Research on Optimization of the Business Strategy of the Japanese Animation Industry from the Perspective of New Media

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Abstract. With the continuous development of the new media era, the Japanese animation industry has encountered some problems and bottlenecks on the road to development. This paper mainly uses the research methods of case analysis and literature research to study it. According to some relevant theories of business strategy, combined with the analysis of the current situation of the Japanese animation industry, taking Shueisha as an example, it analyzes the emergence of commercial strategies in the entire Japanese animation industry. The problems and causes, and then put forward optimization suggestions for the existing problems one by one to promote the rapid development of the Japanese animation industry, such as taking various measures to reduce the pressure on the Japanese animation industry from labor issues; expand marketing in overseas markets; pursue the development of content. This study also summarizes the contribution and deficiencies of this article to the Japanese animation industry, and the research offers reflections and prospects.

1 Introduction

1.1 Research background

The animation industry is a cultural industry with anime, comics, and games as the main carriers, commonly referred to as “ACG”, short for anime, comics, and games. The Japanese animation industry is very developed and is a world-renowned “Animation country”. It has great market demand both in domestic and abroad markets. The industry has a long history, which means it has a solid industrial foundation, contributing to the mature Japanese animation industry business models. It flourishes in major industries such as comics, anime, and games, extends the industrial chain based on major industries, and develops new industries like the IP (Intellectual Property) operation and anime peripherals. In addition, Japan also has a perfect copyright protection system, which provides a strong guarantee for the creative development of the animation industry. With the support of various environments, policies, and resources, the animation industry has quickly become one of the three pillar industries of the Japanese economy. According to the Japan External Trade Organization (JETRO), Japan’s animation market share accounts for about 60% of the world market share and is the world’s major animation market exporter.

According to the “Japanese Animation Industry 2022 Report”, from 2010 to 2019, the animation industry market grew for 10 consecutive years, but in 2020, the direct blow of the spread of the new crown virus caused it to drop to 96.5% the previous year. Although the epidemic is still ongoing, as of 2021, profits have increased significantly to 2.74 trillion yuan, 113.3% of the same period last year. In 2021, it set a new record of 9.1% compared with 2.51 trillion yen in 2019, and the impact of the new crown virus epidemic has finally been completely stopped. On the other hand, the domestic market is expected to shrink due to the declining birth rate and aging population. Furthermore, the global streaming market may have peaked. The industry appears to be losing the momentum it achieved in the mid-2010s. This shift will further gain considerable attention [1].

1.2 Research value and importance

Study and understand the Japanese animation industry’s business model and marketing methods, learn from its advantages and experience, and discover and reflect on its drawbacks and potential problems and shortcomings that may arise in subsequent development. Study and think about whether the strategy of the Japanese animation industry can be optimized so that the development path of the animation industry in other countries might be improved and gain enlightenment to promote the development of the animation industry in various countries.

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1.3 Literature review

Simone Schroff started from the perspective of the copyright of the Japanese animation industry, compared with the copyright business model of the comic industry in the United States and the European Union, and analyzed the copyright thought of Japanese comic creators. And Simone also studied and analyzed the role of copyright retention of Japanese comic creators.

Copyright is a key feature of the monetization of comics [2]. By studying the application of copyright, we can further analyze and understand the business strategy of the Japanese animation industry. Besides, Simone also analyzed the role of copyright in window strategy [2]. Windows strategy is one of the important business strategies in the animation industry. In order to make this business strategy work, copyright is of great importance. Japan’s excellent copyright protection system has greatly laid a solid foundation for the Windows strategy.

Cao analyzed the characteristics of the Japanese animation publishing industry’s IP operation by studying the Japanese animation publishing industry’s IP operation. Cao also further studied and analyzed the operation mode and strategy of the industry [3]. Besides, Cao analyzed the development process of the Japanese animation industry from the definition of IP itself and an in-depth analysis of the external macro environment and internal environment of the Japanese animation industry from multiple perspectives. Then it analyzes the two IP operation modes of the Japanese animation industry: the joint operation mode with industrial collaboration as the core and the independent operation mode with industrial chain extension as the core [3]. Then it analyzed the IP operation strategy of the Japanese animation industry from three aspects: content, channel, and industrial chain [3]. This in-depth analysis of the Japanese animation industry’s IP operation mode and strategy helps explore its advantages, reflecting on its problems and directly putting forward suggestions on the optimization of its operation mode and strategy [3].

Liu analyzed the Japanese animation industry’s current “database” business model. This kind of business model is typically characterized by symbol consumption. Starting with the concept of “database”, Liu analyzed the performance, reasons, pros, and cons of the element-based “database” business model gradually formed in today’s Japanese animation industry [4].

Most scholars mainly study the content and influence of Japanese animation, the influence on domestic and foreign animation industries, the influence and promotion of Japanese animation copyright and IP, or the exploration of the business model of the Japanese animation industry. Very few scholars analyze and optimize their business strategies and offer advice.

1.4 Research framework

The first part of this article is the introduction. Starting from the background of the study, it puts forward the research importance and value of the study and then reviews several kinds of literature that are inspiring to this article. The second part mainly introduces the research method of this article. The third part introduces some business strategy theory, analyzes the current situation, and then explores the cause of the problem in combination with the case. The fourth part is to offer some suggestions for the problems. The last is the conclusion, which summarizes the research results of this paper, the shortcomings, and the outlook for the future.

2 Methods

2.1 Literature research method

Literature research is an analysis method that involves reading a lot of relevant academic literature, studying and analyzing the literature, and drawing out one’s own views from it. Collect, sort out, and study academic literature on the analysis of commercial policies and strategies of the Japanese animation industry, conduct in-depth analysis and research on a large amount of literature, absorb useful suggestions, and discover potential problems by understanding the research perspectives and methods of literature, and provide support for this research.

2.2 Case analysis

Case analysis refers to the analysis of typical or representative cases to draw inspiration and conclusions, to draw inspiration and conclusions, and to put forward suggestions. By learning and understanding the classic cases of Japanese animation enterprises, this paper analyzes their business strategies, business models, and operations, summarizes their characteristics, strengths, and weaknesses, and puts forward targeted suggestions.

3 Result

3.1 Business strategy

Strategy means some principles and methods determined according to a company’s current situation. Porter’s generic strategies describe how a company pursues competitive advantage across its chosen market scope.

Porter pointed out three generic strategies companies usually adopt: lower cost, differentiated, or focus[5]. Specifically, suppose a company is targeting customers in most or all sectors of the industry on the basis of offering the lowest prices. In that case, it chooses to follow a lowest-cost leadership strategy. Suppose a firm targets customers in most or all segments for higher prices based on attributes other than price (for example, through higher product quality or service). In that case, it is pursuing a differentiation strategy. It is trying to differentiate itself in these ways relative to its competitors. It seeks to minimize costs in areas where there is no differentiation in order to remain cost-competitive. If a company concentrates on one or a few market segments, that is a focused strategy. It may offer
lower costs within that range (cost focus) or differentiate within that range (differentiation focus). And this kind of strategy incorporates some elements of the former two strategies.

3.2 Current situation of Japanese animation industry

According to the Anime Industry Report 2022, the domestic market is forecasted to shrink. At the same time, the global streaming market may have reached its peak [1]. And there are no signs of developments that could exceed the record for the current situation.

Besides, affected by the unprecedented COVID-19 pandemic, the original schedule had to delay, contributing to the excessive number of projects that are unable to be carried out [1]. Unfortunately, the number of studios that can produce projects is so limited that it is impossible to complete excessive projects. As a result, the production cost has been higher and higher.

On the other hand, to some extent, the current “database” business model of the Japanese animation industry results in homogenizing the content of animation works. In the long run, this will hinder the future development and innovation of the Japanese animation industry.

3.3 Case study

Learning about the classic case of some Japanese animation enterprises is conducive to better analyzing the factors affecting business strategy and highlighting the main issues.

Take the Shueisha, for example. Shueisha occupies an important place among Japanese animation enterprises. Shueisha, Shogakukan, and Kodansha are the big three Japanese manga publishing companies. The comics Shueisha published occupy more than ten seats in Japan’s annual sales list of ORICON comic works. Its main product, “Weekly Shonen Jump”, is based on the local. It adopts traditional Japanese elements in the content of manga works, stimulates the national sense of belonging of manga readers in the local market, and plays a role in inheriting and developing national culture. At the same time, it is also inclusive and absorbs foreign cultural elements, which is quite friendly to foreign readers and easier to resonate during reading, which is conducive to cross-cultural exchanges and collisions, and the development in the world market.

Although Shueisha occupies an important position in the Japanese animation industry, it also has potential problems. First, Shueisha relies heavily on popular works [6]. In order to maintain stable sales and income, it does not hesitate to sacrifice the pursuit of the content quality of comic works, but chooses to stretch the front line, making the plot of the original comic works not compact, the content procrastinated and boring, as well as the works, lose interest and thoughtfulness. In the short term, it may indeed gain a lot of income, but in the long run, the disadvantages will become increasingly obvious, which may cause irreversible consequences. The consequences of over-reliance on popular cartoonists and their works are often unimaginable. Cartoonists are always under huge workloads and pressure, and some cartoonists even died from overwork because they could not bear the burden of work, making insufficient manpower in the animation industry more acute.

In addition to relying too much on popular works and popular cartoonists, the editorial department of Shueisha relies too much on reader card feedback in the selection of comic strips [6]. At the same time, online readers’ opinions and the actual sales of the works are relatively ignored, and the requirements of the reader questionnaire are very strict; if a comic book ranks low within 10 weeks, it will be forced to stop publication. This leads to the cartoonist doing comic works to attract readers’ attention in the short term, to ignore the depth of its content. Because the editors are too concerned about the ranking of cartoon works on the reader card, coupled with the fact that the editorial department only carries out superficial data investigation on the reader card information but mostly does not carry out specific in-depth analysis, which is often not conducive to discovering new excellent cartoon works.

3.4 Analysis of factors affecting the business strategy

The above description of Shueisha shows that due to the rapid development of the new media era, many animation works are dying to pursue the improvement of short-term interests, for the sake of quickly drawing readers’ attention and obtaining commercial value, at the cost of lowering the quality of the works. However, the content is always one of the most important criteria to judge the success or failure of an animation. Comic works that pursue commercial value cannot make their works profound and thoughtful, and empty comic works without connotation and meaning will not go far. On the other hand, to obtain huge profits, the Japanese animation industry may continue to produce animations combining the elements of the animation database, which will undoubtedly make some of the animation works more and more similar. In a short time, it may shorten the time, improve the production efficiency and reduce the production cost. However, in the long run, the homogenization of works is too serious, so the public’s aesthetics will gradually feel tired, and no one is no longer interested in animation. This will be a great blow. On the contrary, the animation industry can progress and develop only with continuous innovation. In addition to content, how to promote comic works is also crucial.

In addition, the social labor force is small, and the aging population is serious, which is still a severe challenge for the animation industry [7]. It is the direct cause of the increase in production costs of the Japanese animation industry and is closely related to the benefits of the animation industry.

4 Discussion
4.1 Take various measures to reduce the pressure on the Japanese animation industry from labor issues

As the trend of Japan’s declining birth rate and aging population becomes more and more obvious, the problem is becoming more and more serious [8]. The population problem has an increasing impact on the economic development of various industries in Japan. In Japan’s animation industry, the labor shortage caused by population problems is particularly serious. Due to the labor force shortage, the cost of labor productivity has risen, increasing the production cost of the entire animation work, which means that the final income has decreased. In order to reduce the negative impact of labor shortage, The Japanese animation industry can enhance its own scientific and technological strength so that some inefficient manual links can be replaced by efficient and stable artificial intelligence. It may invest a lot in the initial stage of using artificial intelligence, but In the long run, this will greatly reduce labor costs and save time and effort spent in finding suitable labor.

In addition, the domestic market has long been saturated through the years of development of the Japanese animation industry. And even because of the problem of the declining birthrate and aging population, the domestic market tends to shrink, and the population problem has threatened the development of the Japanese animation market. However, even though Japan’s birth rate has been falling, the world population has grown relatively. To settle the matter of the labor force shortage, the Japanese animation industry can obtain a labor force by expanding overseas markets. For example, as populous countries, India and China have abundant and relatively cheap labor forces [9]. The Japanese animation market can expand the influence of Japanese animation through active promotion overseas. The Japanese government and the Japanese animation industry can formulate relevant policies to attract overseas labor to implement the labor issue.

4.2 Expand marketing in overseas markets

In recent years, with the rapid spread and development of streaming media, the international market of the Japanese animation industry seems to have reached its peak, and it is difficult to break through the existing bottleneck [1]. That means Japanese anime isn’t marketed enough. Due to the saturated domestic market, there is no room for Japanese animation to develop locally, so Japan must focus on developing foreign markets. The scope of foreign markets is large, and the benefits that can be obtained are much more than those brought by the domestic market.

The Japanese animation industry can cooperate with the Japanese government. As one of the core industries of the Japanese content industry, the Japanese animation industry deserves the attention and support of the Japanese government. Facing the dual pressures of sharp population decline, declining birth rate, and aging problem, it is impossible for Japan to maintain its international status by relying on its traditional industrial advantages. If it wants to continue to maintain its economy, the content industry development is the only feasible option for the leading and international influence [10].

In order to better develop the international market, the most direct way is to cooperate with animation-related industries in various countries. No matter how deeply Japanese animation companies understand the country’s culture, they are not as good as local animation companies who understand their own country’s economic and cultural aspects.

In this case, the Japanese government can communicate with the target country to discuss cooperation considerations, promoting cooperation between Japanese animation companies and animation production companies in the target country, absorbing the target country’s culture, and producing a film that combines Japanese culture with the country. Animation works with cultural characteristics, this way can make the audience feel friendly and more easily attracted. For example, the word “Tibetan Mastiff Dorje” takes this form. It is a joint production of China Film Co., Ltd., Japan’s Madohaus Company, and Ciwen Ziguang Digital Film and Television Co., Ltd. Themes and abundant funds coupled with Japan’s first-class animation production technology, Chinese and Japanese animation producers worked together to create such an animated film that combines Chinese and Japanese characteristics.” This animation work has been popular in China, further expanding the influence of Japanese animation in China [9].

In addition, the Japanese animation industry can also expand its overseas influence and attract overseas markets by advertising the anime pilgrimage [11].

Anime pilgrimage can be considered a form of tourism, especially a variant of film tourism, the act of traveling to the location where a film or television series was filmed [12]. Through Anime Pilgrimage, the Japanese Animation industry has greatly promoted the development of Japan’s tourism industry. Because most Japanese anime backgrounds and managed creations are taken from real scenes and scenery in Japan, such as the famous anime works, Haikyu. The scenes in Haikyu are all taken from the hometown of the manga creator Haruichi Furudate. Many fans of Haikyu from all over the world come here, which brings huge income benefits to the anime work and promotes the local tourism industry in Qingyone Town. Movies, animation, TV series, and music are powerful stimuli that can evoke sentimental feelings, immersive experiences, and emotional connections. For the tourism industry, this feature of anime pilgrimage’s use in media is strategically important to provide tourists with more memorable experiences, motivate them to participate in tourism activities, and market certain destinations [13].

Suppose the scenes of anime work are taken from overseas, such as the Japanese animation work “banana fish”. In that case, it is mainly about a story that happened in New York, USA, which also indirectly promoted the local tourism industry in New York. There is no doubt that this is a win-win way for the Japanese animation market and the tourism market of other countries. The Japanese animation industry can also try to invest in overseas theme parks related to its popular
animation works, which is also a good way to expand overseas influence.

4.3 Pursue the development of content

Content is crucial to animation work. Without a compact and logical plot, even if the creator has a high level of creative skills and a beautiful picture, he is unable to succeed and gain popularity. The development of the animation industry must always be based on content, whether it is the plot content of comic creation, the connotation of works, or the development of subsequent derivatives, it is always necessary to pursue the high quality of its content; otherwise, the audience will not pay.

In addition, relying on popular works and writers harms the development of the subsequent animation industry. The continuation of an industry always needs fresh blood and new talents. Animation publishing companies should explore more potential new works and new cartoon creators, inject new vitality into the animation industry, and promote the diversified development of animation works.

Through the analysis of the current situation of the Japanese animation industry, the problems found are mainly concentrated in three aspects, the disadvantages in the development of content, the bottlenecks encountered both in the domestic and abroad markets, and the labor shortage caused by the aging population and declining birthrate. Then, taking Shueisha as a typical case, it discusses its existing problems and causes in depth. Shueisha, for example, maps out the problems in the entire Japanese animation industry. In the discussion part, relevant optimization suggestions are put forward one by one for the problems described above. The first is to reduce the impact of population problems through measures like improving the country’s technological strength, replacing some jobs with artificial intelligence and attracting overseas labor. The second is to break through the bottleneck of overseas markets by expanding overseas marketing. It can expand overseas influence by cooperating with relevant animation companies in the target country or through animation pilgrimage to achieve the purpose of expanding overseas markets. The third is to attach importance to the content development of the animation industry, pursue high-quality content, and strive to discover potential excellent animation works, laying a solid foundation for the long-term development of the animation industry.

5 Conclusion

This paper mainly puts forward suggestions for optimizing the Japanese animation industry's business strategy and offers feasible solutions to the existing problems of the Japanese animation industry to promote the Japanese animation industry to break through the bottleneck of domestic and overseas markets.

However, there are still some limitations in this paper. Mainly through the general direction analysis, only use some second-hand data instead of more first-hand or specific data for analysis. So the analysis of the current situation may not be accurate enough. In the future, this study hopes to obtain more detailed data through direct surveys and interviews to conduct a further and deeper analysis of the business strategies of the Japanese animation industry.

References


