a consumer of Japanese goods and media, or some derivative thereof. The media first approach to marketing has also begun to grow domestically in the United States as well, most often with children’s media. Older examples of marketable toy lines advertised by cartoons include G.I. Joe, Transformers, and Power Rangers, a derivative of the Japanese “super sentai” genre. In more recent years, though the American media music and media industries have adopted more merchandising and co-merchandising practices like those in Japan. In the music industry, Taylor Swift, who currently sits at the top of the US charts now offers a vast variety of fan goods for purchase. Her team has a webstore with a large selection of apparel and accessories. There are also concert exclusive items which are only available in limited quantities. Swift is engaging in cross-promotion with other US brands though not to the same extent of the Japanese Convenience stores, as she primarily appears as the figurehead of marketing campaigns. However, the movie and game industry has begun to do more in the Japanese method. Many companies have started to leverage more franchise power and have looked to multi-media methods to get fans involved and consuming.⁵ Recently, despite its decline in popularity, the *Halo* franchise, under the management of 343 Industries and Microsoft, has started branch out its multimedia contact points. They have a host of writers building fiction, they have figures, apparel, and accessories available on their webstore. They have also begun to collaborate with other games as well to build additional merchandise channels such as adding Master Chief’s armor⁶ as a usable skin in the game *Fortnite*, which has seen its own share of anime-based collaborations. Still there exist a difference in the Japanese and American pop-culture markets as

⁵ This may also be in part be due to the success of the Marvel Franchise.

⁶The protagonist of the Halo series

to which projects make it to the final stage of public release and merchandising. The Japanese market relies more heavily on the grindhouse of novelization and publishing manga to determine what ultimately makes it to the eventual animation stage. A majority of works must become popular rising through the appeal of fans to eventual publishing in a weekly magazine before they are even considered for animation, in doing this work have a pre-established fanbase going into their commercial release. The US approach is done more on the backend with companies trying to engineer a series for success especially in children's media, instead of leaning on independent works.

In conclusion, the evolution of merchandising in both the East has been a dynamic interplay of culture and economic strategies which has now influenced the West. The Asian market, particularly in Japan, is pioneering innovative merchandising models that have not only shaped its own pop-culture landscape but have also influenced Western practices. Osamu Tezuka's recognition of the market potential of character-based merchandising in the early 1950s laid the foundation for the modern Japanese media-merchandise market. The collaboration between animation publishers and toy manufacturers, as seen in the success of the mecha genre, set a precedent for a multifaceted revenue approach that extended beyond advertising. The idol and music industry, along with the emerging phenomenon of Vtubers, further diversified merchandising strategies, creating an array of products and experiences for fans. Japan's creative industries have become a global cultural force. Companies like Bandai Namco control much of the merchandising sector exemplifying the collaborative domain that characterizes Japanese media. The West, influenced by the success of Japanese models, has seen a shift toward a more media-centric approach in marketing. Examples like Taylor Swift's extensive fan goods offerings and the expansion of franchises like Halo into multimedia demonstrate a growing adoption of

merchandising practices reminiscent of Japan. The global popularity of Japanese pop culture and its merchandising prowess underscore the cultural exchange between East and West. As both markets continue to evolve, the symbiotic relationship between media, merchandising, and fan engagement will surely shape the future of the entertainment industry worldwide.

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