The fluctuating Japanese video game industry:
Performance on the Western market and effects on Japan's Soft Power

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Abstract:

The Japanese video game industry used to be a leading force in the world. During the 90's and the early 2000's, Japanese video games dominated the international market. Recently, however, during the end of the last decade and the start of the current decade, Japanese video games experienced a huge dip in their sales. Japan has been attempting to use the 'Soft Power', the concept of influence generated by its popular culture overseas, to its advantage. The link between the Japanese video game industry and the concept of Soft Power have not been sufficiently examined as of now, hence why it was the focus of this study. The aim of this study was to come to an understanding of why these fluctuations in the market occurred, as well as look for the potential influence of Japanese video games and their popularity overseas on Japan's Soft Power. By asking questions, in the form of a survey, to experts from the Dutch video game industry, the objective was to come to new insights on the matter and open up possibilities for further research. Results from the survey showed that previously underrepresented factors contributed to the fall in popularity of Japanese video games in the West. Elements like ease of use, lingual nuances, as well as intrinsic differences in preferences of the Japanese domestic audience and the Western audience, were identified. The link between the performance of Japanese video games overseas and Japan's Soft Power was also confirmed. Respondents acknowledge the capability of Japanese video games to influence the consumer's image of Japan, albeit not always in a purely positive way. Arguments were also raised that the Japan portrayed in video games is often not the real Japan. This holds true, but in order to make a target audience think more positively about Japan, the 'real' Japan does not need to be represented accurately. Thus, it can be argued that popularity of Japanese video games overseas does indeed correlate to an increase in Japan's Soft Power.

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Chapter 1

1.1 Introduction:

The Prime Minister of Japan, Shinzō Abe, popping out of a green sewage pipe during the ending ceremony of the 2016 Rio de Janeiro Olympics. Quite the stunt for the head of state of the country with the 3rd largest economy in the world. What was the purpose of this stunt? A relatively easy answer for even someone unfamiliar with politics and International Relations to come up with: Promoting Japan through use of a popular character from the Japanese entertainment industry's glory days.

  'Cool Japan' is a well-known campaign started by the Japanese government in 2014 to promote its creative industry and popular media overseas. For what purpose, one might ask. It is unlikely that the aim was solely to let people enjoy the fruits of Japan's creative minds' labor. So what then? Increasing Japan's 'Soft Power', is a phrase often mentioned when reading about the subject.[1] Soft Power, as the name gives away, indicates an international actor's ability to use attraction rather than force as a source of power.[2] When talking about Japan and its recent quest for Soft Power, the different areas of Japan's creative industry are often lumped together. Entertainment media like movies and television series, be it real life or animated, are focused on heavily when talking about the Soft Power impact of Japanese entertainment. This is not surprising, because the existing literature on other countries and the impact of their entertainment on Soft Power is usually centered around traditional media. In the literature review this will be examined further.

  In this thesis we will be looking at a specific part of the creative industry of Japan, namely the video game industry and its links to Joseph Nye's concept of 'Soft Power' in International

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[1] Steven H. Green, "The Soft Power of Cool: Economy, Culture and Foreign Policy in Japan," *Tōyō Hōgaku.* 58, no. 3 (2015): 47–68, p.60.

[2] Edward Lock, "*Soft Power and Strategy: Developing a "strategic" Concept of Power*," in *Soft Power and US Foreign Policy: Theoretical, Historical and Contemporary Perspectives,* ed. Inderjeet Parmar and Michael Cox (Routledge, 2010): 32-50, p.34.

Relations. This industry has been through tumultuous times when it comes to sales on the foreign market. During the second half of the previous decade, there was a huge dip in sales. Although the Lehman shock caused a world-wide economic crisis, this alone does not account for the lowered numbers. Consumers in the West started to lean more to Western-made video games. Why did this happen? This is an important question to ask, not only from an economic perspective, but also from an International Relations perspective.

Because of the enormous popularity of Japanese video games on the Western market in previous decades, it is not a huge step to make to link the concept of Soft Power, the potential to 'get others to want what you want' through ways other than force or economic influence, to the popularity of Japanese video games overseas.[3] Video games are a very popular, widespread medium in which, on average, people spend more time than on other media like movies. Positive experiences and images portrayed in these video games might be able to change consumers' views and perception when it comes to, for example, a certain country.

The research in this thesis will be conducted in the form of a survey amongst experts from the Dutch video game industry. The experts consulted in this research are all professionals active in the Dutch gaming industry. These experts will be asked about their opinions concerning the factors contributing to the decrease in popularity of Japanese video games in the West, as well as about if, and how, they think Japanese video games possess the capability to influence consumers' image and opinion on Japan as a country. The results from this survey will be discusses and compared to existing literature.

The topic of this thesis is worth researching because it will tackle a quite underrepresented facet of Japan's creative industry and how it connects to the concept of Soft Power in International Relations, and how it impacts Japan as an actor on the international stage. The 'Cool Japan' campaign is an extensively researched subject, but almost the entire existing pool of literature talks about popular culture and the creative industry as a whole. Not singling out these different media and talking about how they can affect the image of Japan in different ways overseas, is something which should be looked into further by scholars interested in International Relations.

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[3] Joseph S. Nye, "Public Diplomacy and Soft Power." *Annals of the American Academy of Political and Social Science* 616, no. 1 (2008): 94–109, p.103.

1.2 Research question and Hypothesis

This thesis will be aimed at answering two main research questions:

1.What contributed to the dip of popularity in Japanese video games during the past decade?
2. Do Japanese video games have the potential to increase Japan's Soft Power, and in what way?

Because the video game industry is not often singled out when the links between Soft Power and Japan's creative industries are examined, that specifically will be the main focus of this thesis. In the Literature Review we will examine how the creative industries and Soft Power are related to one another, as will we look at how the Japanese video game industry went through a rough period when it comes to foreign sales in the past decade. The reason for this difficult period in the industry is not only interesting from a purely economic standpoint, but because Soft Power is an important resource to any country, it is only natural that the cause of a potential hindrance to said resource is an important subject to study.

A plausible hypothesis for the first question is the following: Japanese game developers are often still focused on the domestic market, which has remained stuck in the same genre of video games for a long time, mainly consisting of story/text-heavy fantasy RPGs (Role-Playing Games). This cannot simply be overcome by localizing the games and publishing them overseas, because the style does not appeal to the general consumer in the West. One way to counteract the difference in preference of consumers overseas, could be by developing games specifically catering to the taste of the typical Western consumer, focusing less on the domestic market. Distinct features which do not appeal to the larger Western audience en masse, is the typical anime art style of a lot of Japanese RPGs, as well as the fantasy settings and the very text and story heavy contents of these games. Realism has become more important to Western consumers, and it has become harder for the typical Western consumer to be drawn in by the typical stylized, story-heavy Japanese video game. Furthermore, video game developers from the United States and Europe in particular, have been providing some real competition for Japanese developers, who, up until little over a decade ago, had very little competition when it came to strong RPG's and their fanbases.

As for the second question on Japanese video games and Soft Power, it is not unlikely that video games can indeed contribute to Japan's Soft Power, by swaying public opinion in, either,

allied or unfriendly countries. Video games are powerful mechanisms with a very widespread reach, capable of introducing someone to a completely unfamiliar setting. Japanese video games which portray Japan in a favorable light by using its rich history and culture, for example, might well be capable of slowly changing sentiments or make favorable sentiments towards Japan stronger.

1.3 Literature Review

Japan was the authority on video game production during the years leading up to the mid-2000's. This brought with it not only financial benefit for the publishers and developers creating and selling video games internationally, but also helped Japan gain popularity and attention amongst the younger public overseas. This is something the Japanese government aimed to stimulate with the 'Cool Japan' initiative at the start of this decade, granting support by means of subsidies and grants to a plethora of areas in the entertainment industry, including video games. Why is Japan so keen on improving its overseas' popularity through pop-culture? Other than the obvious answer, economic benefit, the Japanese government aimed, and still does, to use popular culture in its attempts at nation branding overseas for political purposes.[4]

The case of the 'Cool Japan'-project is often perceived to have the goal of increasing Japan's 'Soft Power', both by the enactors, the Japanese government which aims to increase its Soft Power through this, as well as scholars studying the subject. Lam describes the reason for this as being a countermeasure to the threat of a rising China. To maintain its position of power, Japan needed to act and use its appeal to promote itself internationally.[5] 'Soft Power' is the counterpart of 'hard power', namely the power to persuade and incite action, rather than forcing or coercing someone, or something, into action. The concept of Soft Power was first introduced on a large scale by Joseph Nye in 1990. Nye explains it as being the power to 'getting others to want what you want', rather than causing action using military or economic power.[6] Traditionally, power was considered to be that of the 'raw' kind, namely strength of a nation's army, population size, and territory. According to Nye, however, during the end of the Cold War this emphasis was shifting to the 'soft' power variety. This being comprised of concepts like a nation's progress in aspects like education and technological advances.[7]

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[4] Katja Valaskivi, "A Brand New Future? Cool Japan and the Social Imaginary of the Branded Nation," *Japan Forum* 25, no. 4 (2013): 485–504, p.488.

[5] Peng Er Lam, "Japan's Quest for 'Soft Power': Attraction and Limitation," *East Asia* 24, no. 4 (2007): 349–63, p.352-53.

[6] Joseph S. Nye, "Soft Power," *Foreign Policy*, no. 80 (1990): 153–71. p.167.

[7] Nye, "Soft Power," p.154.

Nye states that scholars who deny Soft Power, do not understand the workings and importance of attraction on the international stage.[8] As Nye mentions, Soft Power is not a mere figment of imagination, but a reality, and should thus be taken into account as a valuable asset to a nation's international presence and influence when talking about International Relations. More specifically, Nye talks about different aspects of Soft Power, of which the cultural aspect is of the most value to this thesis. Nye makes the distinction between the aspects of culture aimed at the elite, such as education, and aspects of culture which appeal to the masses, also called popular culture.[9]

On the international level, Soft Power is highly valued by governments, an example being Russia and its quest for Soft Power.[10] This is the main reason why Abe started the 'Cool Japan' initiative. The plan is to convert people's interest and love for Japanese pop-culture into a broader love and interest for Japan.[11] Douglas McGray connects Japan's 'coolness' and Soft Power in somewhat of the same way that Hollywood has contributed to the United States' Soft Power.[12] Furthermore, some scholars say that a mix of Soft Power and traditional 'hard power' is used by countries, weighing and contemplating the best way to use these two forms of power, on the international stage.[13] Soft Power plays a significant role when aiming to dominate the sphere of world politics. Getting to want others what you want, effectively lets a certain entity dictate the agenda and reinforce its own interests.[14]

Soft Power as a means to influence a country is not a new phenomenon and can be found in the use of cinema in post-war occupied Japan. Japanese citizens were conditioned to behave in

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[8] Nye, "Public Diplomacy," p.96.

[9] Ibid, p.96.

[10] Alexander Sergunin and Leonid Karabeshkin. "Understanding Russia's Soft Power strategy," *Politics* 35, no. 3-4 (2015): 347-63, p.353.

[11] Green, "The Soft Power of cool," p.48.

[12] Douglas McGray, "Japan's Gross National Cool," November 11, 2009. http://foreignpolicy.com/2009/11/11/japans-gross-national-cool/.

[13] Per Jansson, "Smartness as Prudence: Smart Power and Classical Realism," *Journal of Political Power* (2018): 1–18, p.4.

[14] Lin Li and Leng Hongtao, "Joseph Nye ' s Soft Power Theory and Its Revelation Towards Ideological and Political Education," *Humanities and Social Sciences* 5, no. 2 (2017): 69–74, p.70.

an 'American' way, for example in respect to gender rights.[15] Commercial trends are very much a factor when looking at sentiments towards a certain nation or institution and can serve political purposes which might not be foreseeable as of now. McGray also states that Japan lacks the means to actively use this 'coolness' to its advantage.[16]

Another example of Soft Power in effect would be Japan's attempts to influence young Chinese citizens through its pop-culture. It is a well-known fact that Sino-Japanese relations have struggled throughout the post-war period. Anti-Japanese sentiment in China is one of the factors standing in the way of improved bilateral relations between these two nations. This is where Japanese pop-culture comes in as a factor in diminishing this sentiment amongst a group of the Chinese population, namely youngsters. Consumption of anime and other Japanese media is apparently contributing to these young Chinese having a less negative image of Japan, and a more open stance to other aspects of Japanese culture.[17] This process is something which does not happen overnight, and therefore a very good way to illustrate the way in which Soft Power leaves its marks on the international stage.

Of course, like any other new concept introduced in the field or International Relations, Soft Power as a theory has been subject to criticism as well. Attending to these criticisms and refuting them, will hopefully show the credibility of Nye's Soft Power argument. After explaining the basic concepts of Soft Power and Nye's work on the subject, Umut Yukaruç introduces three points of criticism the concept of Soft Power often faces. The first one being unoriginality. Yukaruç explains that Nye's explanation of the concept of Soft Power shows resemblance to other more prevalent theories. Realism, a theory in International Relations which assumes that international actors are always in some sort of conflict while pursuing more power, is normally perceived as being based around the measurement of tangible concepts of power. Yukaruç states, however, that intangible concepts like psychology and public opinion also have been recognized as factors of

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[15] Jennifer Coates, "Socializing the Audience: Going to the Cinema in Post-War Japan," 14, no. 2 (2017): 590–607, p.595–97.

[16] McGray, "Japan's Gross National Cool."

[17] Francesca Zhang, "Japanese Anime's Impact on Chinese Youths," University of Iceland School of Humanities Press, May (2017), p.36-37.

importance in Realist theory before. [18] The Gramscian theory also mentions active consent as a power. Active consent is needed to maintain subordination of the lower classes in the civil spheres.[19]

Although abovementioned criticism does indeed touch upon concepts which do not necessarily involve force or use of economic power, Soft Power as a concept of 'intangible power' on its own is a useful method to look at the influence of modern-day communication and media. Soft Power is, as Nye also mentions, more of a tool to analyze specific phenomena in the sphere of International Relations and International Politics, not an all-powerful theory. In that sense, it is not fair to compare it with all-encompassing International Relations theories like Realism, because these bring with them a whole set of 'rules' which have to be adhered to.

Yukaruç's second point posed the question of quantifiability. How does one go about measuring the Soft Power of an entity? Valid criticism is that it is hard to prove that a change in policy or behavior of one international actor, does not infer that it was caused by another actor's influence through Soft Power.[20] There have been attempts to measure Soft Power by means of polling, but Yukaruç's asserts that indexing countries based on favorable opinions towards said countries is not enough to prove if Soft Power has actual effects on the effective power of a state.

Valid as the criticism of absence of concrete quantifiable data to support the claims that Soft Power influences the actions of states on an international level, the concept of Soft Power does not claim to instantaneously invite sudden actions or sharp changes in policies or bilateral agreements, for example. Rather, Soft Power is viewed as a slow process to get a nation's population, or part of it, to think the way you want them to think, or at least think in a more favorable way towards 'you' than before. Something not being directly quantifiable, does not entail that it is non-existent.

The third point of criticism centers around the ambiguity and vagueness within the concept of Soft Power. According to Lock, Nye focuses on the 'enforcer' of Soft Power rather than the 'subject', and neglects to take into account the dependency of Soft Power on the relationship

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[18] Umut Yukaruç, "A Critical Approach to Soft Power," *Journal of Bitlis Eren University* 6, no. 2 (2017): 491–502. p.496-97.

[19] Yukaruç, "A Critical Approach," p.498.

[20] Ibid.

between these two actors.[21] Furthermore, Yukaruç states that it is hard to prove the relation between civil society, or public opinion for that matter, and the political realm and international policy. He closes his last point of criticism with stating that Nye's concept of Soft Power not only considers states as being able to use Soft Power, but also large corporations and other entities with a reasonable amount of influence.[22]

Though it is undeniable that Soft Power as a concept is very broad and inherently not as set in stone as one would expect from such a widely used term within International Relations, stating that it is ambiguous is quite the stretch. Nye explains quite well how Soft Power is very much dependent on the relationship and the 'weaker party'. He elaborates how, in the interlinked modern international society, interdependence is very much a part of the push-pull way of exercising Soft Power.[23]

As for the relation between public opinion and international policy, a study published in American Political Science Review investigated the relation between public opinion and foreign policy in democratic countries. The study found that public opinion has a very large impact on maintaining peace between fellow democratic countries.[24] Public opinion, through the system of democracy, has a rather direct way of shaping policies to be carried out by governments. Of course, this does not mean that public opinion directly dictates the way in which a foreign government conducts its foreign affairs, but one can be sure that ignoring the vehement sentiments in society towards certain subjects will lead to negative results in elections, which can act as a strong incentive for a government to take or withhold from taking certain actions. In China, which is not a democratic country by usual standards, things are quite different. Because the state heavily governs the media and the information which its citizens have access to, it is argued that public opinion is heavily shaped by said government. The Chinese government often uses public opinion, or the people's will, as a way to justify certain actions.[25] Although this way of justifying policies is

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[21] Lock, "Soft Power and Strategy," p.34-35.

[22] Yukaruç, "A Critical Approach," p.500.

[23] Nye, "Soft Power," p.158.

[24] Michael R. Tomz and Jessica L. P. Weeks, "Public Opinion and the Democratic Peace," *American Political Science Review* 107, no. 04 (2013): 849–65, p.850.

[25] Yun Sun, "Chinese Public Opinion: Shaping China's Foreign policy, or Shaped by it?" December 13, 2011. https://www.brookings.edu/opinions/chinese-public-opinion-shaping-chinas-foreign-policy-or-shaped-by-it/.

another indication of how public opinion and governmental policies are interlinked, it is not a favorable one. However, if one were to look to outside factors, like the consumption of Japanese pop-culture and media by Chinese youths, a crystal-clear example of Soft Power in action, as a way to change public opinion, one could argue that swaying public opinion would make it more difficult for the Chinese government to validate its actions on the international stage.

Soft Power as a concept is not perfect, but it attempts to account for modern developments on the international stage and in the interactions between states and other actors, and it does so quite adequately. Nye talks about how the balance of resources and their implications for international power are shifting.[26] From this we can see that Nye is not arguing that hard power resources, like military and economic power, are becoming invalid. Now even more than when Nye first introduced the concept of Soft Power, the world is becoming more and more interlinked. Through channels previously non-existent, a country, or other actors like corporations, can spread their influence further than ever before.

As you can see from the example of Japanese pop-culture and Chinese youths mentioned earlier, Japan and Soft Power are mostly examined in scholarly works through the Asian lens. Soft Power through the popularity of Japanese pop-culture in South Korea and China, is often the topic of discussion. Not often discussed, is Japan's Soft Power and its interaction with Europe and the United States. One of the reasons why an increase in Soft Power for Japan when interacting with the West can be beneficial, is that Japan wants to garner support for its territorial issues with China and South Korea. Heavy economic sanctions are not a direct fear, because the economies of the three countries being heavily interlinked.[27] However, the populations of both South Korea and China rising up against Japan, due to issues like the island disputes with both South Korea and China, is not desirable.[28] International support for their cause, although not as easily obtained as I portray now, would greatly strengthen Japan's case in a push for a definitive solution for these territorial problems.

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[26] Nye, "Soft Power," p.171.

[27] Xianghua Wen, "Territory Disputes and the Triangle Relationships between Japan , South Korea and China," MA Thesis, Aalborg University, 2012, p.54.

[28] Ibid, p.4.

The relation between Japan's popular culture and Soft Power is also examined in another study, which looks at Japan's changing image through popular culture in Northeast and Southeast Asia. This study reveals that, even in countries where Japan has a rather negative image due to historical events, popular media and the consumption of Japanese entertainment can bring about a shift in mentality towards Japan as a country.[29] Problematic in the literature on the subject, is that almost all of it is focused on Japan's image and Soft Power in relation to other Asian countries with a traditionally rather negative image of Japan as a country and the Japanese people.

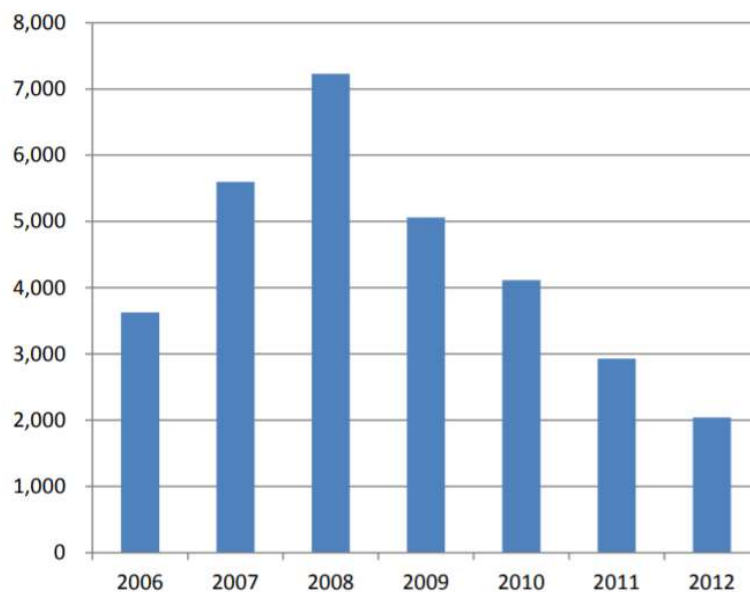*Exports of Japanese home video games (unit: $1000)*

Figure 1: Exports of Japanese home video games
http://www.kantei.go.jp/jp/singi/titeki2/tyousakai/kensho_hyoka_kikaku/2015/dai5/s ankou1.pdf

As illustrated by the examples of Soft Power and its effects in the previous paragraphs, entertainment has great potential to boost a country's influence overseas. But at the same time, one of the largest entertainment industries in Japan, the video game industry, has not been the subject of study when talking about Soft Power and Japan. During the second half of the past decade, sales of Japanese video games in countries outside of Japan were on the decline severely (figure 1). Having talked about Soft Power, and established its importance to the Japanese state, it is not a huge stretch to see the development of decreasing overseas sales of a popular form of Japanese

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[29] Nissim Kadosh Otmazgin, "Japan Imagined: Popular Culture, Soft Power, and Japan's Changing Image in Northeast and Southeast Asia," *Contemporary Japan* 24 (2012): 1–19, p.15.

entertainment, which can be seen as a Soft Power resource, as problematic. Not only in the economic sense, but also in the political spectrum.

To gain a better understanding of the possible causes and reasons for the aforementioned phenomenon, it is necessary to take a look at the contents of and changes to the video games being produced and bought by players during this period of decreased sales and popularity. Let us get into the specifics somewhat further: Especially the Western consumers lost interest in the, up until that point, very popular Japanese-style fantasy RPG games.[30] These games are very dear to the average Japanese consumer, because they often contain characters from other popular media, like manga and animated films, which might not be as widely known overseas.[31]Realism, as in how close a video game is to the actual real world, became more of a factor in decision making during the process of purchasing games for consumers in Europe and the United States. During the earlier days of video games, due to the lack of computing power in computers and video game consoles, realism was not something that was aimed for during the creation of video games. It is widely accepted that, because realism was simply not available during these times, the typically Japanese fantasy RPG-style games flourished in both Japan and the rest of the world, and when realism became more and more of an actual part of Western video games, the typical Japanese games experienced a drop in popularity. The late former Nintendo chief Satoru Iwata has stated that after the decline of the PlayStation 2, Japanese video games struggled overseas, due to the realistic competition from the likes of games like Call of Duty and other first-person shooting games.[32]

The Japanese video game market was never very welcoming to Western competitors. Foreign gaming consoles like the xbox, combined with the first-person shooting games mentioned above, made it so that Japanese consumers were even more tentative to stay loyal to their homegrown products. Quite logically, Japanese developers focused on the strong domestic

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[30] Stephen Totilo, "Japanese Games are Less Popular These Days Because of Changing Tastes In Graphics, Says Nintendo," February 2, 2011. https://kotaku.com/5797769/players-desire-for-realistic-graphics-limits-the-global-appeal-of-japanese-games-says-nintendo.

[31] Hiro Izushi and Yuko Aoyama, "Industry Evolution and Cross-Sectoral Skill Transfers: A Comparative Analysis of the Video Game Industry in Japan, the United States, and the United Kingdom," *Environment and Planning A* 38, no. 10 (2006): 1843–61, 1848.

[32] Ibid.

market.[33] This can be seen as a reason for the disconnect between the products Japanese developers made, and the Western consumers which stopped buying them.

The decline of Japanese video game sales in the Western market coincided with the fact that the Japanese domestic market has been moving from the traditional 'home-style' video game, to the more portable and convenient mobile phone game over the past decade. As Famitsu magazine shows in its data-analysis of the Japanese video game market, the revenue of Japan's mobile game market has increased almost sevenfold over the span of 4 years, from 2010 to 2014.[34] The huge growth of the mobile game market in Japan is seen to have contributed heavily to the decrease of popularity of the traditional 'home-style' video game.[35] The disparity between the global and domestic markets caused Japanese developers to focus on their domestic consumers' needs, more than on the needs of their foreign counterparts. The beforementioned needs being the preference for portable gaming by Japanese consumers, demonstrated by the popularity of video game consoles like the PlayStation Portable as well as all Nintendo handheld consoles, as opposed to the typical 'Western' consumer still preferring the at-home-style video game. This fact resulted in the switch to mobile game development by many Japanese developers, where they first focused on the development of 'traditional' video game software. The fact that Japan is slow to adapt to the global market, as well as many Japanese companies focusing on domestic sales rather than the global market and sticking to producing video games with distinct features of interest to domestic consumers, will certainly cause trouble again further down the line.

Nevertheless, Japan's video game industry has been doing well overseas in the past couple of years. According to website vgchartz.com, which keeps track of sales of video games worldwide, Japanese video games have been regularly getting high rankings for the past three years. The release of Nintendo's huge success, the Nintendo Switch console, can certainly be identified as part of the reason this rise is happening, since all of Nintendo's iconic games have been selling well thanks to this new influx of buyers. Nintendo is not the only one to thank for this revival, however. The return of popular long running series like the Yakuza series, *Ryū ga Gotoku* in Japanese, as

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[33] Sam Byford, "Japan used to rule video games, so what happened?" March 20, 2014.
https://www.theverge.com/2014/3/20/5522320/final-fight-can-japans-gaming-industry-be-saved.

[34] Famitsu, 2015, "Famitsu Game White Paper 2015." https://www.enterbrain.co.jp/files/pdf/release150612.pdf.

[35] Dal Yong Jin, "The Emergence of Asian Mobile Games: Definitions, Industries, and Trajectories," *Mobile Gaming in Asia: Politics, Culture and Emerging Technologies* (2017): 3-20, p.13.

well as Final Fantasy XV and games like Monster Hunter World, all of which have incredibly large fanbases outside of Japan, have contributed to this surge of vitality.[36] But why did it take so long for this to happen? This fact makes it all the more curious as for why Japanese video games had such a difficult time overseas in the decade before this revival. This is what this study will attempt to bring to the surface.

Next, we shall take a look at what specifically is still not well represented in the available literature. First of all, a gap can be observed when looking at the fact that the video game industry in Japan is highly underrepresented in the discourse on Japan's Soft Power. It is often thrown in with the likes of anime and manga as one of Japan's facets of 'coolness', but it stands out in the fact that it has the potential to reach a more varied audience thanks to it not being bound to a certain style of design. It can therefore be argued that the importance of the Japanese video game industry for Japan's Soft Power in the rest of the world, but in this case specifically the West, deserves a lot more attention. Now that we have looked at the effects of the performance of Japanese video games overseas, and, as previously mentioned, the fluctuations of this performance, the following step is to determine what this research is going to contribute.

In the literature evaluated on the Japanese video game industry, the future is sketched either very brightly, or very grimly. On the one hand, it is often stated that Japan's video game industry is flourishing because of its mobile game powerhouses in its domestic market[37], and on the other hand, Japan's video game industry is often said to be doomed to fail because of its failure of innovation and adaption to the global market. It is hard to imagine the truth to be that black and white, so the aim of this thesis will be to look at the fluctuations of the Japanese video game market in the West and examining why the big dip at the end of the last decade and the start of the present one took place from a different perspective. There are a lot of news articles on the subject, but the academical works on the matter are not in abundance, especially not with opinions from experts. By linking this phenomenon of the fluctuating international market of Japanese video games to Japan's Soft Power, I hope to be able to come to new insights and add to the, still small, pool of literature on the subject.

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[36] Tim Henderson, "Japan's Revival, How the Japanese games industry found its feet again," September 18, 2018. https://in.ign.com/monster-hunter-world/127937/feature/japans-revival.

[37] Hisakazu Hirabayashi, "Video Games: A Winning Strategy for Japan," May 14, 2015. https://www.nippon.com/en/in-depth/a04103.

A different, new perspective is needed to escape the often-used Asian lens when examining Japan's popular culture and Soft Power. The reason for this is to give new insights on the problems Japan faces with trying to attract more attention towards the positive, entertaining aspects of its culture. Furthermore, existing studies are usually completely focused on the opinions of consumers in the countries of interest. Although this group is indeed the direct target of strategies involving popular culture and swaying existing images of Japan, it would also be very interesting to take the perspective of industry professionals and ask them about the possibilities of video games and their potential influence on consumers, as well as at the same time inquiring about their take on the previously decreasing market for Japanese video games in the West.

This new take on studying Japanese popular culture and Soft Power will hopefully be a worthy contribution to the literature on the subject. Undoubtedly, the findings of this study will be of interest to people interested in International Relations and politics, but it might also serve as a source of information for the Japanese video game industry, since the industry experts questioned in this thesis could provide new angles to better engage consumers in the West. That being said, it is also not unrealistic to assume that the findings of this research will not be all that revolutionary. The video game industry being as intertwined around the world as it is today, could cause perspectives to be melding together.

Chapter 2

2.1 Theoretical Framework:

The theoretical framework for this study will be based on the concept of Soft Power, which, in contrast to a theory like Realism, does not assume that a state's influence in International Relations and politics is solely based on material prowess, but also on the concept of 'Soft Power'; the means to exert influence indirectly on foreign powers by several media other than force and economic influence. If one takes this into account, the potential influence of popular culture can be of great importance in shaping sentiment towards a country. As mentioned in the Literature Review, an example of Soft Power is how Hollywood shapes global perception of the United States, often resulting in people thinking positively about, and admiring the United States.[38]

Why does Soft Power matter in the context of this research? Even though, in the academic world. there is quite some debate on whether the concept of Soft Power is accurate, slightly ambiguous, or even dead wrong, we can see from the analysis in the Literature Review that there are several examples and instances which show us that there is indeed a certain amount of validity to this concept. Subsequently, if we consider Soft Power in the equation, it is relatively easy to understand why Japanese video games' popularity in the overseas' market is important. Of course, Soft Power is not absolute, and hard power is still relevant, but especially in the case of Japan, a country with little to no hard power resources aside from its economy (i.e. deployable military forces, nuclear capabilities, etc.), the importance of bolstering the Soft Power capabilities to their maximum cannot be disputed.

If we were to integrate Soft Power into an existing International Relations theory, the first one to spring to mind would be Realism. In the Literature Review, we briefly touched upon the Realist theory in International Relations when talking about criticisms Soft Power often faces. The classic Realist approach to International Relations often contains terms like 'zero-sum game', and 'distribution of power'. Realism assumes that all power gains have to come from somewhere. To

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[38] Emrah Aydemir, "Use of Hollywood as a Soft Power Tool in Foreign Policy Strategy of the United States of America." *International Journal of Humanities and Social Science Invention* 6, no. 11 (2017): 79–83, p.82.

give an example: all nations cannot simultaneously become more powerful. Since Realism dabbles with concepts of power the most out of all International Relations theories, it is the best fit for Soft Power, since this is still a form of power. There is much discussion on if Soft Power fits within the constructs of Realism. If one assumes that international actors and states make use of power to accomplish their goals, Soft Power as a concept is very much applicable. Even though it is not a traditional form of power, it is undeniable, as discussed in the literature review, that there are actual effects caused by the use of Soft Power which can be considered to resemble the results gained from other forms of power. The whole basis of Soft Power is centered around the concept of changing the way of thinking of the population of a, or multiple, countries. This, in itself, enforces the concept of a zero-sum game in International Relations. Swaying the opinion of a nation's population for one's own gain, means that another actor/nation is going to experience a relative loss in power.

For the purpose of clarity, an understanding of the meaning behind the term 'Soft Power' used in this research is not an unnecessary luxury. There is quite some discussion on the exact definition of Soft Power and what it encompasses. Some scholars tend to include quite a wide range of concepts, like economic sanctions, into their definitions of Soft Power. Critics argue that Nye's 'American-originated' idea of Soft Power and hard power, does not fit all cases.[39] In this thesis, the definition of Soft Power adhered to will be the following: The ability of a country or actor to get what it wants without using traditional force, but rather by persuading the other to want the same thing. This study is not necessarily aiming to contribute to the existing literature on Soft Power as a concept in International Relations. Rather, it is aimed to use Soft Power as a method of analyzing the importance of the drop in popularity of Japanese video games in the West.

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[39] Ernest J. Wilson, "Hard Power, Soft Power, Smart Power," *Annals of the American Academy of Political and Social Science* 616, no. 1 (2008): 110–24, p.114.

2.2 Methodology:

As we have established that Soft Power as a concept is indeed quite valid when it comes to influence in International Relations, the assumption that further penetration of the Western video game market is desirable for the Japanese government, is not an enormous leap to make. The next question is: How would this be accomplished? An interesting idea is to ask the opinions of industry experts from the West, who fulfill both roles of consumers as well as providers of video games. By asking the opinions of industry experts, in the form of video game developers working in the Netherlands, on their views on Japanese video games and their discrepancies, the hope is to come to new insights on how Japanese video game developers could go about penetrating the Western market further. The aim of this research is not to aid Japan in increasing its Soft Power, but to offer a different perspective on the performance of the Japanese video game-industry on the Western market, and hopefully create more opportunities to study this underrepresented facet of Japan's Soft Power.

Considering the aim of this research, as well as the feasibility of it, the method selected is an anonymous survey distributed amongst the community of gaming-industry insiders in the Netherlands. The survey was conducted through the online platform known as SurveyMonkey. The research will be comprised of multiple-choice questions, as well as several open ended questions, included in the appendix of this thesis, to get a better insight on the participants' view on the subject matter. This method of research has allowed me to analyze the responses of 25 industry experts, whereas doing the same process through interviews would have posed problems in finding willing participants, as well as getting a decent variety of answers. Furthermore, through feedback from acquaintances in the industry, conducting the survey anonymously arose as the preferred method, as this seemed the most likely method to guarantee a decent response rate. To ensure that respondents were indeed located in the Netherlands, the only data collected were IP-addresses. This data will in no way be used for any other purpose than ensuring the validity of the responses.

Results will be discussed and categorized according to similar characteristics. The aim is to attempt to discover a theme throughout the responses, if present, and integrate this into my own findings to test my hypothesis. This will be done manually, as the scale of the survey does not warrant intricate statistical analysis and relies more on text-based interpretation. Hence, software like SPSS will not be used in the results section of this thesis. Since the survey was conducted

through SurveyMonkey, use was made of its onboard analytical resources. SurveyMonkey provides useful graphs as well as methods to order responses by subject, so as to make it easier to detect patterns and similarities.

Subjects were contacted both through connections in the industry, as well as through a Facebook community for industry professionals. Since the response rate was not as high as expected, several attempts were made to contact new subjects. Although a response rate of 25 people would not be a very large sample pool for a quantitative research, for this study, which aims to answer the research questions of this thesis through open ended survey questions, it was deemed to be sufficient to gain ample insight on the matter.

Why experts from the Dutch gaming industry? The Dutch gaming industry is internationally known for its 'leading role' and for possessing a great deal of potential[40]. It is also one of the leading countries when it comes to educational options for aspiring game developers, boasting more than 40 educational programs.[41] The Dutch video game industry has also experienced incredible growth over the past few years, and is attracting more and more foreign talent.[42] Furthermore, rather than encompassing the entire global market in this study, which frankly is an insurmountable task, looking through a Dutch lens will give a unique perspective which might differ from results of research conducted in other countries. It is important to differentiate between countries, even in the West, because the way video game industries function, can differ vastly from country to country, even if the consumers in said countries have similar preferences.

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[40] David B. Nieborg and Jeroen de Kloet. "*A Patchwork of Potential : A Survey of the European Game Industry,"* in *Global Game Industries and Cultural Policy* ed. A. Fung, (Palgrave Macmillan, 2016): 201–26, p.212-213.

[41] Dutch Game Garden, *About Dutch Game Garden*. https://www.dutchgamegarden.nl/about/.

[42] Dutch Game Garden, *Games monitor 2015*, (2015), p.9. https://www.dutchgamegarden.nl/project/games-monitor/.

2.3 Scope and limitations:

To keep this study relevant and executable, setting clear definitions on Soft Power and subsequently examining the results of conducted research on the subject of Japanese video games and their popularity in the West, as well as their potential to influence a consumer's image of Japan, amongst experts in the front-running video game industry of the Netherlands, were chosen as the method of research. By employing these methods, this study will attempt to give new insights on the field of International Relations and Japan and provide possibilities for further future research on the impact of creative industries and their performance and a country's Soft Power.

A number of 25 experts were consulted through a survey comprised of 8 questions, both multiple choice and open ended. The fact that a survey was chosen as the preferred method in this research, provides opportunities to conduct similar studies through other means and with other methods to provide further information on the subject. The aim of this survey was to obtain new insights and perspectives on the connection between Japan's Soft Power and its video game industry, and, consequently, why the medium of this Soft Power, namely Japanese video games, did poorly on the Western market in the past decade. By asking questions, ranging from questions on the respondents' own experiences as professionals in the industry, to questions on their experience as consumers, interesting results can be expected. Furthermore, rather than asking questions to industry experts from the country of subject, turning the tables and asking these questions to experts with an external viewpoint seemed like an interesting new take. This, in turn, does mean that the results may differ greatly from, for instance, a study with exactly the same questions asked to a panel of experts from the Japanese gaming industry. That in itself could provide to be a good subject for another study.

Since the survey was only conducted amongst 25 people, it is not enough to be considered a quantitative research. This was not the aim to begin with. For feasibility purposes, the option of a multiple choice and open-ended question hybrid was chosen. Therefore, this study should not be considered to be representative for the opinions of Western game developers in general. The purpose of this study is to give insight on the opinions of industry experts, and draw conclusions based on similarities and differences to the examined literature and data.

Furthermore, the fact that the area of operations was also limited to the Netherlands could lead to a slight bias being present in the expert's opinions on the subject of this research. Another

idea for a follow-up study would be to scale this research up, and see if there are differences amongst countries in, for example, the European Union or between Europe and the United States.

Chapter 3

3.1 Survey and results:

Chapter 3 consists of the results of the survey, presented in a neutral manner, trying to find corresponding answers and patterns, as well as distinct differences between the answers given by the respondents. The second part of this chapter will go into discussing and analyzing the findings and compare and contrast them with the already existing and examined literature, as well as interpreting them and trying to incorporate them in the framework of Soft Power.

The aim of this study was to look at the phenomenon of decrease sales of Japanese video games on the Western market during the second half of the past decade through a different lens. This metaphorical lens is formed by two intrinsic aspects. One is the analysis and interpretation of the concept of Soft Power, looked at in the Literature Review and Theoretical Framework parts of this thesis, and the other is an analysis of the opinions and insights on the phenomenon of 25 experts currently active in the Dutch gaming industry. The survey conducted, was designed with the aim to answer the two main research questions mentioned in Chapter 1. To do this, eight questions were formulated, part of which were meant to ascertain the respondents' perspectives, and part of which were aimed to find answers to the research questions of this thesis. The survey was conducted between the 6th of June, 2018, and the 6th of August, 2018.

We will now take a look at the results gathered through the survey conducted for this thesis. We will focus on the results which are of value when attempting to answer the research questions posed in Chapter 1 of this thesis:

1. What contributed to the dip of popularity in Japanese video games during the past decade?
2. Do Japanese video games have the potential to increase Japan's Soft Power, and in what way?

As a sub-question to the second research question, the subjects were also asked about how they think Japanese developers could improve their processes so that their video games may to better overseas.

The survey was deliberately designed to consist of both multiple choice and open questions. The reason for this being that, firstly, we will use the multiple-choice questions to, where possible,

divide the subjects into groups based on the results of these questions. Secondly, the open questions will be examined in detail. Next, you will see the tables with the results from these multiple-choice questions.

Which of the following best describes your current occupation at your employer?
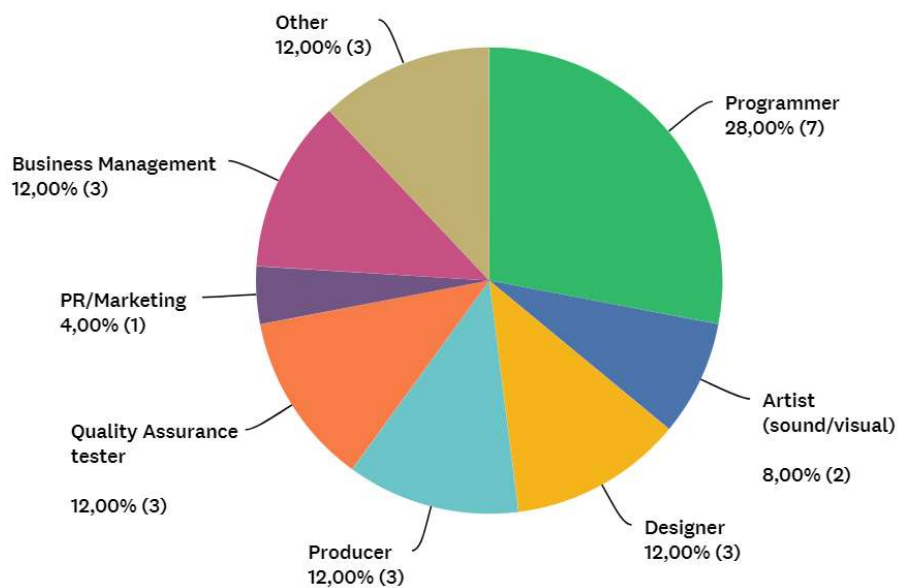
- Other 12,00% (3)
- Business Management 12,00% (3)
- PR/Marketing 4,00% (1)
- Quality Assurance tester 12,00% (3)
- Producer 12,00% (3)
- Designer 12,00% (3)
- Artist (sound/visual) 8,00% (2)
- Programmer 28,00% (7)

Figure 2

The graph above depicts the occupations of the subjects within the industry. For practicality purposes, the most common occupations were given their own category, and fewer common occupations were united under the category 'other'. The reason a question was added to find out what the respondents' occupations are, is to find out if certain similar answers are given by people carrying out the same work in the field. If this is the case, and the answer holds a connection to their field of work, it lends more credibility to the answer, since it is even more in the respondent's field of expertise.

The following figure, figure 3, shows us what the subjects answered when asked whether or not they have any experience working with Japanese video games. The purpose of this question was, again, to make it easier to divide answers given into understandable groups to detect possible

similarities or differences in answers based on first-hand experience. As the data shows, subjects with experience working with Japanese video games form the majority.

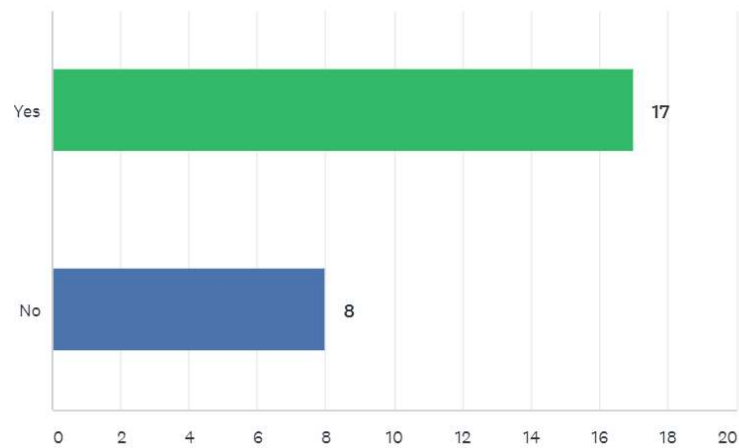**Do you have any experience working with Japanese games?**
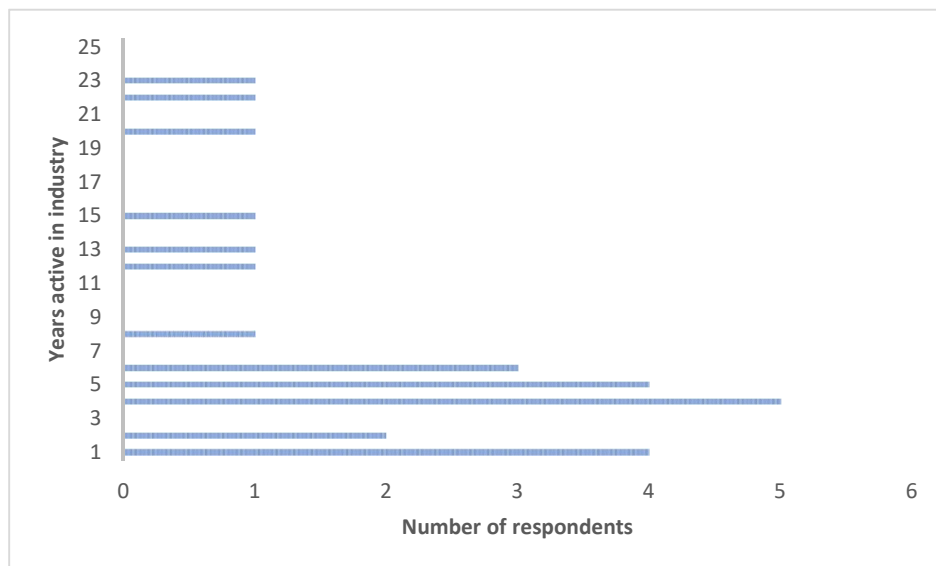

Figure 3

Figure 4

Figure 4 shows us the respondents' respective number of years active in the video game industry. The results show quite the spread of experience, which, when coupled to the answers of

the open questions, can hopefully help identify patterns and similarities between answers from subjects with a relatively close number of years of experience.

The figure below, figure 5, shows us what the subjects replied when inquired about their knowledge of the phenomenon of decreased sales of Japanese video games in the Western market during the second half of the past decade. A clear divide is noticeable in this question, which is favorable when trying to assign the subjects to groups when looking for patterns in their answers to the open questions to follow.

These multiple-choice questions have helped us establish a set of variables to assess the responses to the open questions from our subjects. This is essential when trying to answer the research

Awareness of dip in Japanese videogame popularity in the West

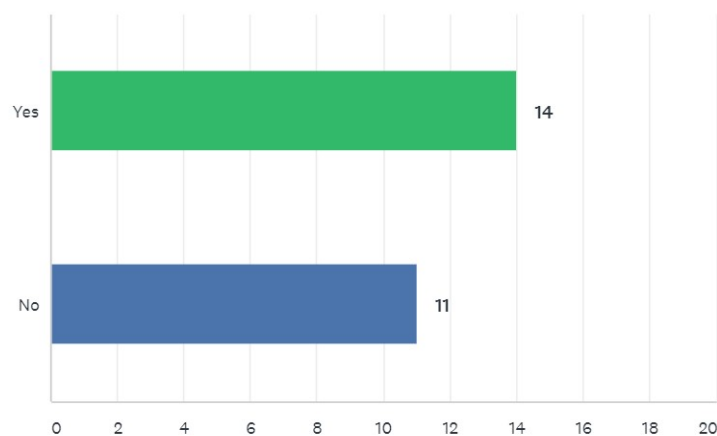| Response	Count
Yes	14
No	11

Figure 5

questions repeated at the start of this chapter. If we do not have the tools to categorize the subjects when looking at their more complex answers, it becomes a lot harder to assess whether or not there are patterns, or significant differences, between them. Discovering correlations between these variables and certain answers in the survey, provides us with a further understanding of these answers and the context in which they sit. Furthermore, similar answers from subjects from different groups can also tell us that, despite differences in experience and field of expertise, the observations made are consistent, and therefore lend further credibility to said observations.

The open questions will be discussed by text, because there is no statistical data to compile and make charts out of. Themes and patterns throughout the answers will be connected by comparing the answers and this will be supplemented by examples of replies given by individual subjects. For the purpose of clarity and effectiveness, not all answers will be examined one by one in this Results section. The aim is to give some examples of the themes discovered in each question, and highlighting answers which deviate from the overarching patterns as well. The patterns arising from the results section will be further discussed and compared to the hypothesis at the start of this thesis in de Discussion section of this chapter, as well as interpreted according to the literature examined in the Literature Review.

The first open question asks the subjects about their take on the cause of the declining sales of Japanese video games in the past decade. An overarching theme mentioned by the respondents here, is the competition from Western game developers during that era. High-quality Western alternatives to Japanese games began to rear their heads, and where Japanese Role-Playing Games used to be the genre to beat when talking about console video games. One respondent mentions that the Japanese RPG, heavily story-focused, was on the decline, while Western RPG's were popular because of the large amounts of action. Another subject states that Japanese video games had the tendency to be very similar and adhering to a static formula. Only slight variations between games was not enough to keep the Western audience interested. World of Warcraft, a massively popular online video game released in 2004, set a new standard for RPG's. On the other hand, there are also subjects iterating that, contrarily, Japanese video games started to be tailored to the Western market, which made the classically Japanese appeal fade. Large companies like Capcom, Square Enix and Konami seemed to have lost the spark they had previously.

Other reasons mentioned are the absence of large titles like Final Fantasy, the limitations of hardware for Japanese manga/anime-style video games, and saturation of the video game market in the West. Bad translations of video games released in the West also shows up as a reason in the answers of two respondents. One states the following: "Having worked as a translator for a small Japanese game company, I have to say that they really don't understand the importance of editing. My boss assumed that direct translations would be okay and that the text wouldn't need to be adjusted for it to read well." Furthermore, one subject tells us that Western games tend to have a heavy focus on user experience. A good user experience, e.g. smoothly navigated menus, is a large factor in the satisfaction Western gamers get from video games. Japan has a history of not putting

a large focus on user experience, and this could have caused a disconnect. The concept of 'grinding', investing large amounts of time to accomplish a small goal, in video games was also very prevailing in Japanese video games, according to one subject. This did not sit well with Western consumers.

When looking at the respondents' occupation, there does not seem to be any correlation between to the contents of their response. Similar answers about troubles encountered are given by people with completely different positions. Experience in the industry also does not seem to be a factor, because equally informative answers came from both industry veterans and subjects relatively new to the industry. Experience working with Japanese video games does play a factor in the usability and information contained in the replies to this question. As to be expected, the subjects with no experience working with Japanese games, save the two exceptions, have more issues when coming up with an answer.

The second open question, question six, asks the subjects why they think the Japanese market has been doing better in recent years on the Western market. The similarities between answers is easy to find. Most subjects agree that the huge mainstream popularity of Japanese popular media like anime and manga plays a role in the degree of exposure people get to Japan and its culture, resulting in Japanese video games also doing better. Examples being the, until recent years, very 'Japanese' visual novel video games. This genre was exclusive to Japan in the past but has since been doing better and better overseas as well. On the subject of genres, one respondent blames the more varied genres in Japanese video games as the reason, alongside innovation in gameplay elements, as the reason Japanese video games are recently gaining traction in the West again.

New and intriguing gameplay and improved user experience are mentioned as other factors in the resurgence of Japanese video games. One respondent tells us that it seems like Japanese video games are finally catching up to Western video games when it comes to ease of use. Western designers are looked at more frequently when designing games which try to appeal to a global audience. Examples mentioned include Monster Hunter World and The Legend of Zelda: Breath of the Wild. The overall polished feel of the products from Japan has increased, according to one subject. The creativity which seemed to be missing in the past, has been abundant as of late.

A recurring theme in the answers is also the relatively newly available online market for pc games. Platforms like Steam, a platform for distributing and buying video games, have greatly attributed to video games from all over the world not having to deal with actual logistical problems

when distributing games physically. Another respondent states that very 'niche' Japanese games are becoming more popular in the West, too. This links directly to the availability of these games on online platforms.

A very interesting take on the subject is provided by a respondent who says the following: "Japanese developers tend to avoid controversies and don't really get political like Western developers; they try to keep the focus on their games, instead of on their own ego." The subject is saying that Japanese developers focus completely and solely on their games, while Western developers and companies often do engage in these politically and socially sensitive issues, which according to this subject can be contributing to the recent rise in popularity of Japanese video games in the Western market.

As for links between the variables from the multiple choice questions and the responses given to question six, there are instances where the occupation of the respondent matches well with their answer, an example being a subject, who has indicated they work as a quality assurance tester, focusing on improvements to the 'quality of life', meaning the ease of playing, of video games, while retaining the quintessential Japanese feeling. Another example is that of two respondents, which designated their occupation as programmer, mentioning use of an online delivery platforms, which are hugely popular in the West for buying video games in the West, as a large factor in the increasing popularity of Japanese video games over the past few years. Experience working with Japanese games professionally does not seem to have a direct link to observations made in the answers to this question. There are instances of subjects with no experience in working with Japanese games giving very insightful responses, as well as subjects with experience working with Japanese video games giving somewhat superficial and not very informative answers as well. Years of experience in the industry also do not seem to correlate to any particular theme within the answers on question six. Industry veterans and newcomers sometimes gave similar answers to this question, while respondents with similar years of experience are also found to have different takes on this subject.

Question seven flows from question six. This particular question inquiries about the subjects' views on potential improvement to the development and release process of Japanese video games, so that they can do better in the Western market. This question in particular is relevant to the research question, because it can be considered a sub-question to the first research question about why the dip in popularity of Japanese video games occurred in the West. A logical follow-

up question would be, how would this be avoidable in the future? This is what question seven is focused on.

The most recurring theme in the answers to this question, is the comments on the currently lacking quality of localization of games. Localization is the process of adapting, both linguistically and related to content. Various respondents state that Japanese localization is often lacking in quality and effort. A poor job at localizing a product like a video game causes a disconnect with the target audience, which is hard to recover from. Poor localization can take the form of translations being too direct and without consideration for the fact that these direct translations might not work in another language. Another form in which it can occur, according to one respondent, is the way in which Japanese developers design user interfaces within games. The user interface is, quite literally, the way in which the player interacts with the video game. Japanese video games tend to have very crowded user interfaces, and this particular respondent thinks this deters most Western players.

Another prevalent topic within the answers, is the need for a simultaneous release date for Japan and the rest of the world. Subjects mention the need for a planned international release date from the start. Often, Japanese developers only decide if they want to release a game on the Western market after they have already released their product to the Japanese consumers, and sometimes other Asian countries, first. One respondent says that it is unreasonable that such a divide between East and West still exists. Another subject refers back to the online platforms used for buying video games, stating that "simultaneous release dates and support for Steam/PC as a platform needs to be better.", which would make it relatively easy eliminating at least the logistical problems of a simultaneous worldwide release date.

Opinions on the actual gameplay elements of the video games are varied. Some respondents think that quintessential Japanese elements in games should be preserved, only changing the utmost necessities for release to the Western audience, or as one respondent puts it: "try to keep the original content in the games and not change them to cater to Western markets." Others think these same quintessential Japanese elements deter a lot of people from even trying the games, or as another respondent phrases it: "they should do more research to what makes Western games great, instead of sticking to their own tradition. This does not mean they should completely lose their identity, but they should create a new category that fits both markets."

Question eight, the final question on the survey, directly tackles the second main research question. It asks the respondents, both as a professional and a consumer, on their opinion on the potential of video games to change people's view on Japan.

Opinions vary quite a lot on this question. There are three main groups in which we can divide the answers. One group argues that, yes, video games do have the potential to make people think more positively about Japan. The second group argues that, while video games can make people think about Japan more in depth, this will not necessarily result in a better opinion. The third group states that video games do not possess the potential to make people think more positively about Japan, because it is not so much a representation of the country, as it is of, for example, the company that made it.

The first group, which has the majority, uses several arguments. One respondent mentions that media like video games have the potential to make something look more attractive. A different respondent presents us with examples in the form of Italy and France, which have used cultural works of art from the past to shape their international image. One respondent does mention the need for universal themes throughout the games, so as to attract the general public as well. If video games focus purely on very specific Japanese cultural elements, the Western public would not understand it, and be deterred. Group number two contains arguments largely based around the fact that video games do indeed possess the capability to make the consumer think about a subject, it does not necessarily mean this has to be positive. First of all, if a Japanese video game is not about Japan specifically, one person argues, it will not have an effect on the image of Japan the consumer has. Secondly, another consumer mentions that, while video games can provide useful information and insights on a culture and country, they are still created by a company. They are representative of that company rather than the country. Lastly, the third group argues that, as was mentioned by group two as well, the video games are a reflection of their creators, and not the country of Japan. One respondent, whom was put into group three for lack of a better fit, argues that, while video games do have the potential to change opinions on Japan for the better, this will never be the case, because the settings and themes depicted in these video games are not necessarily positive.

3.2 Discussion:

In the discussion section of this thesis, we will be comparing the results from the survey to the initial hypothesis formulated at the start, as well as to the information from the Literature Review. The best way to do this is to look at the research questions and see how the hypothesis holds up against the responses from the survey, as well as discussing which results reinforce already known facts from other creative industries and their relations to Soft Power found in the Literature Review. We will not be going through every single question step by step and reiterate the exact findings from the Results section, but rather try and interpret these findings and see how they have added credibility to existing ideas in the field, as well as highlighting some new and important findings which link directly to the video game industry and Soft Power.

The first research question posed in this thesis aims to find factors playing a role in the dip in popularity of Japanese video games happened in the West. In the hypothesis, several potential reasons were described. Japanese developers are often focused solely on their domestic market when developing video games. Furthermore, quintessentially Japanese elements in video games, like deep stories with lots of text, seem to resonate less with Western consumers. In addition, the very familiar Japanese visual style, based on anime and manga, is not as attractive to Western audiences as it is to domestic Japanese audiences. In the literature review, multiple factors are identified as having contributed to the fall of popularity of Japanese video games in the Western market. Focus by Japanese developers on the domestic market and the development of games for mobile phones being amongst them.

From the findings of the survey, we can see that part of the hypothesis of the first research question, as well as information gathered in the Literature Review, can be confirmed. The results from the survey tell us that, even though the reasons mentioned in the hypothesis are shown to be a somewhat accurate prediction, there are many more reasons for the aforementioned phenomenon of the dip in popularity. The new perspective offered by the experts serves to both confirm earlier findings, but also proved to provide new answers to first research question. Respondents mention often that competition from the West was a large factor in the decreased popularity of Japanese video games. The survey results also indicate that, as mentioned in the hypothesis, the classic formula for these Japanese RPG games became less appealing to Western audiences. The minimal differences between games from Japan is something which is to blame for the competition to have

been able to swoop in and take a large part of the market. This also links back to the literature review, in the sense that the minimal changes between these games were catered towards the already known preferences of the Japanese consumers, confirming that focus on the domestic market, in a way, alienated Western gamers to a degree. More details as to why the respondents think this phenomenon took place are given in the survey and give us a much larger image to think about than what was predicted in the hypothesis and found in the Literature Review. Amongst these reasons, particularly the focus on user experience is an important one. There are quintessential differences in preferences when it comes to the interfaces and menus between Japanese audiences and the West. The one-to-one copying of these, often to a Western consumer very confusing and cluttered, aspects is sure to have had a large impact on decreased sales.

As a follow-up to the direct question why Japanese video games went through a rough period, the respondents were asked why they thought Japanese video games were making a comeback on the Western market. These responses proved very insightful, and added another dimension to the research question, because for a 'dip' to exist, there also needs to be a resurgence at the end. The causes for this resurgence are varied, and some common themes can be discovered. The delivery platforms for these games being improved upon, as well as better user experiences are seen to be of great importance. Also, in contrast to their Western counterparts, staying out of sensitive political and social matters is seen as having done a lot of good for the Japanese video game market overseas. These reasons fit very well into the groundwork provided by the answers to the preceding survey question. A lot of the reasons for bad sales given in that section, are also said to be improved upon in this section. The fact that, to a degree, certain answers, like digital distribution platforms and user experience, are linked to professions carried out by the respondents, lends more credibility to the observations of the experts consulted in this study.

Slightly deviating from the two research questions, the survey also asked the respondents what they thought could be improved upon by Japanese video game developers and publishers. The advice and insights gained from this do not necessarily serve a purely academic purpose but can also help Japanese developers in solving some problems they might encounter in the future. The main arguments the respondents made in this regard, are centered around adapting to the target audience more. Most important, according to the respondents, are improvements to translations, ease of use for the target audience, as well as simultaneous release of the product in Japan and the rest of the world. If, due to issues like very poor adjustments for the target audience in terms of lingual

nuances, user comfort, and availability on the appropriate platform, a certain game is doomed to fail on the Western market from the start, it is not an unrealistic scenario that the Japanese video game industry will focus even more on the domestic market, therefore undermining Japan's potential influence through Soft Power further. Simultaneous release of products, so as not to let down audience in countries other than Japan, is seen as another important factor. Because of the ever-increasing interconnection of the world through the internet, excitement and 'hype' for video games are often shared across the globe. This is a huge potential for unit sales for game developers, but Japanese publishers often still choose the route of a domestic release first. Having to wait several months can impact the excitement of consumers in a negative way.

The second research question's purpose was to find out if Japanese video games have the potential to increase Japan's Soft Power. The hypothesis for this, was that video games would indeed be able to impact Japan's Soft Power, for video games are a form of media which possesses a great potential to influence someone's way of thinking. We have established in the Literature Review and Theoretical Framework sections that Soft Power is a valid concept in International Relations and fits within the theory of Realism well. When looking at other creative industries in Japan, we can see that they have been observed to have a strong potential to influence the population of other countries and the way they think about Japan. In this thesis we looked at the video game industry specifically, to see if the same thin rang true. As can be seen in the results section, opinions of the respondents were divided on this subject. Although there were indeed arguments given which support the idea that video games have the potential to make a target audience think more positively about Japan, arguments which argue that the influence these video games have do not have to be positive, are also represented in abundance. It is stated several times that Japan, as it is in portrayed in video games, is not the real Japan. Furthermore, it was also argued that people are able to make the distinction between Japan as a country, and the video game and its creators. One does not necessarily have to be reflective of the other.

When we look at these three main lines of thought amongst the respondents alone, it is hard to come to a definitive conclusion on the subject of Japanese video games and their link to Japan's Soft Power potential. We can, however, analyze the arguments a little further. From the examples in the Literature Review, which mention the influence of other popular Japanese media, we can see that, in the case of Japan, Soft Power as an intangible resource, can be increased through this path. Often, in for example manga or anime, or even by popular music artists, the image portrayed is not

one of the real Japan either. This has not undermined the influence on the target audience. It can even be said that, because of this idyllic image of Japan the consumers get used to, the positive way of thinking about Japan is only reinforce further. Even if consumers are able to make the distinction between the video games and their contents and the country of Japan, this does not mean it cannot be, at the very minimum, an incentive to think more about the country. The action of becoming more interested in Japan can, by itself, have as a result that previously present negative images or prejudices can become less dominant. We can therefore say that Japanese video games do indeed possess the potential to contribute to Japan's intangible 'Soft Power arsenal'.

Naturally, this research also had the fair amount of limitations come with it. As mentioned in the Scope and Limitations section of this thesis, the sample number was not large enough for a quantitative analysis, and because of problems encountered when trying to find more respondents and time constraints, this has potentially affected the results of the study. The variables which were implemented were not enough to discover a distinct pattern amongst the respondents. If this research were to be scaled up by increasing the sample size and conducted amongst experts from several countries, for example, that might change. Furthermore, the multiple-choice questions posed in the survey were aimed at creating a certain set of variables to make it easier to interpret the results. Even though some insights were gained from linking variables, like profession, to certain themes in the answers, it did not fully serve the intended purpose. Despite the questions themselves giving us information about the sample group, which in itself is valuable information, it would seem that the variables created with these multiple-choice questions do not correlate in an impactful manner to specific opinions or answers given on the open questions by the respondents. Particularly the questions on awareness of the decreased popularity of Japanese video games in the West, and on experience working with Japanese video games, were expected to correlate somewhat to the answers in the open questions, but this was not the case. Although unexpected, and slightly disappointing due the fact that other questions might have proved more insightful to ask, the lack of correlation between these factors in itself is also a result which can be taken into consideration.

3.3 Conclusion

The objective of this study was to answer the two research questions formulated at the start of this thesis, by conducting a survey amongst experts from the Dutch video game industry, thus shedding light on the link between Japan and its Soft Power, and the Japanese video game industry's performance on the Western market. By conducting this research, knowledge already present, as discussed in the Literature review, was added to and reinforced, as well as new observations made pertaining to the performance of Japanese video games on the Western market. Respondents stressed the importance of online delivery platforms, localization in terms of language and ease of use, as well as distinct differences in preference by Western audiences and domestic Japanese audiences as factors which contributed to this phenomenon. When asked what could be improved so as to prevent a similar event from happening again, responses fell in line with the problems mentioned earlier: better translations, more focus on adjusting user interfaces, and synchronization of release dates to Japan. The confirmation we were looking for the link between Japan's Soft Power and the performance of Japanese video games in the West was also found. The respondents gave reasons why video games do indeed have the potential to improve Japan's image overseas, and due to the links between public opinion and Soft Power found in the Literature Review, we can argue that these two factors are connected. Other answers also mentioned that consumers are able to make the distinction between the image portrayed in video games and Japan as a country, or even that video games do not have the potential to influence consumers' opinions at all, but these were in the minority. Furthermore, even if consumers consciously make the distinction between Japan in video games and the country as an actor on the international stage, this does not mean one cannot develop an affinity with the culture and other aspects which are portrayed in video games, thus making someone slowly think more favorably of Japan. Since we have seen in this study that Japan's Soft Power and the performance of Japanese video games are interlinked, it is safe to state that an increase or decrease in said performance will have consequences on Japan's capability of using this Soft Power as a way to exercise indirect influence internationally.

As for future studies concerning this subject, it would be very interesting to conduct a large-scale study amongst, for example, a certain age-group in a given country, and link potential positive images and opinions on Japan to the consumption of Japanese video games. If such a research were conducted and the results were conclusive, it would provide more validation for Japan to bet further

on the route of promoting its popular culture, and in this case specifically Japanese video games, as a way to garner support amongst civilians from other countries. Another option would be research whether or not the Japanese government has a direct or indirect influence on the contents of video game made in Japan. These two studies could further reinforce the points made in this thesis.

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Appendix:

Survey questions:

V1 Which of the following best describes your current occupation at your employer?

V2 How many years have you been active in the industry?

V3 Do you have any experience working with Japanese games?

V4 Were you aware that Japanese (non-mobile) video games experienced a drop in popularity on the Western market during the second half of the previous decade?

V5 As an industry expert, what do you think was the cause for this phenomenon? Feel free to include arguments based on the content/genres of video games.

V6 In recent years, Japanese video games seem to be gaining traction on the Western market again. Could you offer any insight on why this might be the case?

V7 In your view, how could Japanese developers and publishers make adjustments to their games or the process of developing and releasing their games, so that they may do better overseas?

V8 In your opinion and experience as an expert as well as a consumer, do you think Japanese video games have the potential to make people think more positively about the country of Japan? Why?