Revisiting Japan's Gross National Cool: Exporting Japanese Animation in the

International Marketplace

Joseph P. Wentz

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Honors Program of Liberty University.

_____
David Duby, PMP, PhD
Thesis Chair

_____
Brian Satterlee, EdD, DBA
Committee Member

_____
James Siddons, PhD, ThM
Committee Member

_____
Marilyn Gadomski, PhD
Honors Assistant Director

_____
Date

Abstract

In 2002, writer Douglas McCray coined the term "Japan's Gross National Cool," which was used to describe Japan's distinct cultural exports. More specifically, though a recent phenomenon, the current academic consensus indicates that Japanese animation, or anime, is a unique Japanese cultural export based on McCray's concept. However, from McCray's article in 2002 to 2015, the anime industry globally has changed in several key ways: popular consumption has grown, Internet and streaming use has increased, and Internet piracy has increased. This leads to necessitating a change in business concepts for marketing the medium worldwide by analyzing specific marketing mechanisms, but primarily anti-piracy precedents in Taiwan and the streaming company Crunchyroll.

Revisiting Japan's Gross National Cool: Exporting Japanese Animation in the

International Marketplace

In 2002, author Douglas McGray penned an article entitled, "Japan's Gross National Cool." This article, based on hands-on media research in Japan primarily during the year of 2001, has influenced many opinions of Japan as an international exporting power. One example of this influence stemmed from McGray's coining the phrase "Cool Japan," which is now used to refer to the Japanese government's push to encourage the spreading of its culture worldwide so as to foster economic growth (Wheatley, 2014). This "spreading of its culture" covers a multitude of cultural mediums, or cultural exports, such as music, fashion, and even sumo wrestling, but it is McGray's mention of Japanese animation, or anime (アニメ), that particularly sparks interest more than a decade later. While Japan's government initiative saw major reinvestment updates as recently as 2014, McGray's article is based on research from nearly fifteen years prior. For this reason, one must ask three questions:

1. Is anime a Japanese cultural export relevant to its *gross national cool*?

2. If it is a relevant export, what has changed between McGray's coining of the phrase and today?

3. Given the answers to the previous two questions, how should anime be addressed as a Japanese cultural export in today's global market?

Japan's Gross National Cool

According to McGray (2002), in the 1980s Japan was an economic superpower, but as its economy declined up to the early 2000s, it transformed into one of the most culturally influential countries in the world. While most cultural globalization has

historically relied upon American consumerism, multinationals, or approval, Japan's

expanding cultural influence began by first successfully influencing the regions of

Europe and Asia. As the gross domestic product (GDP) and value of the yen fell, and

unemployment rose in correlation, the country still managed to succeed in influencing the

world in the areas of film, music, video games, and other aspects of culture. Consider the

case of the following two Japanese cultural exports and their global influence.

First, there exist Japanese exports reflective of traditional Japanese culture, such

as pottery used in the Japanese tea ceremony, a rite unique to Japan (Garcia, 2012). Many

elements of decidedly Japanese culture work in tandem to make tea ceremony pottery

into a unique product that cannot be found nor produced anywhere else in the world. This

is primarily drawn from a combination of its unique production and the infusion of Zen

Buddhist principles with Japan's unique religious culture. The most skilled artists

responsible for many of the most refined pieces of tea ceremony pottery in Shigaraki,

Japan believe the cultural background of the pottery to be important in selling it, but only

to a certain extent. Domestic buyers often purchase the pottery to be used in the tea

ceremony context, whereas international buyers tend to purchase the pottery as collectors,

aware that it *has* cultural significance, but generally ignorant of its cultural significance

(Garcia, 2012). Regardless, this pottery represents an export that cannot be found

elsewhere in the world that has increased Japanese exposure due to globalization.

Second, there exist Japanese exports reflective of more modern Japanese culture

and marketing tactics. In late 2008, Sanrio, the company that owns Hello Kitty, revealed

that it would replace its Hello Kitty model of being marketed primarily to children and

children's products, to offering expensive and designer fashions of all kinds. Tsuji

Shintarou, the original creator of Hello Kitty and founder of Sanrio, intended for Hello

Kitty to be an international product, particularly one that would overcome Disney's

Mickey Mouse. Yano (2009) claimed that Japan's focus on the national cool had

completely changed Japan's international image from the sobriety of samurai to playful

feminism.

McGray (2002) emphasized the idea of hegemony or Joseph Nye's concept of

economic soft power. While products such as tea ceremony pottery increase global

exposure to Japanese culture, the natural follow-up concern is whether these products

change the culture. Anime, the industry in question, more closely resembles international

products with Japanese roots such as Hello Kitty, now complete with lines of apparel

stretching the globe and influencing fashion trends. It is this kind of hegemony or soft

power that McGray noted and predicted an increase of in 2002, hence encouraging his

coining of the phrase, *Japan's gross national cool*. However, this concept has a particular

connection with the anime industry.

Hegemony and Soft Power

Broadly defined, hegemony refers to influence that one group has over another

(Hegemony, n.d.). Not long after *Japan's gross national cool* was coined, globalization

was viewed to be leading to the end of the United States' economic hegemony (Harris,

2003). McGray (2002) directly referenced this concept of economic hegemony via Joseph

Nye's soft power theory. Joseph Nye's more modern manifestation of this idea originated

in the concept of cultural hegemony by Gramsci Antonio in the mid-20th Century (Li &

Hong, 2012). Emphasizing the importance of control of culture and ideology, as opposed

to physical or economic strength, became a new focus. Morgenthau took this a step

further by introducing the concept of invisible power in national morale. Beyond this,

Samuel Huntington proposed that culture constitutes the primary source of civilization

collision, under the assumption that similarities in culture unite people groups (Li &

Hong, 2012).

Finally, Joseph Nye then proposed soft power as a kind of hegemony through

attraction rather than negative or transactional influences. However, this soft power can

only exist with some sort of hard power that supports it. After the cold war, the US

increased in its soft power as its pop culture increased in international consumption,

while the converse was true for the Soviet Union, followed by China gaining in its soft

power proportionately with its economic gains in the global marketplace in the 2010s (Li

& Hong, 2012). As McGray (2002) noted, in the early 2000s the United States was

viewed to be the world's hegemonic leader, indicating that cultural and, hence, economic

changes worldwide tended to originate in the United States before spreading outward.

But the view propagated by Harris (2003) pointed to an end to this phenomenon that

would lead to other countries' potential to fill the forecasted void. In this case, this meant

that Japan would have the opportunity to reverse that trend. Before one can apply this

concept to Japan's anime industry, however, one must first seek to define and understand

that industry.

Anime

Anime began in its modern form in 1956, becoming successful later in 1961,

making it a relatively young medium in the scope of the global entertainment industry

(Anime, 2015). Marcovitz (2008) traced the origin of the Japanese term anime to the

French term *animé*, known in English as animation, but its concept goes back centuries

before Japan's popularization of modern anime in the 1900s. From the 12th Century onward, Japanese artists had begun to illustrate in ways that highly influenced today's Japanese art styles with stories such as the famous Japanese folktale, the *Tale of Genji*. This brought about, first, Japanese manga (translated roughly to "random pictures"; also known as Japanese comics), then, with the advent of motion pictures and television, anime as we know it today. Osamu Tezuka is partly responsible for its widespread adoption in Japanese society in the 1900s, thanks in part to the influence of traditional Japanese art as well as Western influence, such as Walt Disney (Marcovitz, 2008). But while Japanese artists have often been influenced by the West, anime's long Japanese history indicates its cultural uniqueness.

In an effort to determine the perceptibility of Japanese influence in anime, which consequently identifies its relevance as a uniquely Japanese cultural export, Fennell, Liberato, Hayden, and Fujino (2012) analyzed English discussion boards on two massively different anime: *Bleach* and *The Wallflower*. They discovered that practical, non-scholarly fan discussion seemed to reflect scholarly attitudes on the subject. Fans tended not to agree on the complete cultural influence of each series, instead contending that it was influenced by Japanese culture with elements of foreign or fantasy cultures. Ultimately, the study determined that the perception of the uniqueness of Japanese culture within anime was limited primarily to the viewer's knowledge of Japanese (or other cultures) beforehand. Similarly, Denison (2010) determined that international, Internet-driven appeal for anime has led to transcultural elements within its fan base. This appears to limit the theory that anime could serve as a conduit for Joseph Nye's theory of economic soft power.

However, in contrast to perhaps an immediately negative conclusion, nearly all anime viewers in the study expressed knowledge of its Japanese origin (Fennell, et al., 2012). Denison (2010) similarly explained the concept of *positive occidentalism*, or the mixture of numerous cultures in anime, in contrast with being solely Japanese. England, due to its existence as a tourist location and rich history, has often been the focus of this concept, witnessed in anime such as *Emma: A Victorian Romance* or *The Black Butler*. Shows like these intermingled English culture with Japanese. Studies such as these have identified anime *is*, indeed, a unique good that is to some degree a unique Japanese product, but to what extent is difficult to determine.

While the information above demonstrates anime's unique Japanese cultural aspects, and its connected identity as a cultural export, the natural concern is its relevance to Japan's gross national cool. Exports that influence or control other cultures through hegemony or economic soft power are those that gain adoption in receiving groups, yet display unique traits of the sending group. Based on the research found in the aforementioned studies, anime sits within these two categories.

The 2015 Relevance of Japan's Gross National Cool

With the concepts of Japan's gross national cool, referring primarily to cultural exports, and anime understood, and the question of anime's relevance answered, updating the time gap of nearly fifteen years between McGray's article and today requires a more holistic survey of global cultural and economic trends.

The near-2000 era

Up until around the turn of the century, numerous countries have exacted their hegemonic powers upon others, or at least have been purported to do so by the so-called

victims of this process. Examples of this include the United States' cultural influence on

Indonesia, India's on Sri Lanka, and Vietnam's on Cambodia (Appadurai, 1996). More

specifically, in the second half of the 20th Century the global trend was Westernization of

the East, resulting in the Asian popularity of Barbie dolls, the Beatles, and Bugs Bunny

(Doshi, 1999). The rarity of the reverse of this trend in the 20th Century is particularly

showcased in Sakamoto Kyū's "Sukiyaki Song" in 1963 being the only instance of

Japanese media to top American charts within its own media category before 1995 (Saitō,

2007).

        However, Asian exports began to show signs of more global influence in the late

1990s. For instance, during this period the South Korean government began to fear an

overt Japanese cultural influence on its people reflective of the concept of hegemony and

economic soft power (Appadurai, 1996). Furthermore, Asian exports in the latter half of

this decade showed an increase of 30% due partly to Asian currency depreciation, but

also due to demand for video games, movies, and software. In 1999, anime represented a

fast growing market in the American video industry, with Disney planning to release

Studio Ghibli film, *Mononoke Hime*, and annual industry sales of over $60 million. Asian

music and manga also seem to exhibit similar impacts (Doshi, 1999). From the American

release of *Akira* in 1989 onward, thanks to the popularity of releases like *Sailor Moon*

and *Pokémon*, anime appeared to receive an enormous rise of popularity in the West

(George, 2014). Tamaki Saitō (2007) noted that the animated films *Ghost in the Shell* and

Pokemon: Mewtwo's Return topped American charts in their own categories in 1995 and

2001, respectively, much like 1963's "Sukiyaki Song." These shifts in the 1990s show

precedent for McGray's predicted growth in Japanese cultural influence, but do not

account for the significant changes that would alter the environment in which anime

would be sold nearly fifteen years later.

The near-2015 era

Despite Japan's brutal history toward surrounding nations, particularly

exemplified in Japan's imperialistic behavior during World War II, it continually has an

enormous cultural impact (Nam, 2013). As Nam attested in 2013, Japan established itself

as the media-exporting hub of East Asia in the 1960s, which it has remained for more

than fifty years. Because of Japan's success in this area, and the Asian financial crisis of

the late 1990s, around the turn of the century Japan's neighbor, South Korea, began to

support culturally hegemonic media exports under the leadership of its government.

Korea has displayed itself in the 2010s to be placing more emphasis upon its cultural

exports in the wake of the economic crisis that has ravaged other more conventional

industries (Wheatley, 2014). This has turned Korea into a direct competitor to Japan's

global cultural exports. The YouTube sensation of Korean artist Psy's "Gangnam Style,"

reaching approximately a world-record two billion views, has proven to be an enormous

boon to Korea's international cultural appeal, representative of Korea's success in

exporting one of its foremost cultural goods, Korean Pop, or K-Pop (Wheatley, 2014).

However, the specific economic effects of cultural exports like this are difficult to

measure and are often ignored by economists (Wheatley, 2014). Additionally, 2009

financial data has shown that both countries', Japan's and Korea's, significant deficits in

cultural trade (such as media) indicate that neither country has managed to reach

definitive economic success (Nam, 2013). Yet regardless of these setbacks, the Japanese

government has continued to fund "Cool Japan," focusing on cultural exports, including

anime sales in the United States (Wheatley, 2014). Anime's mainstream growth in popularity as shown more concretely in the business world is evidenced in published news articles such as the following four:

First, in the article, "World News: Japan Looks for Ways to Say it's Cool" (Fukase, 2013), the Japanese government began a reinvestment plan for the *Cool Japan Fund* in early 2014, specifically investing fifty billion yen from the Ministry of Economy Trade and Industry and ten billion yen from various other companies. It is only in the early 2010s that the Japanese government has begun to accept anime and manga as viable businesses due to rising international appeal. Japan has been investing in "Cool Japan" in an attempt to accomplish what South Korea has accomplished with the K-Pop boom of the 2010s through the Korean government's *Korean Institute of Design Promotion* and *Presidential Council on National Branding*.

Second, according to, "On Movie Night in Japan, Traders Watch for Anime 'Curse'-When 'Castle in the Sky' Meets U.S. Jobs Data, Spooky Things Can Happen to Markets," in a strange example of stock market investor superstition, anime gained attention in the business world when the "Curse of Ghibli" (Mochizuki & Inagaki, 2013, para. 7) affected investors' predictions. Specifically, every few weeks Nippon Television Network has aired a different popular Studio Ghibli film, which occasionally coincides with the American release of nonfarm payroll data. Typically, the payroll data affects exchange rates, which sometimes negatively affects Japanese stock prices. While analysts' opinions on the truth of the matter vary, the fact remains that it is a recognized phenomenon with international implications.

Third, according to an article entitled, "Squaring the Cool" (2014), in the face of Korea's success in internationally marketing its cultural exports, particularly with its soap operas in Asia, Japan had peaked in its cultural exports. The government has had difficulties striking the balance between marketing the culture of its creative artists that often defy the government's wishes, yet are popular abroad, and the more conservative culture that the government deems safer to market. By mid-2014, the government's Cool Japan funding reached a planned budget of approximately ninety billion yen under Prime Minister Shinzo Abe. Unfortunately, however, its attempts to encourage involvement in this initiative have been met with skepticism, as witnessed in the popular reaction to "a particularly clunky Cool Japan video issued by bureaucrats from the ministry of economy last summer went viral for being the nearly unwatchable essence of anti-cool" (Squaring the cool, 2014, para. 4).

Fourth and finally, "How Did a Japanese Anime Film Set a Twitter Record" (2013) reported that anime demonstrated its domestic popularity via Twitter in 2013, offering international exposure. The airing of Studio Ghibli film, *Castle in the Sky,* influenced an influx of Japanese tweets, resulting in more than 140,000 in one second. This was due to the popular tweeting of a particular phrase in the film among Japanese fans. This resulted in a greater traffic spike in a shorter amount of time than any of the other largest Twitter-heavy events, namely the Super Bowl and New Year's.

Articles much like the previous four fill newspapers, both physical and digital, providing evidence of the importance of Japan's gross national cool in the global market, particularly when considering the anime industry. However, assertion of anime's apparent global impact and influence does not identify the elements that have

fundamentally altered the industry since the turn of the millennium. One particularly

important element that is shared among all four of these articles and many others is the

use of instant and global communication via the Internet.

The Growth of the Internet from 2002 to 2015

The Internet has shown clear and measurable growth from its rise to popular

adoption in the 1990s to the current decade of the 2010s, as Steven Korotky (2013)

outlined. Korotky's research showed the historical usage of the Internet (measured

particularly in data volume of petabytes per month) globally from 1990 to 2010, and then

used that data to semi-empirically project its usage until about 2020. This data showed

that the period of 2000 to 2010 shows a faster rate of growth compared to 1990 to 2000 in

terms of petabytes per month, namely approximately 0.01 petabytes (one petabyte is

equal to 1,000,000,000,000,000 bytes) of traffic volume per month in 1990, to nearly 100

petabytes of traffic volume per month in 2000, to finally approximately 15,000 petabytes

of traffic volume per month in 2010 (Korotky, 2013).

Particularly relevant as a direct competitor to Japan's cultural export industries,

including anime, Korea's K-Pop exports have particularly benefited from this Internet

explosion. Min-soo (2012) posited that the growth of social networking services through

the late 2000s has proven itself of great assistance to Korean pop groups, especially in

Japan. Korean pop artists at the beginning of the decade took considerably longer to

reach successful popularity in Japan, such as artists Boa in 2001 and Dong Bang Shin Ki

in 2004, who took five and four years to become established, respectively. In contrast,

Girls' Generation reached enormous popularity as measured by their number one spot on

the Oricon Chart on the first day of their first album release in 2011 in Japan thanks

primarily to the use of social networking sites such as Facebook, Twitter, and YouTube (Min-soo, 2012).

Nonetheless, while this technology has aided K-Pop as a Japanese competitor, little research exists on the relationship between mainstream social media such as Facebook, Twitter, and YouTube and anime. Thus, another breakthrough technology is attributed with carrying anime further into the 21st Century as a competitive international medium and cultural export: Internet streaming.

Streaming Technology

Streaming video content to Internet browsers began in 1995 in the University of Illinois. According to Grace, Cox, Jacobs, and Morrison (2000), this technological breakthrough would allow an online audience to consume streamed goods further into the 2000s so long as they were properly compressed. Their prediction came to pass as the aforementioned data from the 2010s can attest. As of early 2014, US consumers have engaged in more online media streaming, as evidenced by recent purchasing patterns. 2014 marks the first time that households with streaming devices outnumber households with Blu-ray Disc players (the physical, disc-based successor to the DVD; Gruenwedel & Tribbey, 2014). But while Internet video streaming is shown to have gained massive popularity within its thus far two-decade lifespan, one company has demonstrated its specific effect on the anime industry in the West.

Crunchyroll

Crunchyroll provides an example of a Western company that has utilized the technological benefits gained since McGray's coining of Japan's gross national cool, particularly in data storage and transmission, while still reaping the benefits of the

cultural exportation that McGray noted in 2002. Crunchyroll is a privately owned

corporation that started in 2007 (Crunchyroll, Inc, 2014). The company delivers Asian

television content to international consumers in a digital streaming format, with a

particular focus on Japanese anime. Crunchyroll executives themselves noted the Internet

media consumption growth of the late 2000s as a powerful trend, particularly for a

younger audience (Crunchyroll announces, 2008). In fact, by 2014, Crunchyroll had

amassed more than 300,000 subscribers to its streaming service, allowing the company to

begin a partnership with Fuji Television, a Japanese television leader since 1959

(Crunchyroll forms, 2014). As the company has noted, partnerships like this have offered

mutually beneficial relationships, as partnered content providers are given power in the

form of control over regional access to content and online analytics (Crunchyroll

announces, 2008). The company's continued growth through partnerships and global

expansion is evidence of its streaming model's success (Crunchyroll forms, 2014;

Crunchyroll launches, 2014). But the success of Internet streaming in its relationship with

the Japanese anime industry abroad does not exist within a vacuum, as this major change

from the 2002 coining of Japan's gross national cool exists in tandem with a major

problem that it has brought with it: piracy.

Piracy

Although the growth in digital distribution has led to business models such as

Crunchyroll's, this is in the context of easier access to digital piracy. As of 2010, Japan

defined corruption as particularly indicative of bribery and piracy, while issues like the

black market, represented especially in Japan as the yakuza, and physical matters like

violence are less important (Chandler & Graham, 2010). This is not surprising

considering Japan's relatively small crime rates, revealed in Tokyo's designation as the

world's safest city as of the Safe Cities Index 2015. This is also not surprising

considering the Japanese government and citizens' dubious relationship with the yakuza,

the Japanese mafia, in which it is often acknowledged but rarely confronted, thereby

enabling its operation (Cunningham, 2014). Taking this into consideration in combination

with the digital form of anime, and thus its ease of digital piracy, anime and related

unique Japanese exports account for this heavy emphasis on piracy in Japan's definition

of corruption.

Additionally, Japanese neighbors China and Taiwan, both close not just in

physical proximity but in economic relationships as well, exhibit numerous piracy-related

problems. Chan and Lai (2011) discovered that, in China, ethical absolutists were more

likely to abstain from unethical behaviors than ethical subjectivists, particularly in

relation to the study of piracy. Their findings also indicated that the Chinese tend to

exemplify subjectivists more so than their Western counterparts, accounting for China's

higher instances of online pirate activity. Many Chinese tend to consider the impact of

their actions on their environment, particularly other people, primarily engaging in pirate

activities when high availability and low or no cost is incurred to the pirate. Generally,

China is extremely prone to the piracy of intellectual property (Chan & Lai, 2011). In

conjunction with this research, Wu and Yan (2013) discovered that, using business

students in China and Taiwan as a sample, neither country exudes a particularly greater

amount of ethical recognition. In fact, both samples indicated the same ability to

recognize and identify unethical situations of Internet piracy. Additionally, Chinese

students were found to be willing to engage in Internet piracy regardless of their

understanding of its unethical nature (Wu & Yang, 2013). Regardless, piracy in both countries, and the greater East Asian region, represents an important threat to the marketing of digital intellectual property of high digital export countries like Japan and its anime industry.

The History of Piracy as it Pertains to Japanese Entertainment

As noted in Marcovitz's (2008) book, Anime, Japanese manga are highly connected to Japanese anime, as displayed in an overlap of style, re-released content, and viewership. Manga, however, as still art form, predates motion-intensive anime. Consequently, understanding the previous marketing and sales problems of Japanese manga is paramount to diagnosing the recent woes of Japanese anime.

First and foremost, the Japanese manga industry differed greatly from the United States' comic book industry (the closest equivalent in terms of medium of publication) in that it was not a niche market through the 1990s, but one marketed to people of all ages and occupations. Its broad market and appeal, and consequent enormous popularity, turned into the manga industry's greatest threat, however, due to domestic market saturation. This led to an increased value in export to neighboring East Asian countries such that the foreign demand for these goods in countries like Taiwan, Korea, and the Philippines provided an excellent environment for exports, particularly since demand remained high even in times of extreme scarcity for political or practical reasons. However, due to lax intellectual property regulations in many of these countries, piracy met this demand instead of the legitimate copyright holders (Mayfield, Mayfield, Genestre, & Marcu, 2000).

Until the mid-1980s, Japanese copyright holders had difficulty enforcing

protection on their intellectual property due to the foreign lack of motivation to protect

the Japanese. In order to combat this, numerous Japanese distributors partnered with

many of the most successful pirate firms by selling the rights to randomized manga titles,

turning them into legitimate businesses. This partnership created value for all parties

involved by giving some return to the original owners, while turning the pirate firms into

legitimate privateer businesses, as well as providing legitimate reading materials to the

consumers of each respective nation (Mayfield, et al., 2000).

Lambert (2006) noted a similar problem with a medium sharing the same

airwaves as Japanese anime in the 2000s: Japanese television. As the second largest

television market in the 2000s, Japan faced large-scale piracy problems rarely faced by

smaller industries in other regions. Japanese pop culture had an East Asian following very

similar to American pop culture in other areas of the world, lending itself to a large

amount of comic book, anime, video game, and television piracy in its neighboring

countries. In order to combat this in the world of television in 2004, the Japanese station

NHK and National Association of Commercial Broadcasters began emitting a signal that

prevented more than one copy of aired content. In 2006, Japan broadcasted about $20

million of television content to East Asia, but piracy prevented most of these profits from

returning to Japan. The increasing use of digital broadcasting seemed to indicate an

increase in potential piracy due to consumer misuse.

Modern piracy of anime

Rayna Denison (2011) documented the history of *fansubbing*, the process of fans

translating and inserting translated subtitles into visual media, and its relationship with

the international anime industry. Many have credited fansubbing with bringing anime to

its current state of popularity, and, thus, creating viability for a legitimate market for it

overseas. According to Orsini (2015), this phenomenon can be traced back to the

Cartoon/Fantasy Organization of Los Angeles in 1977 with influential members like Neil

Nadelman, who obtained circulated videocassettes through Cartoon/Fantasy Organization

chapter across the United States. Orsini continued that, at this point in technological

history, the Commodore Amiga 500 computer became the subtitling device of choice,

which, while easily superior to active, personal translation, suffered from the inability to

fix mistakes (much like a classic typewriter) and slow processing speeds compared to

modern standards. In contrast to this method of subtitling, processing, and distribution via

videocassette, modern fansubbing has become much more sophisticated.

Based specifically on a 1.5-year study of the anime, *Soul Eater*, during its

broadcast, Denison (2011) found fansubbing to cover numerous developed countries'

languages with a focus on English. Interestingly, although raw video for anime was

limited, it was able to spread virally due to *softsubbing*, which saves video and subtitles

separately, thus allowing for re-production by other fansubbers. In connection with these

developments, foreign (non-Japanese) anime fans also began to demand faster turnaround

times from broadcast to translation. The fansubbing groups that have married timeliness

with quality have reached a state of collective online popularity, and they have become

identifiable by branding practices in their fansub releases not unlike branding by

American corporations.

Recently, however, the expansion and greater use of the Internet has placed

fansubbing into a negative light, as any legitimate producers stand to lose more to digital

piracy. Although fansubbing has been nearly universally regarded as illegal copyright infringement, there was a split between two popular views of its use: 1) it is entirely illegal and unsupportable, and 2) fansubbing does not only *not* detract from legitimate sales, it supports them by increasing popularity (though this latter view did not have factual evidence to support it). It is because of this former view and lack of evidence for the latter that, despite competition-based self-policing, many fansubbers of popular series were routinely shut down via cease and desist letters from publishers. However, because fansubbers are sometimes able to create higher quality releases than the actual copyright owners, many publishers were pushed to release their own faster-response streaming services (Denison, 2011). A direct, personal interview with a former fansubber, offered additional insight into this matter.

Interview with a Fansubber

According to David Pliskin (pseudonym used), a former importer and fansubber, consuming anime around the turn of the millennium was a difficult and expensive hobby (see Appendix for full interview). According to Pliskin (and supported by research above under "Streaming Technology"), consuming the medium shortly after his introduction to it in 1998 was limited primarily to physical media due to the limits of dial-up Internet connectivity. This, in turn, was limited to the physical video distribution device of choice in the late 90s: the videocassette tape. In order to obtain legally licensed anime in English via this distribution method, according to Pliskin, one was forced to purchase periodic releases of two to three episodes a tape at a price tag of between twenty and thirty dollars. Additionally, language choices were limited due to the technical limitations of the tape, which could not contain digital overlays like its DVD successor. This meant that

producers were forced to choose between Japanese audio with English subtitles and English re-recorded, dubbed audio. However, as with the examples of the persistence of piracy and fansubbing as demonstrated above, these official releases were accompanied by fan distributors.

Low high-speed Internet adoption rates at the time forced fans to rely highly on word of mouth or the few Internet information sources that existed. In line with this difference in culture and technology, there existed a community of fans that created their own method of allowing non-Japanese fans of anime to obtain the media. The members of this community would purchase original Japanese VHS tapes or laser discs, translate these into English, and then use a piece of hardware referred to as a video combiner to overlay these translations as subtitles as a second feed over the original video content ripped from the original tape or disc onto a new tape. Fans could then request these VHS tapes via physical mail. According to Pliskin, the majority of those who participated in these activities, due to the questionable legality of freely distributing a good in a foreign country even if it had not yet been licensed, went out of their way to avoid making a profit on these activities. This involved fans mailing blank tapes to the fan distributors with funds for return postage that merely covered the return of the overwritten tape and the cease of production of tapes after a legal license had been obtained in the region of distribution.

Of course, not all fansubbers, as they are now known, were this ethically-minded, but Pliskin posited that the minority who did not follow this informal code were disdained by the rest of the community at large. Moreover, he claims that the Western anime community has seen a significant shift from this period of physical fansubbing and

distribution to the digital age, seen not only in the change in distribution (as noted

previously), but also in countenance. According to Pliskin, the new information age and

the onset of digital streaming has allowed more modern fans to sate a desire for instant

gratification at a lower price, particularly when compared to the Western fans of the 90s,

like Pliskin. While this change has resulted in legitimate sources like Crunchyroll, it has

also encouraged illegal digital distribution, available just hours after the original air time

in Japan (in contrast to the months or years of time fans waited for physical distribution,

licensed or not, in the 90s). This change, witnessed by scholarly research, news, and the

personal testimony of fans like Pliskin, now influences the way producers and

distributors must operate in today's global marketplace.

Overcoming Piracy

Khouja and Rajagopalan (2009) suggested that piracy is often linked to industries

with monopolies on intellectual property, such as the music industry that has had inflated

retail pricing from a limited number of giant labels. However, in such industries,

negatively reinforced models of piracy control appear to have historically had unintended

consequences in their respective industries. For instance, Japan's implementation of the

anti-piracy broadcast flag in broadcast television was met with negative domestic

responses in the form of about 15,000 individuals' complaints, but was justified as

necessary to prevent piracy overseas (Lambert, 2006). In order to address this, Khouja

and Rajagopalan provided two positively reinforced marketing strategies to reducing

piracy. The first of these is to offer a time-sensitive lower price that encourages a faster

adoption rate and meeting of demand that can outpace piracy activities while also

encouraging adopters not to wait due to an impending price jump. The second of these is

to offer the product both physically and digitally, so that users less capable of using technology can utilize the more expensive former option (since they do not have the ability to pirate) and the users more likely to pirate can utilize the less expensive latter option (Khouja & Rajagopalan, 2009).

While these strategies are pertinent and useful in overcoming the piracy barrier in an industry that relies heavily upon digitally distributed media, much like the music industry, these strategies can only be usefully applied when taken into account in conjunction with the history of similar mediums. Japanese television piracy has been rampant in the East Asian broadcast region, and it has also shown its aggressive anti-piracy measures to have very limited success (Lambert, 2006). However, the manga industry, which is also closely tied to anime and exhibits great popularity in the same East Asian region, has seen similar issues in past decades, many of which have been overcome in the physical market (Mayfield, et al., 2000). This leads to two examples of piracy-gone-legal.

The first of these two examples is the hiring of fansubbers like Neil Nadelman (referenced above in "Modern piracy of anime") by anime publishing giants. Apart from the arguable positive influence that fansubbing may or may not have on the industry as a whole (though the fact of its influence's existence is nigh indisputable), Nadelman represents the personally positive impact that the experience has had for individual careers. In 1991, following Nadelman's translating and subtitling experience from the 1980s, stemming from late 1970s developments, Nadelman presented a portfolio of fansubs to Central Park Media, a company responsible for many of North America's early legal localizations, and was offered an official translation position (Orsini, 2015). But

Nadelman and his colleagues offered similar positions for similar experience are not the only example of empowering those who localized before the legal presence like in the 80s Asian manga industry.

Yet again, Crunchyroll exists as a leading example of utilizing business environmental benefits and overcoming business environmental barriers. Although officially begun as a corporation as late as 2007, Crunchyroll's company roots closely follow those of the Taiwanese manga privateers. Crunchyroll, before being established as the legitimate business it is today, began as a small streaming project with mostly an Asian user base. Crunchyroll's users frequently uploaded licensed Asian content, like anime, illegally, with the site only removing them upon request from the copyright holders. As the site continued to gain popularity and resources, they removed user-uploaded videos and content and began to offer licensed streaming content. Because Crunchyroll is able to receive its content approximately a week in advance, it is able to offer episodes immediately after their Japanese release time, making for a faster turnaround than even the most dedicated fansubbing groups. This is financially supported through ads for free users or a monthly subscription for premium users. CEO Kun Gao claimed that Crunchyroll-offered shows reduced piracy of those shows by as much as seventy percent (Anderson, 2011).

The much larger and more famous company, Sony (also a Japanese corporation), has also faced similar piracy problems and has recently begun to alter its corrective procedures to be more reflective of the manga privateering and Crunchyroll solutions. China contains the largest Internet-using population in the world, making it a tempting market for digital distribution (Osawa, 2014). However, as a piracy-ridden country,

makes it difficult. Tencent's QQ Music allows users to listen to some music for free, but charges premium users 10 yuan a month (less than US $2) for additional access and exclusive content. Sony Music is attempting to combat their difficulty in penetrating the Chinese market, due in part to piracy, by cooperating with Tencent in a fashion similar to those examples indicated above.

Applying the Gross National Cool in the Global Market

Having established that anime is, indeed, a Japanese cultural export relevant to the country's gross national cool, and having established the major changes of Internet growth and its consequent piracy from McGray's 2002 gross national cool, how can these two concepts be applied in conjunction in order to address anime as a Japanese cultural export in today's global market? The author incorporates two primary sources of research in order to reach the answer to this question: personal cultural study and established market research.

Personal Cultural Study

During the time of research for this thesis, the author spent three months in Japan, the country of origin for the anime in question, and utilized this time actively and discreetly observing the general responses to anime culture in two categories: Japanese college students in suburban Japan (location of study: Kanazawa), and tourists to anime-centric locations (location of study: Tokyo).

Kanazawa, a much less-populated area of Japan compared to its most famous city, Tokyo, nonetheless contains several colleges and, thus, numerous college students (common consumers of anime goods). Of special note for anime fans, Kanazawa is the destination of several characters and, thus, a special setting in the popular anime

Hanasaku Iroha, which is about a Japanese style hot spring inn in Ishikawa Prefecture (home to Kanzawa). Another popular anime, *Angel Beats!*, was based on the campus of Kanazawa University. Additionally, while not a large city, Kanazawa's main shopping district also contained a conglomerate of stores devoted primarily to anime and related goods, noted particularly by the inclusion of Animate, a large national retail store specializing particularly in anime and manga. After several visits to this Animate, consistent consumer traffic implied to the author that the store was popular with locals, particularly male students. However, informal conversations with university students seemed to indicate that anime goods were of little popularity.

This assumption was later offset with related conversations with university faculty, who indicated that many university students, indeed, were consumers of anime and related goods, but seemed, to some degree, ashamed to admit this hobby. Further relationships with students seemed to indicate this to be, at least in part, a true assertion. Therefore, taking Kanazawa, a city with urban, suburban, and nearby rural areas, as indicative of much of non-Tokyo Japan, anime seems to be a complex industry by social standards. Positive and negative outlook on consumers of anime seem to be based on numerous factors like depth of interest, specific products purchased, and money spent or stores frequented. This, however, stands in contrast to elements of the Tokyo experience.

While cities like Kanazawa contain areas such as shopping centers with Animate retail locations, existing as minor pockets in their respective greater communities, Tokyo contains large concentrations of anime goods retail locations and the culture that accompanies them. One of these areas, for instance, is a shopping center entitled Nakano Broadway, which the author visited on two occasions, which contains numerous anime,

video game, manga, and related collectibles stores. Another area is the famed Ghibli Museum, located in Mitaka, Tokyo. During the author's visit to this museum, patrons were primarily Asian, with a significant mix of Japanese and Chinese speakers, though several (less than ten) non-Asian guests were present (primarily English-speakers). Tokyo's size, geographically and in terms of population, allows for these concentrated pockets in contrast to smaller cities like Kanazawa, but there remains one more area that cannot be overlooked within the confines of Tokyo's city limits.

Much more well-known than both of these is an entire district in the city entitled Akihabara, labeled on numerous English signs throughout the district as "Electric Town" (representative of its large amount of electronics retail outlets). As the largest conglomerate of anime goods retail locations in the world, it is consistently crowded. Upon the three occasions that the author visited, patrons were largely Japanese, but while this majority persisted from Kanazawa's smaller locations, minority groups were much more highly represented, comparatively. Chinese can be heard through the streets in stores from occasional visitors, but more apparent were the significant amount of white, Western tourists from Europe and North America, speaking primarily English.

The comparison of Kanazawa and Tokyo reveals elements of the anime consumption culture in Japan. Cities like Kanazawa contain a much smaller publicly anime-consuming population, centered almost exclusively on the native Japanese residents, while Tokyo's concentration makes for a slightly more diversified demographic and higher propensity for attracting foreign tourists and consumers. Thus, conclusions made in one of these locations cannot necessarily be made of the other. But culture and demographics exist within the scope of the anime market.

Established Market Research

Before one can market a product as a cultural good, one must account for primary market differences. Because of the innate *Japaneseness* of a product like Japanese anime, for the anime industry to succeed, this is of particular importance. For example, not only do manga differ from Western comics in terms of content, the manga industry also highly differs in terms of marketing and release. According to Mayfield, Mayfield, and Genestre (2001), through the late 20th Century, Japan carefully developed its manga industry such that it reached complete market penetration and consumption by all types of Japanese. Its popularity spread to other Asian countries, particularly Korea and Taiwan, and its localization was carried out through companies in each country that translated and distributed the content. These exports often took place as serialization in magazines, in episodes, so as to limit the amount of investment necessary before gauging interest and the market. The authors also claimed that this approach was not undertaken in the American audience.

Related more directly to the anime industry, American vs. Japanese marketing tactics differ greatly. The American animation market is segmented into two categories: children and young adults. Animation marketed toward children was highly character-based, thus shaping the required advertising to also be character-based. Marketing Japanese children's media in the US faced the problems of stricter American regulations on the areas of violence, nudity, smoking, and alcohol, and the fundamental difference in culture and cultural references. The Japanese young adult market shares more with the American young adult market, since both are based primarily on their respective country's comics, but similar problems remain (George, 2014). Additionally, Studio

Ghibli's most famous director, Hayao Miyazaki, announced his retirement from

producing feature films (his primary focus over the course of his Ghibli career). As

Studio Ghibli has achieved success in the western world, Its Miyazaki-less leadership and

new creative direction appears to be poised to focus on Japanese tastes with fewer

opportunities to gain Western attention (The tale of, 2014). Differences in culture that

make Japanese anime the unique cultural export that it is, similarly give rise to the

aforementioned marketing problems that can only be solved through differentiated

marketing tactics or heavy hegemonic influence a la McGray's original thesis.

However, cultural differences do not end with target markets and marketing

tactics, but they extend to the very company structuring. One enormous difference in the

American and Japanese industries came in the form of corporate strategies. First and

foremost, policies passed by the Federal Communications Commission (FCC) in 1970

made it illegal for regional broadcasting stations to produce content other than news. This

created a separation in content creators and content broadcasters, later leading to the

formation of large corporate conglomerates of separate companies carrying out each

function. In Japan, as of June of 2014, the corporate structure was enormously different.

About 42% of Japan's 174 animation studios owned capital of approximately 10,000,000

yen (between $80,000 and $120,000 depending on exchange rate) and staffed less than

ten employees. For the sake of scale and comparison, Toei Animation, Japan's largest

company in the industry, made annual sales of less than one percent of The Walt Disney

Company (George, 2014). Atsuko Fukase (2013) similarly acknowledged this principle in

reporting that businesses offering cultural exports of great potential tend to be smaller and

without resources, such that international market penetration is nearly impossible without

external funds such as the Cool Japan Fund.

In addition to these massive differences in industry approaches, the anime

industry has struggled in other areas internationally. Despite a significant boost in

American popularity in anime in the 2000s, anime industry fell off in terms of profits in

2003, falling $217 million in sales. This showed that anime marketing in its current form

may continue to bolster popularity, but not sales. Diagnosing this problem and

prescribing a solution involved analyzing the nature of the animation industry in the

United States and in Japan (George, 2014). Additionally, in the film industry, marketing

films internationally involves either exporting them, or cooperatively producing them. In

the mid-1990s, when Hollywood discovered that its films could produce more revenue

overseas than domestically, the industry shifted to focus on exporting films with

international appeal. In connection with this trend, live action films created by studios

outside the United States enjoy limited international appeal, including Japan's own drama

industry. In the early 2000s, the domestic Japanese film industry struggled to compete

with Hollywood imports, but it saw a sudden recovery that flipped the tables, giving

Japanese companies very little reason to venture overseas. Also, the South Korean drama

scene, a direct competitor to Japanese cultural exports, particularly dramas, overseas,

began to see an unexpected and dramatic increase in popularity in the region of Asia

(Kakeo, 2009).

However, all is not doom and gloom for the anime industry overseas. Due to this

intense competition, Japanese content has a better chance of survival (2015 and onwards)

and success in the American market when marketed as a niche. Although profits from

anime in the US fell beginning in 2003, attendance at anime conventions increased. Additionally, considering anime's illegal online distribution that contributes to popularity but not sales, and the often ignored consumer base of fans in rural and suburban areas, intentional and smaller-scale marketing appears to have a greater chance of success than conventional, Japanese-based mass marketing techniques (George, 2014). Rayna Denison (2012) also found that anime has found consumer bases in mainland Europe, New Zealand, and Australia, but that American companies are primarily responsible for its global distribution, such as Disney. Disney, in particular, has contributed to creating transcultural appeal for anime by hiring voice talent across a wide spectrum, including actors like Liam Neesan, Tina Fey, and Matt Damon in the Studio Ghibli film, *Ponyo*. This has led to two American trends in capitalizing on the anime market: hiring Japanese creators and purchasing Japanese creations. The former was represented by Disney's Japanese division utilizing talent from Japanese studios, while the latter was represented in Spike TV's production of studio Gonzo's *Afro Samurai*, voiced first in English by Samuel L. Jackson. Thus, companies have begun to find ways to overcome the barriers that have prevented market saturation in the anime industry overseas, particularly in Western markets.

Conclusion

"Japan's Gross National Cool" in Regard to Anime

McGray's 2002 article, "Japan's Gross National Cool," from a 2015 perspective raised the following three questions:

1. Is anime a Japanese cultural export relevant to its *gross national cool*?

2. If it is a relevant export, what has changed between McGray's coining of

   the phrase and today?

3. Given the answers to the previous two questions, how should anime be

   addressed as a Japanese cultural export in today's global market?

The research provided above demonstates that anime is, indeed, a cultural export relevant to Japan's gross national cool. In addition to McGray's explicit mention of anime in his article, the cultural elements of anime that make it exclusively Japanese, identified by its definition and by its fans, indicate this to be true. However, anime's category of export only gains real-world application when understood in conjunction with the modern environment in which it is exported.

Thus, in regard to the second question, research has displayed that massive Internet growth has occurred between the coining of Japan's gross national cool as a phrase and today. In regard to the anime industry, this has most relevantly resulted in a streaming boom on the positive end of the spectrum, but also a piracy boom on the negative end of the spectrum. Companies like Crunchyroll, though, have shown that these changes can be utilized and overcome, respectively. So given these changes and the precedent of operating through them, exporting anime not just as a cultural export, but as a *modern* cultural export is then considered.

In South Korea, Min-soo (2012) proposed that Korean businesses apply international marketing strategies in order to capitalize on their unique and successful cultural export of Korean pop, exhibiting the importance of cultural factors. Considering Japan's precedent as a cultural exporter and Korea's subsequent utilization of the concept (and consequential success), Japan stands to learn from Korea's K-Pop example by

tracing their 2000s era roots. Also, in recent years, the popularization and marketing

potential of Japanese animation has made it more transcultural and globally accessible

(Denison, 2010). By considering fundamental market differences and solutions to piracy,

Japan's gross national cool can still be a successful basis for selling anime globally.

Areas for Future Study

Although anime is a cultural export within the scope of Japan's gross national

cool, updated to consider the growth of relevant Internet use, piracy, and the application

of these principles in today's global market, each of these areas is based on assumptions

beyond the scope of this composition. These include, but are not limited to, the socio-

cultural elements that define a cultural export beyond animation and media and the

history of globalization in business and its relevance to media consumption. Additionally,

in regard to piracy, there is a lack of definitive data on the success of Japanese media

companies that target and eliminate pirate activity through corporate collaboration and

legal action, like the Japan Manga Alliance begun in 2015, as opposed to the adaptation

to a pirate-influenced market, as proposed above (Takeuchi, 2015).

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Appendix: Full Interview with David Pliskin (Pseudonym)

In order to more fully understand the modern climate of fansubbing from its roots through its evolution and current implications, the author conducted research via a personal interview process. Begun October 4, 2015, following official IRB approval, and completed October 14, 2015, the author completed an email interview covering eight questions relevant to the Japanese anime industry with David Pliskin (pseudonym used), former fansubber and importer. This interview covered questions that linked the concepts of fansubbing, piracy, and the transitions therein from the turn of the millennium to 2015. All eight questions offered significant freedom in method of answering, with no word or time limit, but with the request that the interview be completed in greater than ten minutes.

Investigator: Would you consider yourself a fan of anime (Japanese animation)?

David Pliskin: Yes, I enjoy anime. I think it's because of a number of reasons. I enjoy learning about other cultures, and seeing the differences in style and values with American culture. I also enjoy the animated aspect of the shows. It reminds me of my own childhood, and also allows for more stories that show amazing feats, or take place in worlds that would be impossible, or otherwise extremely expensive to show in live action.

Investigator: When and why did you first begin consuming anime?

David: I was exposed to anime as a genre when I was a sophomore in college, around 1998, although I had seen certain shows on TV before I knew what it was. I was bored and had borrowed a few VHS tapes of a weird looking show called *Ranma ½* from a friend of mine. I really enjoyed them and actively searched out information about it to

learn what it was. That led me to a few dorm-mates who also enjoyed the shows and I got involved in my local college club.

Investigator: How difficult was it to watch anime at that time? Were there any barriers?

David: It was very difficult to watch anime when I first started out. DVDs had not been invented, and most used dial-up for the internet. Digital video was very sparsely used and not very viable as a medium yet. VHS tapes were the medium most used, and very few companies released shows in the US. The tapes that were available usually had [two to three] episodes on a tape, and were about $20-$30 each. Each tape of a series would be released with [two to three] months interval between them. Collecting an entire series took a lot of time and money. Also due to the restrictions of the format, a tape could only contain either the English voice-over or the original language with subtitles displayed.

Investigator: What did you do to get around these barriers?

David: Trading with friends was the main method for seeing new anime. Different people would collect different tapes, and show them to their friends. A few websites would review the different shows so you could make informed choices in the shows to buy, but it definitely still required a significant dedication to be able to see the shows you wanted. Due to the lack of available releases in the US, there was also a group of people on the internet who would buy VHS tapes or laser discs of Japanese exclusive shows and use a video combiner and a PC to copy the shows onto VHS tapes with subtitle overlays. These people were known as fansubbers. You could mail them an empty VHS tape, and money for return postage and they would mail you back a copy of these fansubs. Due to the questionable legality of copying something like this, only shows that did not have US releases would receive fansubs. As soon as a show was licensed by a

US distributor, that show would no longer be offered through the fansub

process. Obviously there were a few that broke these rules, but they were very rare and

looked upon very poorly by others in the community. US companies did not often bother

the fansubbers, and actually often used them to judge a series popularity before deciding

to release it. The main goal of the fansubbing community was to facilitate the release of

more and more shows in the US, so they took it very seriously when someone distributed

something that had a US release. Also, they would not accept any money for fansubbing,

which is why you would send in postage and a tape. This was originally meant as a tool

to promote anime to those without access to Japan and provide more audience for

American releases so that it could become a viable business here.

Investigator: Do you still watch anime today?

David: I have been collecting and viewing anime now for over 17 years. I try to buy as

much as I can to continue to support the companies that release the videos. Also, this

way I can continue to show anime to others that might not be able to afford the hobby,

much like I was in my earlier college days when I depended on others to have the shows I

wanted to see.

Investigator: Would you say that barriers that existed when you first started watching

anime still exist today? If they do, have they changed? If they have, how?

David: Many of the barriers to viewing anime have been removed by the emergence of

new technologies and the emergence of Anime as a mainstream hobby. DVD provided

the capability to view an anime in both its original language and with the English voice-

over. Many more companies started releasing more shows, so there is a much greater

availability than ever before. Digital video and video streaming have removed most of

the time delay in getting shows released. Shows are often released in complete seasons rather than over a span of time, and the prices are often just slightly more than a single tape used to be.

Investigator: Do you believe that people who fansub anime today have different motivations than people who fansubbed when you began watching anime?

David: There seems to be a big difference between people who fansub today and those that did it 15 years ago. There doesn't seem to be any regard for licensing, and many shows are basically just digital rips of the american *[sic]* DVD releases. It has gone from a way to promote American releases to something that has bypassed the American releases. The habit of providing fansubs for free also seems to have disappeared, as most fansub websites have donation buttons for people to pay them for their work. As soon as a series is released in Japan, fansubbers are releasing it online without even providing American companies an opportunity to license and release it for sale in the US. Now, the fansub culture seems to be hurting American releases much more than helping, as nobody is willing to purchase an anime that they had already seen 1-2 years previously. Many American anime companies have had to declare bankruptcy due to lack of sales, although the anime culture is much larger than it ever has been.

Investigator: How has the English-speaking, anime-viewing community changed since you began watching anime?

David: The anime culture has changed significantly in the last 15 years. People are not willing to wait for releases, and they are not willing to purchase anime to support the companies. Now, most people consume anime over the internet using video streaming rather than physical copies. The instant gratification culture that has exploded in the US

has drastically affected the anime culture. People no longer watch anime with friends, but on their cell phones and computers. The ease of getting shows online makes it so that only hard core collectors ever buy DVDs to support the companies. It used to be that the VHS copies were a decently enough poor quality that a person would be more likely to buy the American release to get the better quality copy, but now with digital video, it is much more likely that someone would just hold on to their fansubs rather than purchase a legal copy. While anime is much more prevalent now, companies actually are having a harder time making money. The online streaming websites such as Crunchyroll are definitely not helping this trend, as people can basically watch what they want when they want to. For free.