

# Support for Overseas Development of Creative Industries

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In addition to anime and manga, “Cool Japan” (Japan’s creative industries) is gaining a positive reputation overseas, especially in Europe, the US, and Asia, in a wide range of fields, as seen in the popularity of Japanese products and services such as food culture, traditional products, comprehensive delivery services, and ryokan-style thoroughgoing hospitality. Meanwhile, there are indications that although these Japanese cultural elements are highly popular this is not resulting in sufficient profits in overseas markets, and as a result there are high hopes for the expansion of overseas business utilizing the Cool Japan concept. Amidst the acceleration of nationwide plans for overseas development of the creative industries, I would like to introduce the current state of Cool Japan overseas, the Japanese government’s Cool Japan strategy, and JETRO’s business support. The contents of this paper are the author’s personal views and do not represent the views of any organization with which the author is affiliated.

PHOTO 1

Photo: JETRO



Japan Booth, Maison & Objet (JSTYLE+)

## Japanese Content Broadly Popular Overseas

The Japan Expo that takes place in Paris is the world’s largest exhibition of Japanese pop culture such as anime and manga. During the four days of the event when it was held at the end of June last year, about 200,000 people attended. Additionally, the Anime Expo held in Los Angeles last July had 125,000 visitors over its four days, while other events featuring Japanese anime and/or manga are also held in major cities overseas such as New York, London, and Singapore, and are attended by many young people.

In order to investigate the extent to which the popularity of this kind of Japanese culture has penetrated among young people overseas, last year JETRO conducted questionnaire surveys, with about 200 high school students from the Los Angeles area and about 100 high school students from Paris as the subjects (*Charts 1 & 2*). The results of the survey showed that about 60% of respondents in both the US and France said that they watch Japanese anime. This is a high rate of awareness, and in both countries the percentage of boys giving this

answer was higher. While over 30% of respondents in the US said that they read Japanese manga, in France the results showed that the number was more than 50% of both boys and girls. One possible reason behind this is that, compared to English-speaking countries, the French are accustomed to translated publications entering their country from the US, and so have little resistance to translated works in general, making it easier for them to accept those from Japan. In contrast, in the US domestic content has a stronger base, and the share occupied by translated works is very small. Within this small share, however, Japanese content appears to be making a very strong showing.

The results of this questionnaire survey showed that in both the US and France Japanese anime and manga are widely known - especially in France, where the awareness rate was over 50% - and Japan’s pop culture can be deemed to have become a regular part of the leisure activities of high school students. In other words, it can be said that in both countries an environment has been established for the further expansion of products related to Japan’s creative industries such as media, food, fashion, and traditional craftwork.

Currently, in the content markets of the US and France, sales of anime DVDs, manga books, and music CDs are dropping (*Chart 3*). As the trend to look at content on the Internet grows, one issue is how to increase profits using the Internet. Up until now, although the Japanese content industry is extremely popular, there has been insufficient linkage to business profits. It will be necessary to use various ways as a lever to actively market Japanese products, linking up with a wide variety of industries and utilizing the Internet for sales, such as of goods using characters or live shows featuring, for example, anime songs.

## Japanese Government’s Cool Japan Strategy

Japan’s domestic industry is currently in a very severe economic environment as it faces the so-called “six sufferings” of the high yen, high corporate taxes, low wages in newly emerging economies, environmental

restrictions, delay in implementing economic tie-ups, and energy restrictions. As strategic areas to lead new growth under such conditions, the Japanese government is positioning Cool Japan along with the environment, energy, infrastructure, and medical/care giving/health fields.

Underpinning Cool Japan are creative industries such as design, fashion, movies, videos, television, games, and music. It also includes a further broad range of fields such as furniture, stationery, food items, and tourism. The “Cool Japan Public-Private Expert Panel” established by METI considered concrete ways of proceeding with the overseas development of manufacturing, local area revitalization and industries such as food, fashion and design from the viewpoint of connecting Cool Japan with business, and a proposal related to the Cool Japan strategy was released in May 2011. In the proposal, specific policies are suggested for each of the following areas: “powerful expression of the Japan Brand,” “contributing to recovery from the Great East Japan Earthquake,” “establishing a foundation for creative activities,” and “the overseas development of Cool Japan.” The purpose of the last area is to establish a flow of discovery, transmission and export of a wide variety of items and content that fall under areas such as traditional crafts, agricultural products, fashion, interior products, art, design, pop culture and local lifestyle to strengthen their global marketing and also lead to greater attraction of tourists to Japan. Based on the more than 900 trillion-yen market scale of the world cultural industry expected by 2020, the goal of the overseas development is to increase Japan’s market scale in fields including fashion, content and tourism from the current 3.2 trillion yen to a figure between 8 and 11 trillion yen by the same year.

## JETRO’s Support of Overseas Business

### ① Support for overseas development

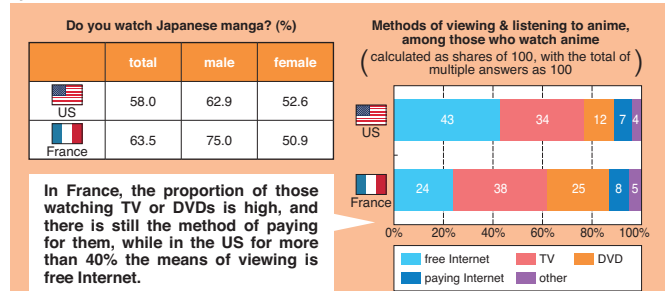
As part of the Cool Japan strategy being promoted by the government, JETRO is providing support for the overseas development of the creative industries field. JETRO has 36 domestic offices and 73 branches overseas, and utilizes this network not only to assist the transmission of Cool Japan around the world, but also to support the overseas development of Japanese corporations and give assistance up until the stage that concrete business results are achieved. JETRO facilitates the installation of Japan Booths at exhibitions held overseas in creative-industry fields such as Japanese design (design goods, furniture, traditional crafts, goods for daily life, etc.), fashion (textiles, apparel, etc.), content (films, music, anime, manga, etc.), and agricultural products and food items, all of which have an excellent reputation overseas. Business-matching opportunities between Japanese and foreign companies are provided both in Japan and abroad, including domestic business discussion meetings to which promising foreign buyers are invited, with a focus on small and medium-sized enterprises (SMEs).

In order to make this kind of business-matching more effective, JETRO also positions experts with specialized knowledge about overseas business and trade operations in various places throughout Japan. There are also overseas coordinators, concentrated largely in the US, Europe and Asia, who are knowledgeable about overseas markets and provide advice to Japanese companies that wish to do business abroad.

Moreover, in regard to essential information for planning overseas business strategies, such as that on overseas markets, regulations,

CHART 1

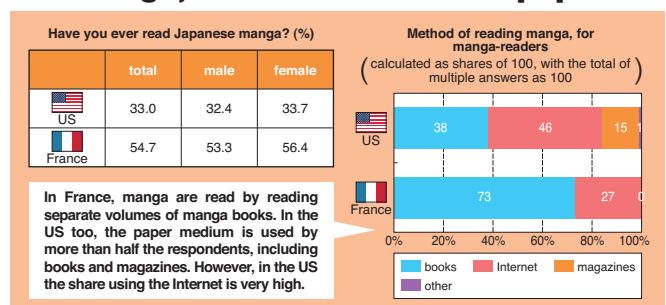
**The level of awareness of Japanese anime is high in both the US and France.**  
Concerns about Japanese anime include the fact that there are some “just for boys” and measures to resolve illegal reading of them.



Note: Survey of conditions of overseas consumers of Japanese contents - questionnaire survey of French & US high school students, March 2011  
Source: JETRO

CHART 2

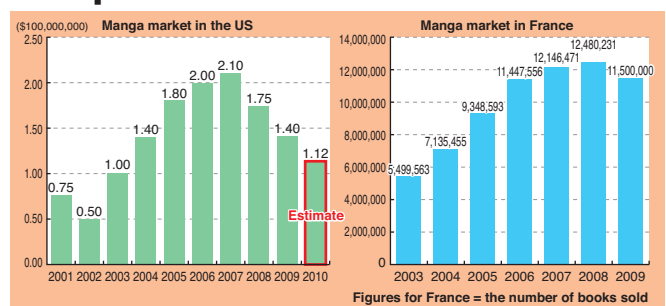
**For manga, the main medium is paper.**



Note: Survey of conditions of overseas consumers of Japanese contents - questionnaire survey of French & US high school students, March 2011  
Source: JETRO

CHART 3

**Sales of manga on paper have passed their peak in both the US & France.**



Source: JETRO

systems, distribution structure, overseas buyers such as importers, and establishing representative offices, JETRO does research and provides the results to Japanese companies through its website and seminars. The targeted markets are those of the US and Europe, which contain the starting-points of world trends in addition to being huge consumer markets; Asia, centering on China, where the wealthy and middle classes are rapidly expanding; and the newly emerging economies, which have been exhibiting even more rapid growth in recent years.

### ② Support for Japanese Product Branding & Sales Cultivation at Important US & European Exhibitions

In the creative-industries field, many companies aim for the US/European markets as their first overseas ventures. Building a good reputation in the US/European markets, where the top buyers of the world gather, is extremely beneficial in developing global markets. JETRO



*Japan Booth, New York Gift Show, winter 2012*

presents Japan Booths at important US/European exhibitions such as Maison & Objet (*Photo 1*), one of the world's top interior and furniture exhibitions, held in Paris, and the New York International Gift fair (*Photo 2*), the largest gift-related exhibition in North America, and supports business discussions between Japanese companies and local buyers.

At the Japan Booth for the New York International Gift Show held this January, 23 Japanese companies exhibited products such as household goods, lunch boxes, and iPhone cases. Many buyers from famous US department stores and major daily goods chain stores attended and the Japanese goods were popular due to their wide range of colors, reasonable prices, and utilization of unique Japanese-style technology and ideas. Locally based JETRO experts provided support with everything from booth design to price-setting and advice in regard to agreement conditions, leading to business success for participating companies.

Also, at these kinds of prominent US and European exhibitions, awards are presented to products that are outstanding in design, innovation, creativity, and competitiveness, and winning these awards is a huge PR-plus both in Japan and internationally. To market Cool Japan to the world, branding and transmission overseas are essential, and in this sense, participation in major US and European exhibitions can be said to play a very significant role.

### ③ Introducing Actual Sites of Japanese Manufacturing to Overseas Buyers

With the objective of supporting Japanese companies that aim to expand sales routes overseas, JETRO invites major foreign buyers to Japan, arranges business discussions with Japanese corporations at international exhibitions in the country, and carries out observation programs to view production sites through visits to local areas that produce traditional crafts. In February this year, JETRO invited 31 overseas buyers who deal in interior items and gift products to the Tokyo International Gift Show, Japan's largest international exhibition featuring personal gifts and items for daily use, and organized business discussions at the exhibition site. The participating buyers came from 17 countries and regions, mostly from the US, Europe, or Asia, and including newly emerging economies such as India and Brazil.

The Japan-side companies participating in the business discussions this time were 31 companies from areas that were struck by the Great



*JETRO Asia Caravan Operations, permanently installed showroom, Shanghai*

East Japan Earthquake last year. Their products include japonica lacquerware, design items, character goods, and traditional crafts, outstanding in both design and function, and JETRO provided assistance for them in seeking overseas development. Of the overseas buyers that came to Japan, 19 visited production areas for Nambu iron goods (of which the best-known are Nambu kettles) and wooden items in Iwate Prefecture in the Tohoku region of Japan. They were also given the opportunity to observe the processes involved in making iron kettles. Some expressed the opinion that, through viewing the advanced technique of experienced artisans and the detailed steps in the production process, they were able to better understand the reasons behind the high pricing of traditional Japanese goods. In turn, it helped us realize that in order to promote added-value Japanese products that are the result of longstanding tradition and refined artistry, it is extremely important to thoroughly show how these works are produced, and increase awareness of their true value.

### ④ Support for PR & Expansion of Sales Routes in China, Utilizing the Internet

In addition to the US and European markets, JETRO also helps with developing the distribution of well-designed daily goods throughout the rapidly growing Asian market, focusing particularly on China. Although the evaluation in China of made-in-Japan goods is generally high, it does not follow that just because something was made in Japan it will sell well. Also, for Japanese companies that have little overseas experience, market cultivation in highly competitive China is no easy task. JETRO, believing that support should be given to Japanese companies' cultivation of the Chinese market, implemented the Asian Caravan Operation in FY 2010 (*Photo 3*), and about 100 Japanese SMEs have participated so far. Last year, in addition to installing a permanent showroom in Shanghai (*Photo 4*), JETRO provided support for the marketing of Japanese products in the Chinese market, through participation in exhibitions, business discussions, antenna shops (experimental sales sites), and experimental Internet sales, in major cities in China such as Tianjin, Wuhan (*Photo 5*), and Chengdu, using a wide range of tools from "B2B" to "B2C."

In the permanent showroom in Shanghai, which was set up in an office building and aimed at Chinese buyers, a wide variety of high-function, high-quality products is on display, focusing on daily living, beauty,



PHOTO 4



*A booth to support reconstruction after the earthquake has been set up at the permanently installed showroom in Shanghai.*

health, hobbies, and leisure, in about 500 product categories. Specifically, these include kitchenware and tableware; bath, toilet and sanitary goods; soap; cosmetics; health and welfare products; and sports and leisure products. JETRO assists with the branding of Japanese corporations.

Furthermore, in order to investigate the potential of the e-commerce market all over China, a Good Goods Japan shopping site has been set up at Taobao Mall, where we carried out experimental sales of products, while conducting branding by means such as utilizing bloggers. Through this monitoring, we were able to directly grasp the reactions of Chinese consumers, and received hints about products that would sell. Clarified by the survey was the fact that the conditions for products to sell well on China's online market are that they are cheap, small, and standard, and that consumers using this market are mainly young and women. In the Taobao Mall, there are about 2.5 million shops and there is constant severe competition. As a result of verification of the wide variety of advertising and promotion in the experimental sales used this time, we found that the most effective method was blog adverts. We had famous bloggers, who have many readers, actually use some products, and then write their impressions of them on their own blogs. As a result of posting adverts for Japanese beauty soap and face-washing brushes, for example, sales increased by as much as five or 10 times, in the powerful "word of mouth" effect.

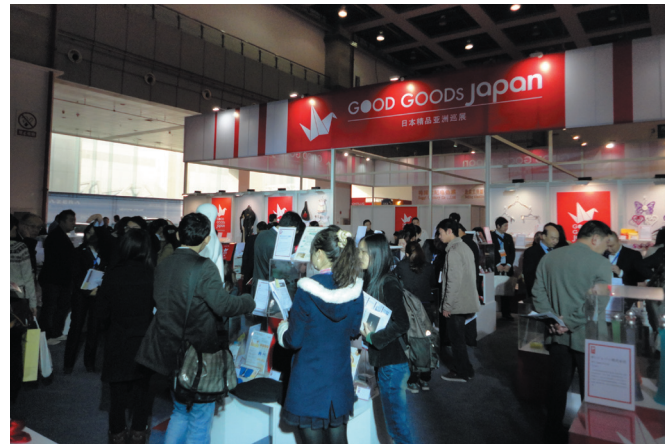
### Further Overseas Development of Creative Industries

As the historic high yen continues, marketing Japanese products overseas faces extremely difficult conditions. But looking at the benefits of business discussions for Japanese companies held at overseas exhibitions in the design field up until now, there are substantial markets in the US and Europe that seek outstanding, high value-added products from Japan, while business opportunities for Japanese products are also expanding in China and other Asian markets, where the wealthy and middle-income classes are increasing.

As the number of companies expanding overseas increases, and many of the same or similar products are on sale at shops in various places all over the world, department stores, "select shops" and retail shops in many countries are struggling hard to find ways to distinguish themselves from other sales outlets. As a result, among foreign buyers are some who

PHOTO 5

Photos: JETRO



*The JETRO booth at the Wuhan International Product Expo*

have a strong need, more than any product price concerns, to find newer, more outstanding products. With this background, I feel there are many opportunities for products featuring Japan's unique designs, ideas, and technology to achieve success overseas.

Further, in order to create larger overseas markets, it is important to implement development that makes products that meet the tastes (such as in colors, styles, sizes, and shapes) of a particular country, as well as its customs and trends, and to carry out development in that market with new usages in mind. Another effective approach is to utilize overseas designers for products based on outstanding Japanese technology and materials, thus building more added-value to the resulting products. Previous successful examples of this type of approach include foreign architectural designers transforming traditional Japanese textiles into high-class interior design, and an overseas clock designer collaborating with a Japanese lacquerware artisan to create a clock with a lacquerware face. From now on, in order to broadly develop Japan's creative industries overseas utilizing the affinity people around the world have for what is represented by Cool Japan, a combination of operations will be necessary: fostering human resources such as Japanese creators and artisans who are making products aimed at overseas markets, making use of the skills of overseas designers, implementing branding overseas, and fostering the personnel needed for commercializing these operations.

### Conclusion

Many international events are planned in various places around the globe for 2012, from sporting events such as the London Olympics to cultural events, international expositions, and business fairs. I strongly hope that by making use of these opportunities Cool Japan will spread further around the world, leading not only to the expansion of the overseas development of Japan's creative industry, but also resulting in attracting greater domestic tourism and activating local economies, thereby stimulating the economic growth of Japan.

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