

*Evolution of Character Culture Through Collaboration in Japan:
The Sanrio Case*

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Abstract

According to a survey by Yano Research Institute, the size of the character business market in 2021 reached 1,256 billion Japanese Yen. Character culture has spread not only in Japan but also worldwide, and characters from comics such as "Mickey Mouse" have been independently developed. Similarly, characters from Japan such as "Hello Kitty" and "Pokémon" are popular overseas. In particular, the existence of small characters such as "Hello Kitty" is recognized as representative of the "Kawaii" culture. This research focuses on Sanrio's recent trend of mutual character collaboration and consideration of character culture development. Founded in 1960, Sanrio has a history of over 60 years, and has created 21 types of characters, starting with "Hello Kitty" in 1974. In recent years, Sanrio not only produces many characters and promotes the diversification of characters, but also promotes collaboration with other branding manufacturers and diversification with other brand content. In this research, we focus on the collaboration business that Sanrio has been developing and examine how "connections" develop. We consider the relationship between fans and characters as "connections" in social networks and evaluate the strength of those connections. We collected data through Twitter and quantitatively evaluated its nature based on the strength of "connections." Our results show that while a lot of communication has occurred around "strong ties," it can be said that effects of collaboration generate "weak ties" between fans of one character and the collaborator which develops the business.

Keywords: Character Culture, Collaboration, Sanrio, Embedded Theory

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1. Introduction

According to a survey by the Yano Research Institute (2022), the size of the character business market of both commercialization rights and copyrights in 2021 is 2,586.3 billion yen, 102.5% of the previous year in Japan; by sector, toys accounted for 51.3%, decorative goods 8.7%, sweets 6.7%, and clothing 5.7% of the market. Character culture has long spread not only in Japan but also worldwide, and characters from comics, such as "Mickey Mouse," have been developed as characters. Particularly, in Japan, it is attracting attention as an export industry; Japanese characters such as "Hello Kitty" and "Pokémon" are popular overseas. In recent years, new businesses have developed through commercialization which fuse multiple media, such as manga and anime. Due to the strong performance of characters created from videos, such as "Kumaba Channel," the market has been strong due to the hit animations such as "Jujutsu Kaisen" and "Evangelion." Furthermore, as an attempt to connect to the real world, "Gundam Factory Yokohama", which is an entertainment complex located at Yamashita Pier in Yokohama Japan, has opened at the Yokohama Yamashita Pier. In the world revenue ranking of popular media mix works and series works released by the American financial company "TitleMax," Japanese works, including national and international characters, such as "Pokemon," "Hello Kitty," "Anpanman," "Weekly Shonen Jump," "Dragon Ball," "Fist of the North Star," and "Mario" ranked in the top 25 (Titlemax, 2022). Overseas works included Disney-related titles such as "Mickey Mouse," "Disney Princesses," and "Toy Story," as well as familiar films such as "Star Wars," "Harry Potter," and "Marvel Cinematic Universe."

Characters have generally been understood as brand elements of products and regions. However, characters themselves may develop as independent and attractive brand elements. Thus, they can be considered as elements of branding. To measure the strength of a brand, Aaker (1996) presented a framework which specifically examines ten sets of measures grouped into five categories: loyalty, perceived quality, associations, awareness, and market behavior. In this way, the framework attempts to quantitatively evaluate branding elements. Adding to existing quantitative efforts, Malar et al. (2011) also discuss emotional aspects of branding targets. Creating emotional attachment is a key branding issue and one way to accomplish this is to match the brand's personality with the consumer's self (Malar et al., 2011). Becheur et al. (2017) studied the relationships between brand personality and commitment towards brands. More specifically, the study objective was to determine whether brand personality is the antecedent of brand love, and then, if brand love has an impact on affective commitment to the brand. Finally, Lorenz (1989) put forward a notable phenomenon known as "Kawaii." "Kawaii" characters have a baby schema, and it was reported that people feel that such characters are cute and feel an urge to protect them.

The relationship between a person and a character who is a fan can be regarded as a social relationship by anthropomorphizing the character. Kilduff's (2010) research on organizational social networks focuses on the emphasis on relations between actors and the embeddedness of exchange in social relations. Mutual relationships between active people who act as actors and the formation of social relations are being discussed. In the social network, it can be considered that an embedded structure that mediates characters is being created.

The business of characters in Japan uses already established characters to make a profit. In addition, it has also developed into regional promotion by branding characters (Koshikawa 2013). Its main sources of income include sales of character goods, licensing fees, and revenue from theme parks. The reason of expansion of such a character business are as

follows. First, for characters, it is possible to start a business with little cost. Once the character is born, it is possible to promote it using social media such as Twitter and Facebook without spending money. If the created character reaches the user's emotions, it could spread widely. Second, these characters are global because they can transcend language differences. There are many characters that originated in Japan and are loved all over the world, such as Super Mario, Doraemon, and Son Goku from Dragon Ball. Third, the characters aren't real people, so they don't age or scandalize. Risk management is easy from the management side. Fourth, if the character hits, it can lead to a large profit. Today, it has become possible to develop a wide range of businesses through a media mix.

In this research, we will focus on Sanrio, which has created many unique characters, and discuss the factors that activate collaboration with other characters. In addition, we consider the relationship between a person and a fan character as a tie in embeddedness theory and examine how the tie in collaboration expands. Furthermore, we will verify based on actual Twitter data that new weak ties are created through collaboration and that new communication is occurring.

2. Methodology

In the field of advertising, media mix means mixing multiple media with different characteristics, such as television, newspapers, and the Internet. The resulting synergistic effects with each media are used to acquire a wide range of recognition and increase purchase willingness. In the marketing field, it is a method of expanding product sales by developing various media such as dramas, movies, and even computer games based on manga and novel content.

Such diverse media are also employed in the case of characters, which are the specific type of content focused on in this research. Collaboration with different media is being actively promoted beyond the established framework of media in the case of characters. For example, novel combinations, such as characters and cosmetics, are being promoted. Such collaborations are advertised through anthropomorphizing the characters, and new activities are formed with the collaborating subjects.

In this research, we suppose that the relationship between the character and the audience is a tie, and furthermore, we think that a new tie can be made by connecting the character and another element through collaboration. This kind of connection was proposed by the sociologist Granovetter (1973) and based on the hypothesis of "strength of weak ties," he explained the basic mechanism of the broad interpersonal and trusting relationships of workers in companies. Analysis of social networks was suggested as a tool for linking micro and macro levels of sociological theory (Granovetter, 1973). Granovetter's (1985) paper concerns the extent to which economic action is embedded in structures of social relations in modern industrial society. Embeddedness theory states that people are embedded in a network of connections with others. People conduct business and are influenced by these embedded connections. Embeddedness theory proposes that, in the transmission of valuable information and the propagation of innovation, weak networks (weak ties) such as casual acquaintances and acquaintances of other people are used and important, rather than strong networks (strong ties), such as family, close friends, and colleagues in the same workplace.

In this research, we consider an individual has a "strong" tie with a character, and a new character collaboration is regarded as an embedded "connection" and constitute the "weak"

tie. Using this framework, we examine Sanrio's collaboration strategy as an example of an attempt to expand the connection between people and characters and analyze the relationship between people interested in a particular character and people interested in content collaborating with that character.

3. Sanrio Business Strategy and Collaboration

3.1. Sanrio Business

Founded in 1960, Sanrio has produced more than 450 characters to date, contributing greatly to the development of Japan's "Kawaii" culture. In particular, the Hello Kitty boom of the 1970s eventually spread overseas, and "Kawaii" became a universal language. Sanrio (2022) is developing a wide range of businesses such as the following.

1) Commercialization business

Sanrio has commercialized characters for various companies that handle clothing, toys, home appliances, watches, stationery, household goods, daily necessities, fashion goods, food, digital contents, and others. In addition to products that can be seen physically, Sanrio is also trying to digitize them, and is collaborating with game apps, distributing apps using characters, and distributing social media content.

2) Advertising business

A representative activity of advertising is a business based on a promotional license. Sanrio utilizes characters as "talents" for advertisement or publicity and sales promotion of products and services of private companies and governmental organizations. Moreover, they have been contributing to countermeasures against the decrease in businesses of local governments and are also commercializing support for initiatives for regional revitalization projects. Sanrio is trying to do business using characters as an approach to activities to increase corporate awareness and attract customers. As a result, it is possible to support branding and corporate information dissemination that led to improvement of corporate value. Finally, as a social activity, Sanrio tries to support companies' SDGs activities with the message "Would you like to promote SDGs with Hello Kitty?"

3) Events, accommodation facilities and food business

Sanrio holds character shows and character exhibition events as a place to interact with the characters to increase fan satisfaction. In addition, they are implementing spatial decorations using characters in hotels and other places. In addition, they are expanding into the food and beverage business by providing character-themed dishes and character goods at cafes and buffets.

3.2. Collaboration Business

Sanrio has collaborated with Sakuma Confectionery, which manufactures sweets such as "Strawberry Milk," to sell baby Hello Kitty "candy-shaped" pouches and purses (Sakuma 2022). Pancake specialty store "Butter" collaborates with Sanrio to produce cute foods and drinks, including "Pom Purin" merry-go-round pancakes (Butter Pancakes 2022). French fashion brand PAUL & JOE collaborates with Sanrio "Cinnamoroll" and sells limited

cosmetic set & dress-up case (PAUL&JOE 2022). NCT (Neo Culture Technology), a K-POP Boys Singer Group, collaborated with Sanrio and developed a concept that combined Sanrio's characters with NCT members (NCT 2022). In this way, collaboration targets include singer groups, food, mobile apps, and cosmetic brands.

A fan of the character may become a fan of the collaborative content, and conversely, a fan of the collaboration may become a new fan of the character. The expansion of the social network through these connections can be considered as embedding new elements into individuals. It can be expected that a more expanded social network will be formed through collaboration for a network that has connections between characters and humans who are fans of the characters.

4. Evaluation of Collaboration

4.1. Effects of Collaboration

Sanrio's business is characterized by the presence of characters with diverse characteristics, as well as collaboration with vendors with diverse content. We can identify the following five types of connections generated in individuals with respect to such two types such as characters and collaboration of diversity. 1) A connection to a particular character that an individual is interested in. This is a strong tie, a relationship that traditionally exists with a fan of a particular character. 2) Vendors such as Sanrio, which have a variety of characteristics for their characters, indirectly create a connection with characters other than the character that the individual is most interested in by combining the characters. Instead of selling a single character, the business incorporates a mechanism to acquire a toy called "gacha" by lottery, where it is unknown which character will be obtained. This leads to weak ties. 3) A new connection occurs with the products of other vendors who are collaborating with personal favorite characters, creating a strong tie. In collaboration, one character is tied to one of the multiple products of each vendor. Such one-to-one collaborations tie fans to a particular character from the collaborating vendor. These collaborations generate to interest in a specific product of other vendor spread to each fan. 4) Interest in one product of a vendor expands to other products due to the connection formed through collaboration, and this interest can be understood as expanding due to weak ties. 5) Strong ties with characters prompt individuals to exchange products on free market places. A market that exchanges such products is spreading as a large community, leading to connections in the form of weak ties.

Figure 1 shows the expanding connections through collaboration. From this increase in connections, a fan of the character may become a fan of the target of the collaboration, and conversely, a fan of the target of the collaboration may become a new fan of the character. The expansion of social network through these connections can be considered as embedding new elements into individuals.

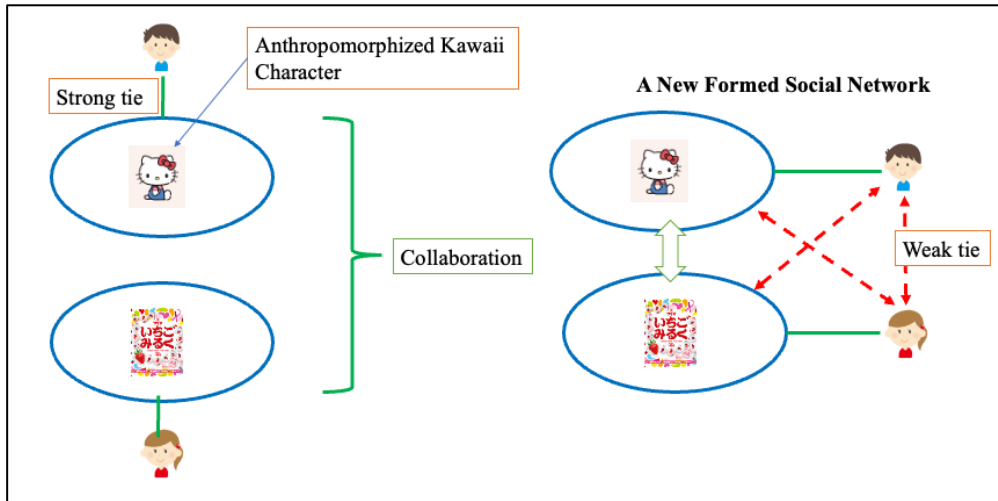


Figure 1: Expanding Connections through Collaboration.

There is a strong connection between people and characters, especially characters with cute features which tend to be anthropomorphized and can be regarded as equivalent to human-to-human connections in embeddedness theory. This connection generates the existence of many groups with different interests. A new social network is formed as collaboration is executed. The previous relationship is maintained while the new one can be considered a weak tie created through the intermediary of the collaborating characters.

4.2. Quantitative Evaluation

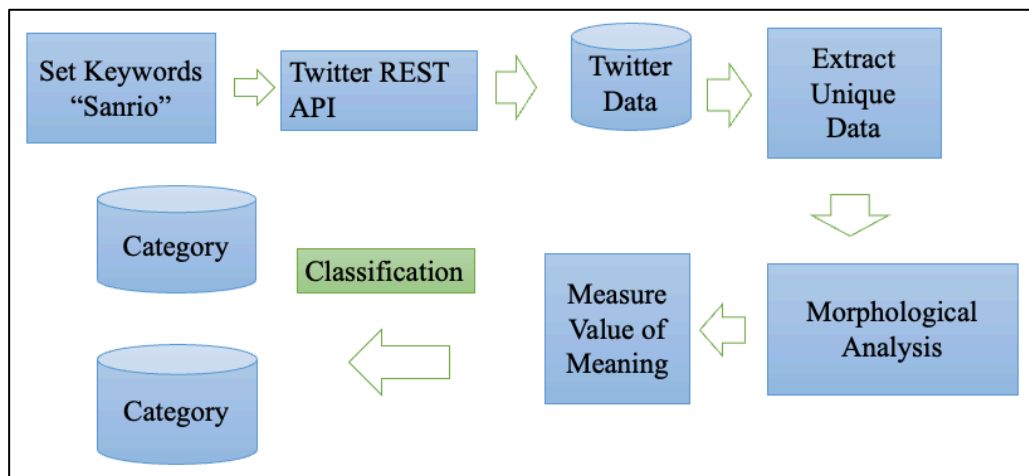


Figure 2: Quantitative Evaluation Method.

Figure 2 shows the quantitative evaluation method. In this research, we use Twitter to obtain our data as it expresses a wealth of young people's emotional expressions, making it possible to extract opinions, especially about the content of activities relating to Sanrio characters. The system is implemented using Python. First, using the keyword "Sanrio", we extracted Twitter data from the Twitter REST API. Since there are data posted multiple times on Twitter, we removed them and extracted unique data. Subsequently, morphological analysis was performed to extract characteristic words of each Tweet. Finally, we performed feature analysis to classify other word categories used in Tweets.

4.3. Evaluation Results

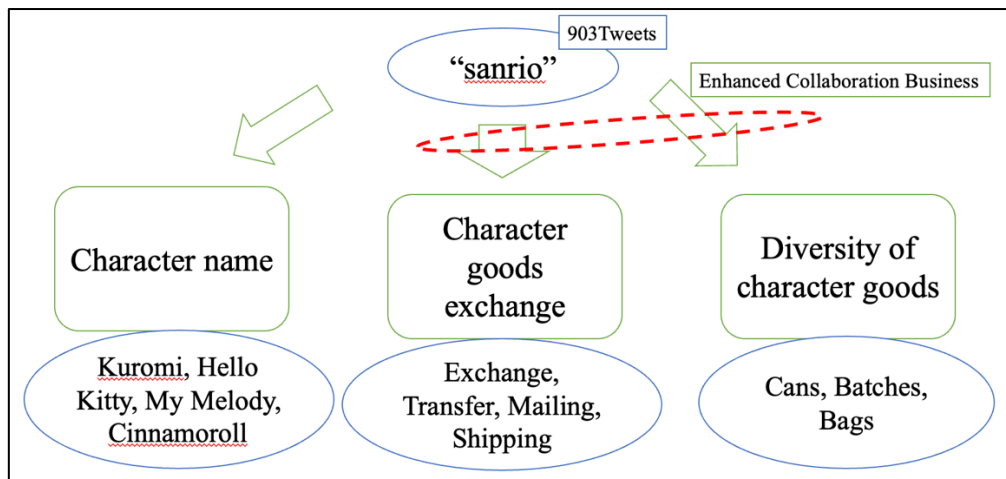


Figure 3: Features of Co-occurrence Words.

We collected 903 tweets with the keyword "Sanrio" and performed natural language analysis. Figure 3 shows features of co-occurring words which can be roughly classified into three types as follows. 1) Character goods exchange: Keywords such as exchange, transfer, mailing, and shipping co-occurred in the "Sanrio" tweets. This seems to indicate that characters purchased from vending machines are random and they can only rarely get your own fine character. This result means that the exchange of characters on the C2C market is becoming more active. Along with the development of collaboration, it can be considered that "exchange" has created connections between individuals with different interests. 2) Character name: The names of Sanrio characters such as Kuromi, Hello Kitty, My Melody, and Cinnamoroll co-occurred. This shows that Sanrio characters are individually popular. 3) Diversity of character goods: Keywords such as can, batch, and bag co-occurred in the tweets. This indicates that character goods are being commercialized in a variety of ways. The diversification of goods is also considered to be an effect of commercialization. These results show the tie is activated through the goods diversified by collaboration.

5. Conclusion

In this research, we considered the relationship between fans and characters as "connections" in social networks and evaluated the strength of those connections. Focusing on the collaboration business that Sanrio has been developing in recent years, we examined how "connections" develop. By applying the embeddedness theory to collaboration, we examined how human connections spread and form a social network. For the quantitative evaluation, we collected information through Twitter and evaluated its nature based on the strength of "connection". We found that diverse connections are activated through the goods diversified by collaboration. In addition, while much communication has occurred around "strong ties," it can be said that effects of collaboration create "weak ties" and grow the business.

In future works, we would like to collect empirical data on how traditional fan feelings have developed into new connections through collaboration.

Acknowledgments

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