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The Diffusion of Foreign Cultural Products: The Case Analysis of Japanese Comics (Manga) Market in the US

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Abstract

This paper outlines the historical development of the US *manga* (Japanese comics) industry from the 1980s through the present in order to address the question why foreign cultural products become popular in offshore markets in spite of cultural difference. This paper focuses on local publishers as "gatekeepers" in the introduction of foreign culture. Using complete data on manga titles published in the US market from 1980 to 2006 (n=1,058), this paper shows what kinds of manga have been translated, published, and distributed for over twenty years and how the competition between the two market leaders, *Viz* and *Tokyopop*, created the rapid market growth. This case analysis finds two main reasons for the growth of the manga market in the US. First is the *path dependency* of market growth: without Viz's pioneering effort in the localization of manga in the 1980s, Tokyopop's standardization in the 2000s would not have boosted the market expansion, and vice versa. The second is *stigma management* by publishers. By selecting proper titles, censoring them, and establishing age rating systems, publishers sought to avoid the stigma attached to American mainstream comics and establish the legitimacy of manga as acceptable entertainment.

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> Will Japanese comics now follow Toyotas and Sonys overseas? The obstacles they face are formidable. The same cultural isolation that has helped Japan develop such a rich comic culture is also a factor limiting the ability of people in other nations to understand—and enjoy—them (Schodt 1983: 153).

> In the early twenty-first century, a sight began to appear in American bookstores that was familiar to anyone from Japan: crowds of people reading books in the manga section (Thompson 2007a: xi).

Introduction

The purpose of this paper is to outline the development of the *manga* (Japanese comics) market in the US. Manga (pronounced mahn-gah) is a graphic novel created by and for Japanese, and it is, therefore, different from American comics in many aspects. For example, the format of manga is smaller and thicker than American comics: its dimension is 7.5 x 5 inches and it usually contains over two hundred pages. In addition, manga is bound on the right, as regular Japanese books are, so it is read from right to left. Traditional American comic are, on the contrary, 9 x 6 inches in dimension, run thirty two pages, and are bound on the left. Furthermore, manga has its own distinctive style of drawing, which is called "manga style" as explained below. However, in spite of these numerous differences, manga has got its popularity among teenagers in the US and is expanding its audience toward younger and older generations. According to ICv2, a marketing research firm on popular culture, the market size of manga in North America expanded from 60 thousand dollars in 2002 to 210 thousand dollars in 2007. It constitutes 56 percent of the North American graphic novel market (Griepp 2008). In addition to the market penetration of manga, such cultural products even seem to have so-called "soft power,"

persuading Americans to prefer Japanese culture and/or Japan itself (McGray 2002; Nye 1990): a recent article on the front page of *The Wall Street Journal* reported that learning Japanese was a smart choice for business-minded college students and is now about "cool pop culture" such as manga, street fashion, and *anime* (Japanese animation) (Ginny 2004). How do foreign cultural products such as manga become popular in spite of their cultural distinctiveness? Furthermore, given that comics are stigmatized as subliterate and a juvenile entertainment in America because of the superhero—targeting nature of much of the US comic industry, now (Lopes 2006), could manga publishers cultivate their market despite such negative stereotypes regarding comics?

In order to answer these questions, this paper follows the historical development of the US manga industry from the 1980s through the present. The main focus is on local publishers' behavior as "gatekeeper" of foreign cultural products (Hirsch 1972). This paper describes what kinds of manga titles have been translated, published, and distributed for twenty years, using a complete database of manga titles launched in the US market from 1980 to 2006 (Thompson 2007b). Although there are many detailed qualitative explanations about the development of the industry by industry people (Horibuchi and Iiboshi 2006; Macias 2006; Schodt 1983; Schodt 1996; Thompson 2007b; Thompson and Okura 2007), fans (Patten 2004), librarians (Brenner 2007), and journalists (Kelts 2006), the author believes that this paper is the first academic research on the US manga industry using the publication data.

Two key finding resulted from this historical case study.

The first is the *path dependency* of market growth created through marketing differentiation behaviors by the US major manga publishers. The US manga market was created in the late 1980s by Viz, owned by two major manga Japanese publishers, the currently largest manga publisher in the US. While *anime* such as *Speed Racer* was distributed on national TV network in the US since the 1970s (Cha 2008; Kelts 2006) and had became popular before manga, very few people in the US were exposed to manga before Viz started their business in 1987. Therefore, Viz had to adapt manga to suit traditional American comics' format in order to attract comic readers who were not familiar with manga. Such marketing efforts, which are called *localization* by international marketing theorists (Levitt 1983; Ryans, Griffith, and White 2003), increased American manga readership gradually. Following Viz's lead, other publishers adopted this Americanized manga format and it became de facto in the 1990s. However, after

2002, Tokyopop, the second largest publisher, started to launch "authentic manga," which retains original Japanese format at affordable prices. Tokyopop's strategy, called *standardization*—the selling of identical products in foreign markets—has worked very well since 2002 and has accelerated the growth of the market. In referring to path dependency, I mean that without Viz's pioneering effort in the localization of manga in the 1980s, Tokyopop's standardization in the 2000s would not have been able to boost the market expansion that has lasted five years to date; on the other hand, without Tokyopop's standardization, Viz's localization effort would not have resulted in the market growth. Although it is a truism for economists that competition is essential for the growth of markets, the case analysis here shows that there is an appropriate order in the marketing efforts employed by competitors.

Another key finding, which is relevant to the first, is the *stigma management* by local publishers to prevent the stigmatization of manga and establish the legitimacy of manga as acceptable form of entertainment (Goffman 1963; Lopes 2006). The manga publishers have sought to avoid the stigma attached to comics in the US in order not to ruin their efforts to market manga. This is a problem faced by foreign cultural products when their counterpart has been sold for many years and established a stereotypical image in the market where the foreign cultural products will be launched. Lopes (2006) argues that American comics remains stigmatized as serving masculine superhero or serving immoral desire in comic books with sexually explicit material (p. 403). In a society in which people views comics as stigmatized media, early manga publishers were forced to choose titles carefully and sometimes modify the contents. This kind of modification was unthinkable for Japanese creators/publishers, as due to the fact that Japanese manga is owned by creators. The US manga publishers' censorship made it difficult for them to get the license of popular titles from Japanese creators/publishers. This problem finally forced the US manga publishers to create systematic age rating systems, which Japanese publishers never had. In addition, preexisting stigma in the US led manga publishers to face the view of manga as boys' entertainment, decreasing chances of a broader demographic market. This stereotype makes it difficult to sell mangas to girls and adults, groups which have considerable share in the Japanese manga market historically.

This paper is expected to provide three contributions to sociology of culture. First, this paper focuses on the competitive process, an important theme in the production-of-culture tradition and the

sociology of popular music (Dowd 2003; Peterson and Berger 1975), but one that has less frequently been addressed in studies of the global diffusion of cultural goods. Second, this paper analyzes the role of the "throughput sector" for introducing *foreign* cultural products into a different country. While gatekeeping is one of the big issue in the production of culture perspective (Hirsch 1972; Peterson 1994), it has been rare that foreign cultural products are chosen as a case with some exceptions (Griswold 1992; Griswold 2004). Above all, Japanese cultural products have not been discussed by cultural sociologists, especially striking given the global prominence of Japanese pop cultural products such as manga, anime, game, toy, and so on (Allison 2006; Iwabuchi 2002; Kelts 2006; Leonard 2005; Macias 2006). In these ways, this case will give an insight into the diffusion process of global cultural products (Crane, Kawashima, and Kawasaki 2002; Griswold 1992; Griswold 2004; Lash and Lury 2007). Third, comics are selected as a case in this paper. As mentioned, comics are stigmatized media (Lopes 2006). As such, this case analysis could provide new perspectives on how the cultural product can avoid its stigmatization.

This paper begins by discussing theoretical perspectives and methodology briefly. After describing the characteristics of manga, the history of the US manga market is explained. Then, the competitive process between Viz and Tokyopop is analyzed with respect to its role in the creation of market growth. Lastly, I conclude this paper by returning to my question and considering the implications for sociology of culture.

Theoretical Perspective and Methodology

Manga is a typical "cultural product," which Hirsch (1972) defines as nonmaterial goods directed at a public of consumers, for whom they generally serve an aesthetic or expressive, rather than a clear utilitarian function. Manga publishers are also typical "cultural organizations" in that they are profit seeking firms producing cultural products for national distribution. Additionally, they are part of the "throughput sector," compiled of organizations that filter the overflow of information and material indented for consumers. The throughput sector invests entrepreneurial capital in the creations and

services of affiliated organizations and individuals at its input (production) and output (marketing) boundaries (Hirsch 1972).

Therefore, this paper adopts the production of culture perspective in that it focuses on how the symbolic elements of culture are shaped by the systems within which they are created, distributed, evaluated, taught, and, preserved (Peterson 1976; Peterson 1994; Peterson and Anand 2004; Peterson and Berger 1975). This paper focuses on publishers' behaviors as gatekeepers of foreign cultural products because gatekeepers are important when an artistic expression created in one art world is introduced into another (Peterson 1994).

To research manga publishers' behaviors, this paper analyzes publishing patterns using a comprehensive manga database created by Jason Thompson, a veteran freelance editor who previously worked as a full-time employee at Viz from 1996 to 2006 (Farago 2007). His *Manga: The Complete Guide* catalogs all of the Japanese comics available in English at the time of publication (early 2007). *MTCG* contains detailed information on 1,223 titles including publisher and dates, number of volumes, genre, age rating and objectionable content, and other attributes. Using this data, I can describe the development of the manga market and its competitive process in a quantitative way.

The period of analysis is 1980 to 2006 and the final sample size is 1,058. The titles published in 2007 (158 titles) and 2008 (3 titles) were excluded from the sample because they cannot be regarded as the complete lists for those two years due to the timing of *MTCG*'s publication. Four titles for which the publication year is unknown were also excluded. I supplemented the data with interviews of Jason Thompson, major publishers, manga bookstores, and Japanese trade officials and with fieldwork at several anime/manga conventions, where I interviewed small publishers, dealers, and fans.

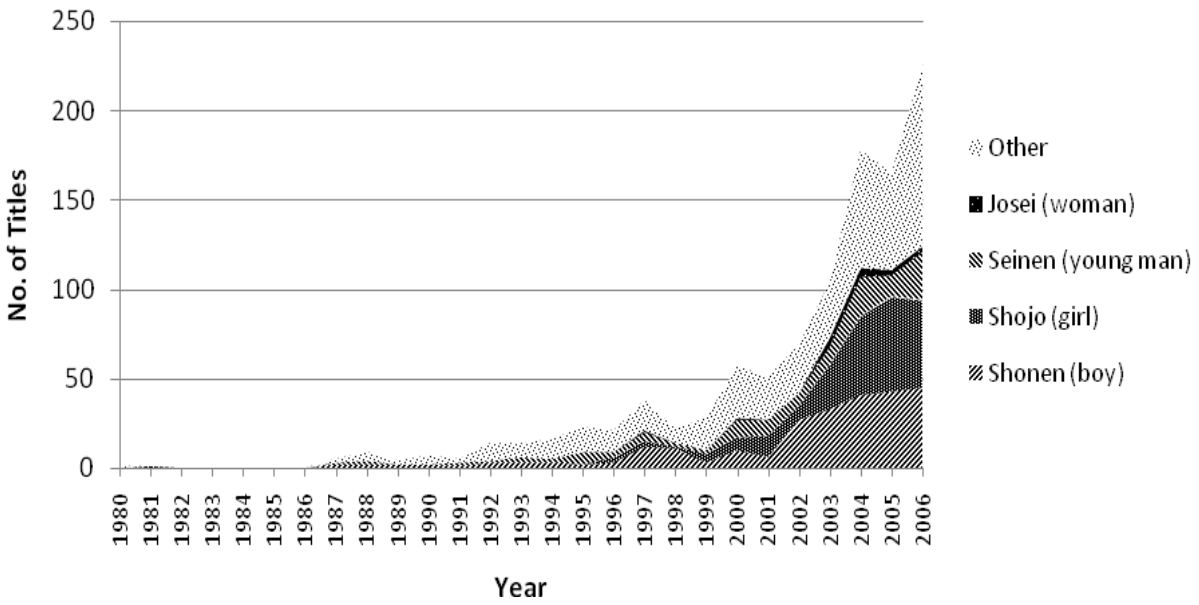
What is Manga?

US manga has many characteristics that the mainstream American comics and/or Japanese manga do not have: "magna style," four demographics of readers, age rating systems, serialization, and genre diversity.

First, manga has a distinctive art form called “manga style.” Some characteristics of this style are bigger eyes on characters, more sound effect and “speed lines” (lines indicating motion) in action scenes, and black-and-white graphics (vs. color) (Viz Media 2007).

Second, manga has various readerships, which are classified into four demographics. The market segments for manga can be categorized by gender and age: *shonen* (boy), *shojo* (girl), *seinen* (young man), and *josei* (woman). In Japan, each of these four market segments enjoy manga, but in the US, the main market of manga has been *shonen*, with recent growth in the *shojo* category after 2002 as shown in Source: *MTCG* database

Figure 1 (Note: “Others” refers to the titles under none of the four categories in the *MTCG* database). Titles targeted toward *seinen* have kept a stable share over time but the absolute market size for *seinen* has been small.



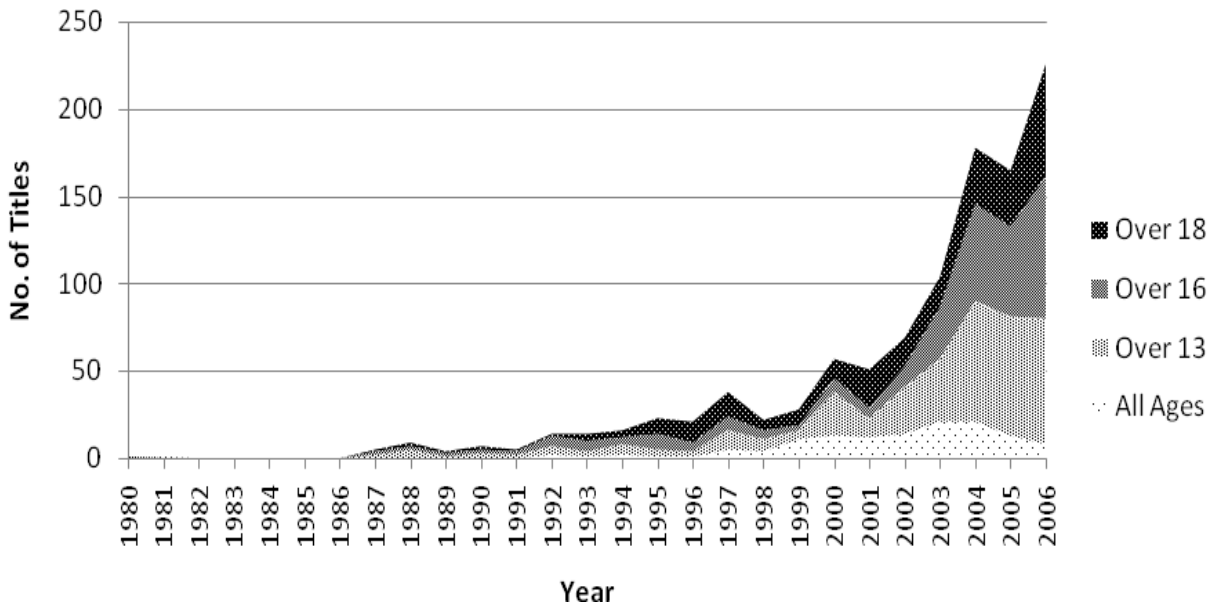
Source: *MTCG* database

Figure 1: Number of Manga Titles by Demographics and Year

Third, major US Manga publishers have their own age rating systems although there is no central rating authority such as the Entertainment Software Rating Board for video games. Thompson (2007) categorizes them into four age rating groups: all ages, over 13, over 16, and over 18. Japanese publishers

do not have such an elaborated age rating system within the Japanese manga industry; there is a category for “over 18” mainly for sexually explicit titles. This fact has two implications. One is that it shows how the American moral code toward explicit content is stronger than that of Japanese and US manga publishers have been forced to deal with this problem. Another is for the research strategy of this paper. Thanks to the rating, I can estimate each publisher’s age targeting. As shown in Source: *MTCG* database

Figure 2, until recently, there was no big differences in terms of the share of each age ratings (sometimes over 18 had biggest share, but titles rated younger must be more representative in terms of the sales of volumes, instead of titles). However, over 13 and 16 has been dominant around from 2003.



Source: *MTCG* database

Figure 2: Number of Manga Titles by Age Rating and Year

Fourth, most manga are serialized. So it is common that popular titles have many volumes because manga in Japan are first published in weekly/monthly magazines and later published in a graphic novel format, which is called “tankobon” and contains 10 to 12 episodes. As far as the titles are popular on magazines, the story just continues. So, some titles that are also popular in the US market have many volumes. For example, one of the most popular titles both in Japanese and the US market, *Inuyasha* (Viz),

which is still ongoing in Japan, has been published 49 volumes in the US market so far. According to the *MTCG* database, the average number of volumes per title is about six. Therefore, it is quite important to distinguish between "title" and "volume." In this analysis, "title" is used in order to grasp the kinds of titles local publishers thought would be appropriate for American audiences' taste. I should, however, remark that taking volumes into consideration is also necessary, for example, if one is interested in analyzing the titles on bookshelves/for sale. Popular longstanding titles like *Inuyasha* inevitably occupy more space in this measure than would be evident in title counts.

Fifth, in contrast to the fact that the American comic genre has been dominated largely by the "superhero" theme, manga has a broader range of subjects and topics, including science fiction, fantasy, comedy, action, drama, romance, romantic comedy, adventure, adult, horror, and so on.

Source: *MTCG* database

Table 1 shows the top 15 genres assigned to titles by the *MTCG* database (note: almost all titles are assigned several genres. For example, "Historical," "Fantasy," and "Adventure," are assigned to *Inuyasha*. 1.96 genres are assigned on average).

Rank	Genre	No. of Titles
1	Science Fiction	209
2	Fantasy	200
3	Comedy	199
4	Action	190
5	Drama	174
6	Romance	102
7	Romantic Comedy	102
8	Adventure	82
9	Adult	78
10	Horror	77
11	Yaoi*	72
12	Occult	50
13	Crime	49
14	Mecha**	47
15	Historical	44

* A term for fiction that focuses on homosexual male relationships

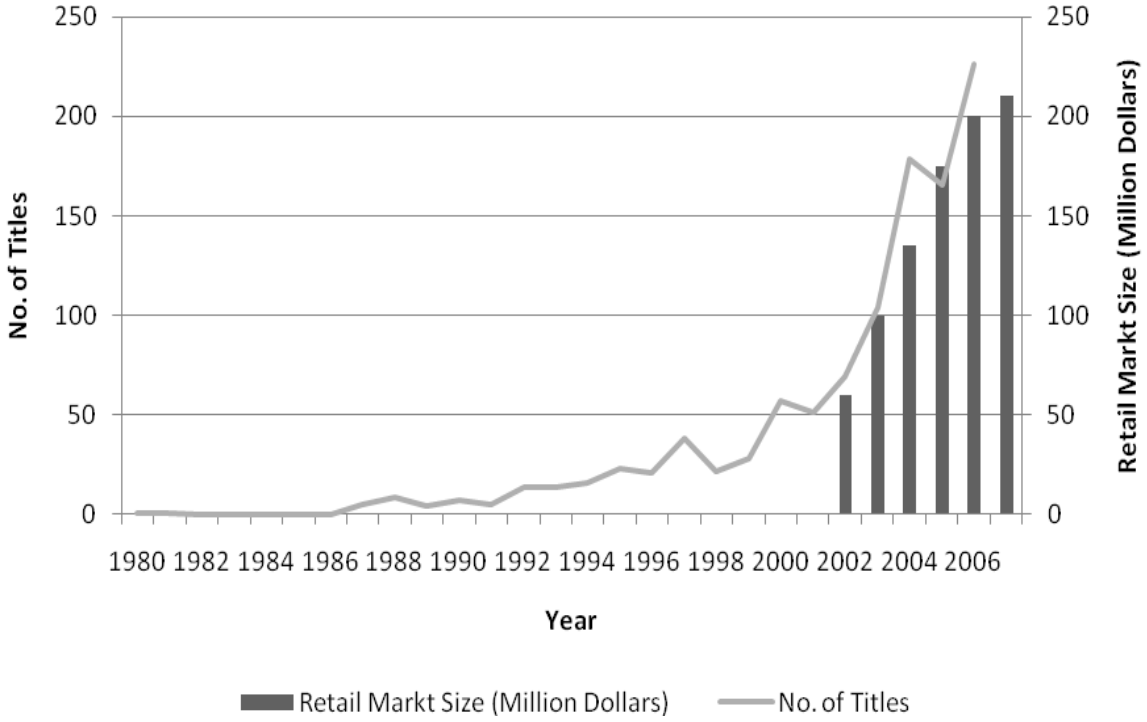
** Short for *mechanical*, the term refers to all sorts of machines.

Source: *MTCG* database

Table 1: Top 15 Genres

The History of the US Manga Market

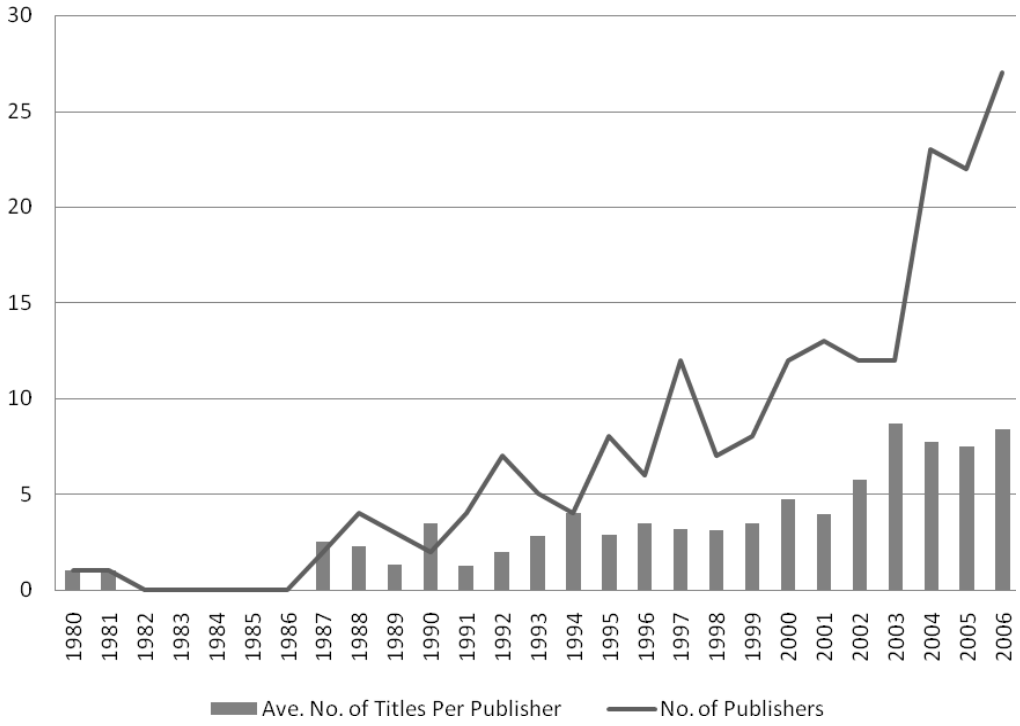
ICv2 estimates that the North American manga market has grown from 60 million to 210 million dollars in sales in the last five years whereas the North American anime industry peaked at 550 million dollars in 2003 and dropped down to 400 million dollars in 2006. As shown in Figure 3, accordingly, manga releases also increased from 1,088 volumes in 2005 to 1,208 volumes in 2006 to 1,513 in 2007, and 1,731 volumes are estimated to be released in 2008 (Griepp 2007; Griepp 2008). Over year growth in counts of manga titles from the *MTCG* database show the same trend. While manga has been published since the 1980s, there has been rapid growth in terms of launched titles since 2002 boosting the market growth. As of 2007, the North American graphic novel market was 375 million dollars, yielding a 56 percent market share for manga.



Source: Griepp (2007), Griepp (2008), *MTCG* database

Figure 3: Manga Titles Published in the US Market by Year

This market growth after 2002 corresponded with the new market entry. Increased number of publisher explains the rapid grows of titles published (Figure 4). Therefore, average number of titles per publisher didn't increase as much as did the number of publishers. By 2006, Viz and Tokyopop had published 220 and 229 titles, respectively, followed by Dark Horse (59 titles). Del Rey, which publishes popular titles by Kodansha, one of the largest manga publishers in Japan, published only 26 titles by 2006 but currently takes third position in terms of sales.



Source: *MTCG* database

Figure 4: Manga Publishers and Average of Titles per Publishers by Year

The Early Days: 1987-2001

According to the *MTCG* database, the first manga published in the US was the eighty-eight page anthology, *Manga*, published around 1980-1982 by Metro Scope. In the early 1980s, English-translated manga was published in Japan as study aids for Japanese youth. However, it tended to be uninteresting to

Western readers and suffered from awkward translation (Schodt 1983: 154). Despite such limited exposure, the interest in manga was growing in the 1980s among the "fandom" community.

Viz: Localization of Manga

Seiji Horibuchi founded Viz Comics, the US subsidiary company of Shogakukan, in San Francisco in 1986. At the time, he was just "a long term resident of the San Francisco Bay Area who once lived on a California commune" (Schodt 1996: 315) and had no experience in publishing industry. What triggered Horibuchi to start his manga business was the unexpected opportunity to coordinate a business trip of Shogakukan people to deal with the Hollywood movie industry in 1985. Shogakukan—a major Japanese publisher—told Horibuchi that Eclipse, the small but third largest American comic publisher that followed the comics giants DC and Marvel, contacted Shogakukan about the possibility of co-publishing manga in the US market (Horibuchi and Iiboshi 2006: 34-35). Horibuchi was asked by Shogakukan to conduct marketing research to examine the feasibility of manga business in the US and he consulted Fredrick Schodt about it. Schodt was one of the first manga translators and the author of *Manga! Manga!: The World of Japanese Comics*, the first introduction to manga in the English speaking world (Schodt 1983). He was skeptical about the manga business in the US. He said:

> In the mid-1980s, several ambitions people came and talked to me about visions they had of publishing translated Japanese comics in America. I tried to be encouraging, but I couldn't hide the fact that I was skeptical of their success. I had seen too many failed attempts, and I knew it would be difficult for manga to take hold in America. Modern comics were invented in the United States, and there is a uniquely American style of reading, publishing format, and even distribution (Schodt 1996: 309).

Schodt, therefore, advised Horibuchi to adapt manga to the American comic format (Horibuchi and Iiboshi 2006: 45).

The first three full-length mangas were published in 1987. *Area 88* (Drama, Military), *The Legend of Kamui Perfect Collection* (Action, Drama, Historical, and Seinen), and *Mai the Psychic Girl* (Action, Psychic, and Shonen) are selected after the screening by both publishers. *Heavy Metal Warrior*

Xenon (Action, Shonen, and Science Fiction) was also published later in the same year. The diversity of the genres among these titles assigned by *MTCG* shown in parentheses resonates with Horibuchi's intention to introduce American audiences to the variety of manga (Horibuchi and Iiboshi 2006: 64). In the same year, Eclipse published *Samurai, Son of Death* (Drama, Samurai), the first collaboration between an American writer and Japanese artists (Thompson 2007b: 316).

An important issue at the time was to what extent Viz would keep "manga style" and to what extent they would alter it to accommodate American comic format in order to overcome the cultural barrier that Schodt suspected.

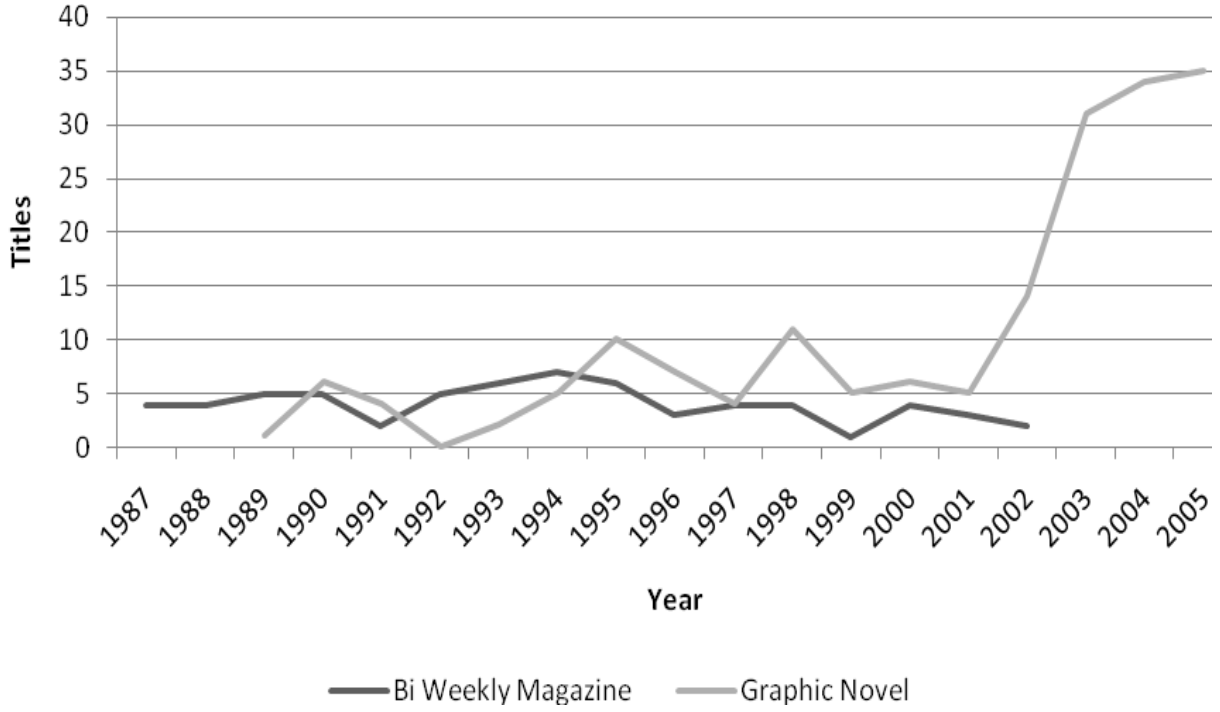
Most important among localization adaptations was "flipping." As mentioned previously, manga is read right to left, but it was clearly unusual for American readers. So, in order to read left to right, Viz reversed pages horizontally. This "flipping" technique was Shogakukan's idea and Viz was the first publisher to release flipped manga in the US. But the problem was that some of the manga creators objected to "flipping" of their original works (Horibuchi and Iiboshi 2006: 66-67). Contrary to the American comic industry, manga artists have at least part of the copyright to their work. So, objection by artists to flipping was a major obstacle to acquiring good titles such as *City Hunter* by Tsukasa Hojo, which was one of the most popular titles in Japan at that time and was finally released by another publisher in 2002. Furthermore, the length of the flipped manga was similar to that of American comics, 32 pages and pamphlet-style, as manga was intended to be distributed to specialty comic stores, the main distribution channel of mainstream American comics.

Another problem was translation. Because manga contains an abundance of sound effects—which are seldom used in American comics—, distinctive vocabulary, and slung, Viz needed bicultural translators who knew both Japanese culture and American comics. To accomplish this, they developed a team approach: Fujii drafted rough translation, then freelance translators rewrote them, and finally the editor at Eclipse proofread and refine them. This team work created cultural conflict. Horibuchi and Fujii confessed that it was quite difficult to persuade Eclipse to understand the importance of sound effects to express the dynamic motion in manga expression, as such motion was supposed to be explained by characters' speech in American comics (Horibuchi and Iiboshi 2006: 67-69). Fujii remembered such conflicts at the interview with Schodt in 1992.

> "We had a lot of disputes over editorial policy," he says. "They were used to American comics, and wanted to adapt and change manga to fit those conventions. For example, they wanted 'thought balloons' (containing a character's thought, as opposed to 'speech') to always be bubble-shaped. Also, in manga 'sound effects' are an integral part of the whole drawing, but they wanted more traditional American effects." (Schodt 1996: 316)

Colorization was also an issue. Black and white manga style was considered to be a disadvantage in the mainstream US comic marketplace. In Japan, manga are designed in black and white to exploit subtle monochromatic nuances and shadings. Although some manga appeared in color, one or two year later, Viz stopped offering these because they thought color could ruined manga's monochromatic expression (Schodt 1996: 316-317). In this way, Viz had learnt adaptation technique by trial and error with Eclipse before they separated in 1988.

Although the mainstream American comics were issued monthly, Viz released their titles every two weeks. In Japan, manga magazines are issued weekly, often have 400 pages and contain 10 to 12 serialized and continuing stories. When individualized stories are compiled into a series of paperbacks (tankobon), they may take up fifty or more volumes of over 250 pages (Schodt 1996: 23). Because manga optimized for weekly magazine uses many pages to express characters' feelings and emotions, using more panels and fewer words than the American comics do, readers can read many pages quickly. Schodt explained "to the amazement of many in the U.S. comics industry, a 320-page manga magazine is often read in twenty munities, at a speed of 3.75 seconds per page" (p. 27). They figured out to publish their titles through biweekly format not to make the stories dull. It was two years later after the first publication of biweekly titles in 1987 when Viz started to release English version of tankobon, calling them "graphic novels." However, they gradually shifted from biweekly magazine to graphic novel format over the 1990s and ended the former in 2002 (Figure 5).



Source: The list of Viz' publication in Horibuchi and Iiboshi (2006: 247-272)

Figure 5: Biweekly Magazines and Graphic Novels Published by Viz by Year

In addition to overcoming format differences and challenges in translation, explicit violent and sexual contents relatively accepted in Japan were also big problem in the US context. For example, Viz was forced to erase the first episode in volume four of *The Legend of Kamui*, which contains four-page rape scene at the beginning, and, instead, then began the story from episode two. Viz often found itself stuck in a conflict between Eclipse—whose editor-in-chief committed to the feminist movement for many years and was quite critical to explicit contents—and their parent company—who thought changing content was an insult to artists and their artwork regardless of the explicitness of the content (Horibuchi and Iiboshi 2006: 72-74). For the same reason, a nude bathing scene in the first issue of *Mai: the Psychic Girl*, was also censored (Thompson 2007b: 477-478). This kind of censorship is still common and requests persist to manga artists to retouch sexual or other explicit scenes by hiding them behind sound effects and/or speech balloons. In order to avoid censorship, Viz finally developed their original age rating system in 2000.

Studio Proteus/Dark Horse: Selection of Appropriate Titles

In 1987, the same year that Viz started their business, First Comics published Kazuo Koike and Gozeki Kojima's 28 volume samurai classic, *Lone Wolf and Cub*. The cover was drawn by Frank Miller, the 1980s American comic legend, who was fascinated by their cinematic artwork (Schodt 1996: 313). Marvel Comics also released Katsuhiro Otomo's dark sci-fi thriller, *Akira*, in 1988, in a realistic style familiar to American readers. Akira became popular because of its highly successful anime film and Marvel's efforts to make it Americanized as possible: they "flipped" and colored it. In spite of its success, Marvel's publication of Akira never completed (Schodt 1996: 314).

Studio Proteus also released manga titles similar to American comics to enter the market. It is a translation and localization company found by James Hudnall—the ex-employee at Eclipse who once wrote to Shogakukan to encourage them to get into the US market—and Toren Smith—the freelance translator/avid manga fan who also supported Viz. Studio Proteus built their manga division at Dark Horse Comics, one of the largest independent comics publishers. The biggest challenge for them was the selection of appropriate titles. For example, Dark Horse released *Appleseed* by Masamune Shirow in 1988 because it was very suited to the US market: the detailed and realistic artwork, the dense story, and the story itself—a post-apocalyptic vision of the future after World War II (Schodt 1996: 319-320). Apparently, *Appleseed*, *Lone Wolf and Cub*, and *Akira* were selected to be published in the US market due to their similarity to the mainstream American comics. Smith explained their choice was quite limited due to American's taste on comics as follows.

> "[T]he biggest problem is finding manga that are both good and suitable for the U.S. market. There are lots of manga in Japan that are superb but wouldn't sell 1,000 copies here because of the nature of the U.S. market. One difficulty is that the U.S. readers prefer detailed artwork. When we reverse the pages and have to change the sound effects or remove them, if there is a panel with lots of screen tone [which artists use for shading], it's difficult to retouch. *Appleseed* was a real nightmare in that regard." (Schodt 1996: 320)

In this sense, manga titles published at that age were not necessarily in "manga style."

In 1990s, Viz and Dark Horse were the two major manga publishers. According to the *MTCG* database, they published 61 and 26 titles respectively in that decade. Manga in the 1990s US was just a minor category of comics. Those assimilated into the mainstream comics industry were targeting the existing male readership, who visited specialty comic stores; therefore, most of manga titles are *shonen* (boy) and *seinen* (young man) in the 1990s (43 and 23 titles, respectively), whereas only 12 *shojo* (girl) and 1 *josei* (woman) titles were published.

The first step to end the male dominance in manga market was *Sailor Moon*, the anime super heroine troop that appeared on TV in the mid-1990s. Although it did not attract a substantial audience, *Sailor Moon* created passionate female fans (Matsumoto 1996). In 1997, Mixx Entertainment—the manga publisher established by Stuart Levy, an American lawyer who studied and did business in Japan—adapted *Sailor Moon*'s original manga in the manga anthology magazine, *Mixxzine*, which attempted to attract non-comic readers. The first issue referred to manga as "motion-less picture entertainment" in order to avoid the stigma associated with comics (Thompson 2007b: xviii). A contrast to earlier reception, seventy percent of readers were 13 year-old girls (Harris 1998). A tankobon of *Sailor Moon* was a hit in 1998 and it was the first *shojo* title that was welcomed in the US market; Viz's past attempt to introduce *shojo* titles under the brand Flower Comics, before Mixx Entertainment released *Sailor Moon*, was not successful. Although *Mixxzine* ended in 2000, Mixx Entertainment had become the leader in *shojo* market years later under the new name, Tokyopop.

The Authentic Manga and Market Growth: 2002-2008

Tokyopop: Standardization of Manga

Tokyopop rapidly expanded their business after 2002 and it created cutthroat competition with Viz that caused market expansion and encouraged new market entries. The trigger was "authentic manga," which is not flipped and can be read right to left. Tokyopop was not the first American publisher to print manga this way. In 1998, Viz published both right-to-left and left-to-right versions of *Neon*

Genesis Evangelion, accommodating the author's request to release the original format (Horibuchi and Iiboshi 2006: 191). However, Tokyopop was the first to plunge into it all the way for all of the titles they published (Douglas 2002). In addition, Tokyopop didn't translate sound effects and adopted a smaller format, one similar to the original printed in Japan. Lettering cost per page is three to six dollars in this unflipped, no sound effects version that Tokyopop started, whereas it costs 18 to 36 dollars when a title is flipped and sound effects are translated as Viz did for 15 years (Thompson 2008). Therefore, Tokyopop's tactics enable them to produce titles with lower cost. Taking advantage of the low-cost production, each book was priced at $9.99. This *standardization* strategy, which means providing identical products in foreign markets, worked well to get good titles: although Viz persuaded manga artists to allow their "artwork" to be flipped, it was still a big obstacle to get good titles. Levy remembered that his decision to launch authentic manga was challenging at the Tokyopop's 10 years anniversary interview by *Variety*.

> I remember the year before we decided to go with the right-to-left thing, I was getting pressure from the Japanese. "Publish it right-to-left! We hate it when you flip it! This artist doesn't like that or this editor doesn't like that!" And we had gone to the retailers out there around 2000 and said, "Hey, what would you think if we published this right-to-left?" And they said, "You're out of your fricking minds to even think about it."
> So we went back to the Japanese and said we can't do it. And they said fine, we understand, but these particular titles we can't license to you because the artists won't accept it (Variety 2007).

The cheap and authentic Tokyopop's title was also backed by their powerful branding. Tokyopop standardized the size of the book (7.5 x 5 inches) and cover design at same price to "make everybody know that any of these are $9.99 — just choose your content" (Variety 2007) . They also offered retailers a nine-pocket floor dump, bearing the slogan "Manga done the rightto-left way" (Douglas 2002).

Thanks to this challenger's marketing efforts, they rapidly grew to take about 70 percent share of the market in 2003. Their main customers were teenage girls who could not afford the fifteen dollar expense of manga. Introducing popular *shojo* titles such as *Love Hina* by Ken Akamatsu and *Chobits* by CLAMP, a popular group of female manga artists, Tokyopop targeted the uncultivated girls' market

where Viz had dominated the boys' market. As the result, from 2002 to 2003, the manga market almost doubled from 60 to 100 million dollars (Griepp 2007). This expansion was mainly explained by Tokyopop's *shojo* market creation, so Viz's market share dropped into 20 percent, the third position following Dark Horse (Horibuchi and Iiboshi 2006: 189).

To regain first place, Viz's only choice was to launch right-to-left manga and discount them (Horibuchi and Iiboshi 2006: 189-192). Most titles were marked down to 9.95 dollars. Also, *shonen* titles from Shueisha were released at 7.75 dollars because Shueisha believed that children's manga must have been cheap. The lower margin resulted from price reduction were offset by the reduction of production costs and the increase in quantity. Viz reduced the translation fee by half and increased its publication from nine in 2001 to 22 titles in 2002 and 2003. This restructuring of the production system worked well for Viz intended and they regained 70 percent share in the spring of 2004. This market expansion encouraged more new market entrants. The number of publishers supplying manga increased from 12 in 2003 to 23 in 2004.

Del Rey and Other New Entries

In 2004, Del Rey, an imprint of Random House, started manga business to launch the properties of Kodansha, the third largest manga publisher in Japan, which was a direct result of the alliance between Random House and Kodansha (Chronicle 2003). This meant that it was more difficult for Tokyopop to get Kodansha titles, unfortunate given that most popular titles by Tokyopop were from Kodansha, including *Sailor Moon*, *Love Hina*, and *Chobits*. Tokyopop's publication of Kodansha titles peaked at 19 in 2004, but it dropped down 9 in 2005 and 11 in 2006. This seems to be one of the reasons why Tokyopop has published many *manhwa* (Korean manga) and OEL (Original English Language) manga titles since then. They also launched the "Rising Stars of Manga," a contest to find new artists and original stories, in 2002 and have published some of winners' artworks in the form of graphic novels (Reid 2003a; Reid 2003b).

As Random House moved, major publishers started to show their interest in growing the manga business (Morimoto 2008). DC launched its manga imprint CMX. Hachette Book Group launched Yen

Press, which also publish *manhwa* titles and the monthly anthology magazine *Yen Plus* from 2007. Existing anime companies such as ADV Manga and Media Blasters also started manga business.

These new market entries contributed to the market expansion, but they sometimes faced unexpected strong reaction from manga lovers. For example, manga fans became furious to know the fact that CMX heavily edited its first volume of *Tenjho Tenge*. According to fans who had seen the original Japanese edition, CMX made more than 30 changes, covering up nudity and "panty shots," and tightly cropping a rape scene. They altered the content because they were marketing the series to younger teens, which, by all accounts, make up the majority of American manga readers, whereas in Japan, this title is marketed to readers in their late teens and early 20s (The Decatur Daily 2005). On the other hand, there was also criticism toward explicit content. For instance, Seven Seas Entertainment decided to cancel its American edition of *Nymphet* in 2007 after a controversy had arisen because of Nymphet's storyline, which featured a student's romantic attraction to her teacher (ICv2 2007). This problem reflected the fact that getting popular titles was now more difficult because of cutthroat competition in the US market. The US publishers tended to place offers on titles while they were still being serialized in the weekly magazines, often before they were ever collected into graphic novels. This made it difficult to check the contents of the future volumes at the moment of offer (DeAngelis 2007).

After the rapid growth in sales of manga targeting teenagers, the problem regarding explicit content has also become a major issue for the customers who pay for manga: parents, teachers and librarians. Their pressure on the industry to enable them to evaluate an ever-increasing number of unfamiliar titles promoted the industry establishing more detailed age rating system. In 2007, Tokyopop introduced a dramatically redesigned age-rating system created by a librarian and graphic novel expert to provide precise definitions and examples of what each rating means (Reid 2007).

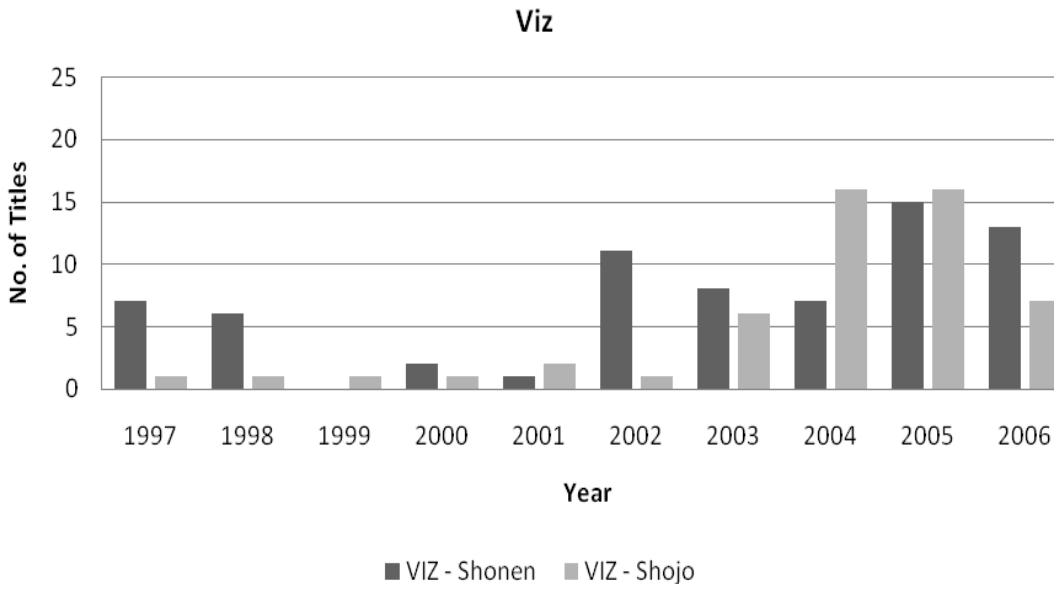
Path Dependency of Market Growth: Viz vs. Tokyopop

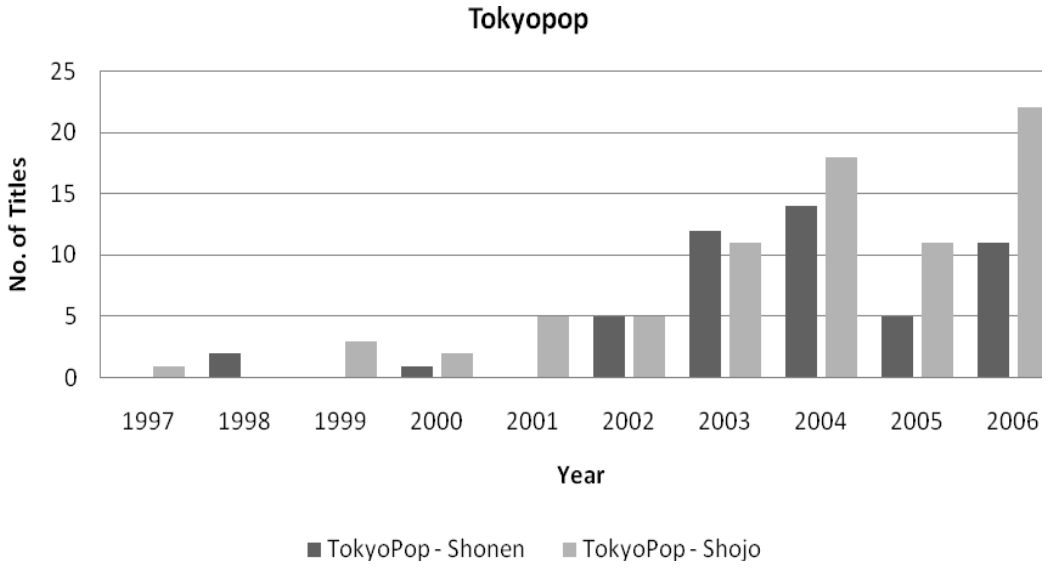
What is apparent from observation of the history of manga market is that competition created market growth. While Viz's pioneering effort to create this market is crucial to explain the growth, Tokyopop’s launch of authentic manga and *shojo* titles from 2002 and the cutthroat competition between

the two triggered the rapid development. In this section, I outline the competition between two major publishers using the *MTCG* database to explain how they differentiate/imitate each other. As explained previously, Tokyopop published 229 titles and Viz published 220 titles in total, but most of Tokyopop's titles were released in 2000s. Tokyopop rapidly expanded their publication since 2002 eventually outpacing that of Viz. The differentiation between the two players can be observed in several aspects: I here focus on gender and age targeting.

As to demographics, Viz has a strong position in the *shonen* market, whereas Tokyopop excels in *shojo* market. The yearly change of releases by the two publishers indicates their differentiation and assimilation. Source: *MTCG* database

Figure 6 shows the comparison between *shonen* and *shojo* releases of Viz and Tokyopop from 1997, the year of Tokyopop's market entry. From 2003 to 2005, both publishers launched more *shojo* than *shonen*. This similar pattern implicates two competed in both markets. In 2006, they were differentiated: Viz released more *shonen* and Tokyopop did more *shojo*.





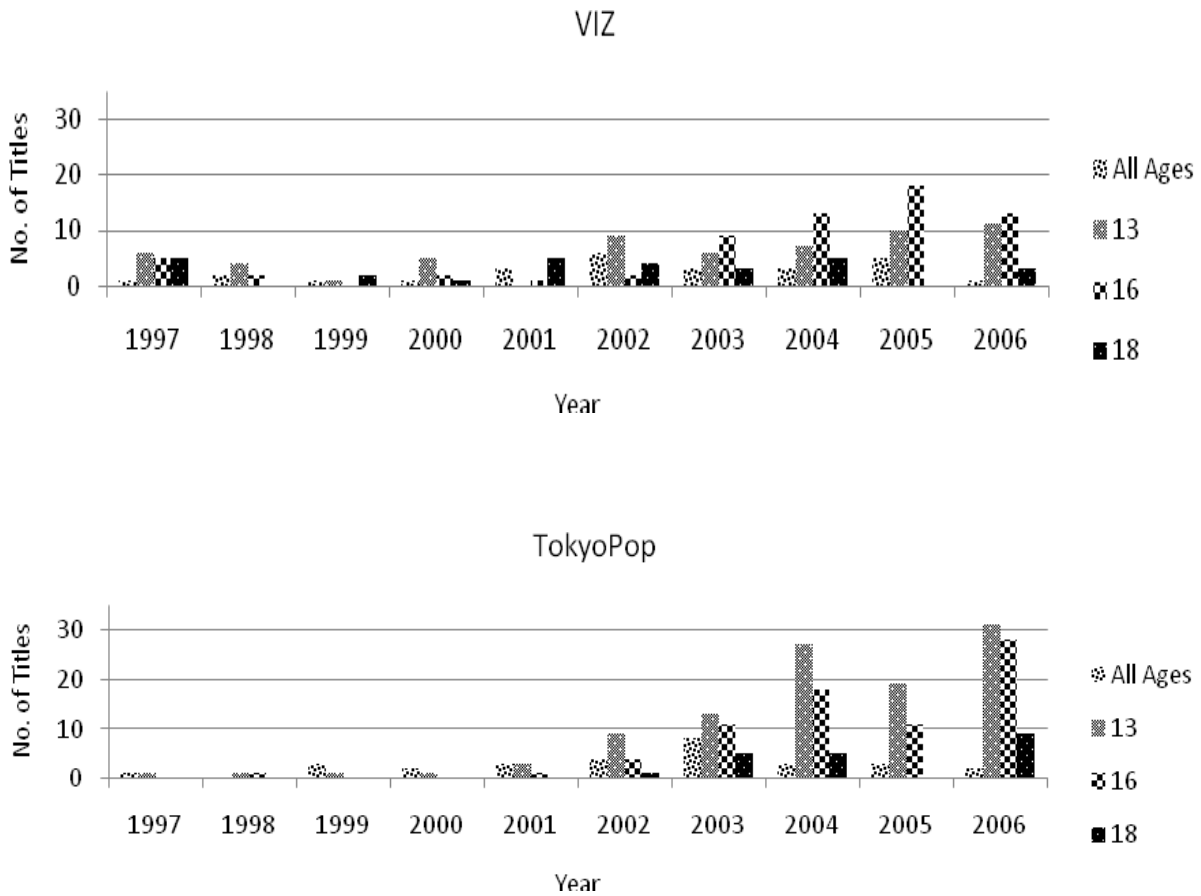
Source: *MTCG* database

Figure 6: Number of Publication by Gender and Year (Viz and Tokyopop)

Age targeting shows different trends (see Source: *MTCG* database

Figure 7). In 2002, main readers of both publishers' titles were over 13 years old. However, from 2003 to 2005, most of Viz's titles were targeted for readers over 16 years old, whereas the majority of Tokyopop's titles remained for the over 13 years old group. In 2006, while this tendency had not been

changed, both publishers have tried to imitate each other: Viz published more “over 13” titles and Tokyopop did more “over 16” titles than previous years.



Source: *MTCG* database

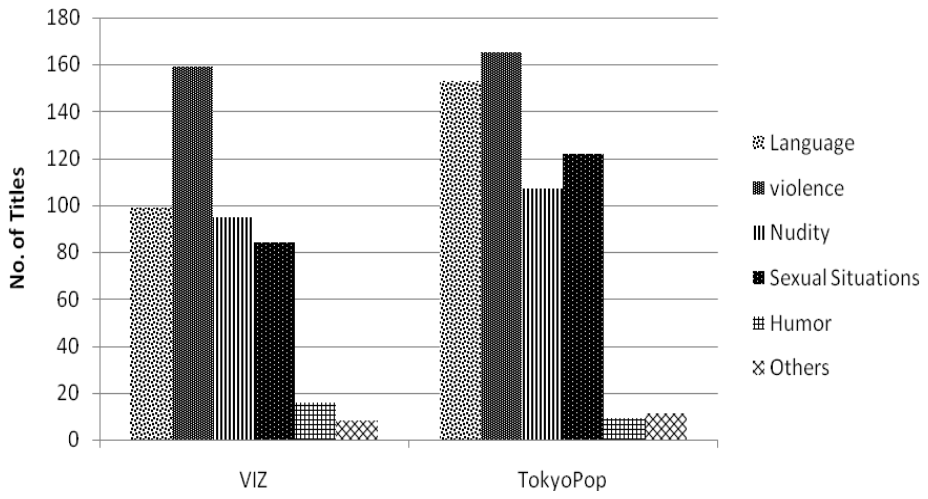
Figure 7: Number of Publications by Age Rating and Year (Viz and Tokyopop)

Source: *MTCG* database

Figure 8 shows the breakdown of objectionable content types on the two publishers’ titles[1]. The most common reason of age rating for Viz titles is violence. This is because they have many sci-fi and

[1] Thompson (2007) also put the description on objectionable content by assigning keywords on each title. Because there are so many descriptions, I categorized them into six genres: “language,” “violence,” “nudity,” “sexual situations,” “humor,” and “others.” Ideally speaking, description should be weighted according to their explanation (for example, “violence” should be weighted heavier than “mild

action titles. Tokyopop has a similar pattern, but objectionable language is more of an issue in their publications, with violence and sexual situation still concerns, in the third position among the six reasons. This is because they have many fantasy, comedy, romantic comedy titles (Table 2). “Violence” is often used in the titles for younger readership, while “nudity” and “sexual situations” are for older audiences.



Source: *MTCG* database

Figure 8: Objectionable Content (Viz and Tokyopop)

Viz			TokyoPop		
Rank	Genre	No.	Rank	Genre	No.
1	Science Fiction	53	1	Fantasy	68
2	Action	43	2	Drama	52
3	Fantasy	37	3	Comedy	47
4	Drama	36	4	Science Fiction	45
5	Romance	33	5	Action	43
6	Comedy	31	6	Romantic Comedy	30
7	Adventure	24	7	Romance	25
8	Romantic Comedy	22	8	Adventure	19
9	Mecha	16	9	Occult	14
10	Crime	14	9	Crime	14
10	Horror	14	9	Mecha	14

Source: *MTCG* database

violence”). However, it is quite difficult to code them in quantitative way (for example, it is difficult to judge which is more explicit between “mild violence” and “brief violence”). So, in this analysis, every description was coded binary.

Table 2: Top 10 Genres (Viz and Tokyopop)

As explained, Viz and Tokyopop have competed since 2002 establishing different positions. Viz has dominated the *shonen* (boy) market targeting high teens, but also expanded their product line to *shojo* (girl) and *seinen* (young man) as the market leader. On the other hand, Tokyopop, which entered the manga market ten years after Viz did, created a niche market, *shojo*, targeting younger teens. Without Viz's pioneering effort in the localization of manga in 1980s, Tokyopop's standardization in the 2000s would not have boosted the market expansion, and vice versa. Therefore, there was a "path dependency" in the growth of the US manga market.

Conclusion

This paper outlines the competitive processes of manga publishers in order to understand the growth of the US manga market. This case analysis contributes two main findings. First is the *path dependency* of market growth: without Viz's pioneering effort in the localization of manga in 1980s, Tokyopop's standardization in the 2000s would not have boosted the market expansion, and vice versa. The second is *stigma management* by publishers. By selecting proper titles and censoring them, they sought to avoid the stigma attached to American mainstream comics. Also, they established age rating systems to adapt to stricter American moral codes. In sum, this paper concludes that the path dependency of publishers' marketing efforts and their stigma management were the reasons for the growth of the manga market in the US.

This case sheds light on different aspects of cultural production due to its cross-cultural nature. It makes the role of gatekeepers more important (Peterson 1994), as cross-cultural gatekeeping requires them to modify the contents of foreign cultural products, educate customers how to appreciate them, and deal with pre-existing stereotype, in order to fill the cultural gap.

This research project is at the beginning stages and there are many challenges I should overcome. This paper analyzed publishers' *behaviors*. This analysis will be enhanced by combining this quantitative data with interview data assessing the manga publishers' *intentions*. How do their intentions inform their

behaviors? How competitors' behaviors change their intentions? The interaction between intentions and behaviors and its collective consequences should be analyzed and is a future aim for extension of this piece.

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