Introduction

The image of Japan in the eyes of the world has changed greatly over the course of the past 60 years. In the early postwar period, when I was growing up in Indiana, Japan was a mighty, though eventually defeated, military power, which had bombed Pearl Harbor, setting off all-out war in the Pacific and sending my dad into the US Marines and on to Iwojima and Okinawa. Japan was also the country where nuclear-powered Godzilla went on rampages on “fright night,” destroying large parts of Tokyo in the late Friday night movies my friends and I watched on TV after our parents went to bed.

By the time I first set foot in Japan in 1970, to spend a year teaching English in a high school in Iwate Prefecture, the country had become better known for its traditional culture. Many Westerners who journeyed to Japan in those days did so because they had discovered the movies of Kurosawa, Ozu, and Mizoguchi, the novels of Sōseki, Kawabata, and Mishima, or the woodblock prints of Hokusai and Hiroshige, or because they wanted to practice Zen Buddhism, pottery making, tea ceremony, or the martial arts of judo and karate.

From the mid-1970s through the 1980s, as Japanese steel, automobile, and electronics makers flooded foreign markets with high-quality products, taking market share from Western competitors and jobs from Western workers, Japan became viewed as an economic superpower. The book *Japan as Number One: Lessons for America*, which purported to explain how the Japanese did it, became a best-seller, and the culture-seekers were replaced by a new generation of visitors to Japan: would-be corporate climbers who thought it would be a plus to have a couple years of Japan experience on their resume. That all came crashing down in the early 1990s when Japan’s stock and land price bubble burst, sending the economy into prolonged recession and showing that Japanese business didn’t have all the answers after all.

In the meantime, the outside world was discovering another, less threatening, side of Japan: its popular culture. This first happened on a large scale when North American and European television networks began broadcasting Japanese anime series for kids, starting with Osamu Tezuka’s *Astro Boy* and continuing with *Star Blazers, Gundam, Mighty Morphin Power Rangers, Sailor Moon, Dragon Ball,* and *Pokemon*. In the meantime, Kyoto-based Nintendo was revolutionizing the video game industry with its NES (“Famicon” in Japan) and Game Boy game consoles, which were followed by the Sony PlayStation and Microsoft Xbox. These brought *Super Mario Brothers, Donkey Kong, The Legend of Zelda, Dragon Quest, Final Fantasy, Street Fighter,* and dozens of other Japanese video games to young consumers overseas. Getting hooked on Japanese anime and video games led many
people to an interest in other Japanese cultural products, including manga, J-pop music, TV dramas, food, and fashion. In 2002 Douglas McGray, writing in the American journal *Foreign Policy*, argued that Japan, whose days as an economic superpower had passed, was now a cultural superpower, thanks to the worldwide popularity of its popular culture.

*Cool Japan: Case Studies from Japan’s Cultural and Creative Industries* brings together three of these images of Japan—traditional culture, popular culture, and business—in a collection of “case studies” on Japan’s cultural and creative industries. Today, the world’s creative economy, as such industries are sometimes called, accounts for a significant and growing portion of the global economy, employing some 30 million people worldwide and generating 3% of global GDP. Japan’s creative economy is one of the world’s most prominent, and its creators and their products have become part of the daily lives of people all over the planet.

*Cool Japan* begins with a look at the Japanese government’s “Cool Japan” initiative, which was launched with great fanfare—and a hefty budget—in 2010 with the aim of making the nation’s cultural industries a driver of economic growth and increasing Japan’s "soft power." Chapter 2 provides an overview of Japan’s music industry, the world’s second largest, with a focus on Japanese-style "idols"—the young entertainers who dominate the country’s pop music charts and populate its music programs, variety shows, and TV dramas—and the talent management companies that produce and manage idol groups.

Chapter 3 introduces Japan’s largest talent agency, Johnny & Associates, which specializes in male idol groups such as SMAP and Arashi and has created a model of talent management widely imitated in other Asian countries. Chapter 4 looks at the phenomenally popular female idol group AKB48, describing the business model and continuous innovation that underlie the group’s sustained success and exploring the possibilities and limits of international expansion: Is AKB48’s appeal Japan-specific or can it succeed overseas as well?

Chapter 5 takes up *kawaii*, or Japanese-style “cute,” examining its roots and the question of whether its appeal is universal or culture-specific, healthy or unhealthy. This chapter also looks at one of the best-known commercial forms of *kawaii*, Hello Kitty, and the licensing strategy that parent company Sanrio has used to build Kitty into a successful business empire.
Chapters 6 and 7, on the video game industry and fashion, look at two Japanese companies that have found success in overseas markets but let it slip away. Square Enix, known for its classic RPG (role-playing game) series *Dragon Quest* and *Final Fantasy*, is hoping to turn things around under a new CEO after falling into the red when it failed to adjust to a fast-changing industry environment characterized by new technologies, increasing competition, and globalization. The story of BAPE, the luxury streetwear brand that once ruled urban hip-hop fashion, provides a vivid illustration of the conflict that often arises between an artistic creator and the demands of managing a business that has grown beyond its entrepreneurial beginnings; when founder/designer Nigo abandoned an exclusivity strategy based on scarcity to go mainstream, BAPE lost its "cool" and profit turned to loss, forcing the sale of the company and brand to a Chinese fashion conglomerate for a shockingly low price.

Chapter 8 takes readers inside the Japanese anime industry and up-and-coming anime studio Trigger, which is making a name for itself with original series like *Kill la Kill* and *Little Witch Academia*—the more common practice is to base anime on previously-published manga, novels, or video games—and by reaching out to fans and working with Western creators.

The final four chapters of *Cool Japan* turn from “pop” to the traditional, presenting examples from film & television, tourism, tea, sake, and sumo wrestling of long-established cultural forms and products that face major challenges in remaining relevant and profitable in a changing world that threatens to pass them by. Chapter 9 looks at the Japanese historical dramas known as *jidaigeki* and the Edo period theme park Eiga Mura (“movie village”), which Toei Movie Studios built in Kyoto when *jidaigeki* popularity waned in order to keep its actors employed and preserve an important part of Japan’s cultural heritage. This chapter also looks at tourism, one of the target industries for the Cool Japan initiative, describing Kyoto’s foreign visitor boom, which builds on the city’s rich cultural past and which Eiga Mura hopes to tap into to boost park attendance.

Chapter 10 presents Ippodo, a 300-year old Kyoto tea company that has introduced modern management systems, retooled a behind-the-times company culture, and internationalized in order to survive and thrive in a much-changed environment by promoting enjoyment of an old product in new ways. Chapter 11 is on the sake brewer Ozeki, which is looking to expand the overseas market for Japanese "rice wine" as domestic sales decline in the face of a shrinking population and the growing popularity of other alcoholic beverages.

The book’s final chapter takes up Japan’s “national sport,” sumo, which has seen its popularity dwindle in the wake of scandal and the replacement of Japanese by foreign-born wrestlers in the sport’s top ranks. In 2017 sumo was enjoying a resurgence thanks to reform, foreign spectators in the stands, and the first Japanese wrestler to reach the sport’s highest rank of *yokozuna* in 14 years, but the future remained unclear as sumo’s uncool image and many of its archaic practices deterred young Japanese athletes from entering the professional ranks.

Extensively researched and rich in detail, *Cool Japan* is engaging reading for anyone with an interest in Japan, its culture, its changing society, or its creative businesses. Because its chapters take the form of case studies, it is also ideal for use in school or university
classrooms, in courses on Japan, popular culture, or business. For instructors who wish to use *Cool Japan* case studies in their courses, Teaching Notes are available for each chapter, including discussion questions for students, analysis, and suggestions for teaching the case in a classroom setting. To request Teaching Notes, or copyright permissions for using individual *Cool Japan* cases in a course, please visit [www.blueskyacademic.net](http://www.blueskyacademic.net).