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Content Business and Games

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Masakazu Kubo

Born in 1959. Graduated from the Waseda University School of Education and joined Shogakukan in 1983. After working as a deputy chief editor for Korokoro Comics, Kubo was made Manager of the Character Planning Office and then Director of the Character Business Center. He also serves as Director of Planning and Contracts for Shogakukan Music & Digital Entertainment, Director of Yoshimoto Digital Entertainment, Director of the Intellectual Property Association of Japan, and Director of the Entertainment Lawyers Network, and is a specialist research committee member for the Strategic Council on Intellectual Property as well as a member of the Tokyo International Anime Fair Executive Committee.

Systems to Support Media Mix Strategies

Inoue: In September, the new series of "Pocket Monsters" (Pokémon) was released. What was the response?

Kubo: Pocket Monsters Diamond and Pocket Monsters Pearl were released on September 28. These are the key Pokémon software for the Nintendo DS platform. On the same day, TV animation programs

switched to the Diamond/Pearl series. In the TV programs all the characters were replaced with the exception of Satoshi, Takeshi, and Pikachu. It was a drastic renewal. I am very happy they were well received, and about five million copies of the games are expected to be shipped by the end of the year. Licensed products are selling very well, so this renewal is an overall success for Pokémon. Making sweeping changes that simultaneously encompass a number of different media required a lot of preparation. We began to provide licensees with information about the timing of the renewal about ten months ago, and cooperated with them to move current inventory and develop new products. The work we put into planning the timing for the renewal, a steady and thorough planning process, is now producing results.

Inoue: You mentioned that you began to prepare about ten months ago. Who decides the timing for the renewal? Is it decided by the game side, or do you take the initiative?

Kubo: Basically it depends on the game. The best approach is to arrange everything according to the schedules for changing games. The release dates for games change depending on the progress of development and debugging. So it is impossible to determine the "D-Day" well ahead of time. TV animation programs

are created in related series. The production schedule for these makes it necessary to begin to prepare for renewal about six months in advance, at the latest. We monitor progress of game development and adjust other schedules accordingly, assuming "probably around this date if there is no problem."

Inoue: So the reason for depending mainly on games is that the development period is the most difficult to predict. Is that correct?

Kubo: When a renewal is complete we need to heavily promote the new product line. All related lines should be changed at the same time. We want to avoid the situation where some products are new and others are obsolete. A large number of television commercials are aired immediately before the games are released. So it is reasonable to change everything when a large volume of TV commercials are on the air.

Morita: Pokémon has been used in a wide range of media, including games, TV animation, movies, card games, and character goods, and it has been a great success. Pokémon was originally available for the Game Boy, when did you begin to realize they could be adopted so quickly in these other media ?

Kubo: I did not initially foresee such a

smash hit. The growth rate of the boom was faster than expected, and it had great potential. Several months later I thought "Wow, this is great." And this was repeated over and over. There were also many elements which turned out to be lucky.

Morita: A lot of content uses mixed media strategies today. What is the secret to a great success like Pokémon?

Kubo: Everyone has a chance to succeed. However, there may be only a few cases in which animations, games, and merchandizing are tightly linked worldwide. We have The Pokémon Company, a company that thinks of Pokémon 24 hours a day. There are offices around the world including Pokémon USA, Inc. in the United States, and Pokémon UK in Europe, and superb movie and TV animation production teams, and professional groups in charge of the Web and licensing business. Totalling all of these units, at least 400 people work for Pokémon. This is how the mechanism for linking content is created. Of course, Disney does this for movies and theme parks. But Pokémon may be the only company with this kind of integration of character related businesses focusing on games.

Morita: In operating a character business, are there any advantages unique to the

characters that come from games?

Kubo: Each time the platform is changed, game software advances drastically. It gives users a fresh impression. For example, what clearly distinguishes this DS's Diamond/Pearl from Fire Red & Leaf Green and Ruby/Sapphire on the GBA (Gameboy Advance) is the Wi-Fi connection, so Pokémon fans around the world can exchange and battle together. Adding these new functions and new attractions as a game is created refreshes the characters. The platform changes in a cycle of three to five years, and accordingly the Pokémon games advance. This constant advancement is great difference from characters used in other media, such as comics.

Also, if hardware changes, people who used to play the game may feel like playing again. The fact that these fans come back may be another advantage of the characters focusing on games.

Producing Characters

Morita: I assume Pokémon's success in media other than games is mainly attributable to those same elements that contributed to its success as games software. However, have there been any cases when elements are brought to the game side from other media?

Kubo: It is difficult. It is better to refrain from talking about money and marketing with creators. We should not do things that might affect the core of the product. I like to convey to our creative teams how children feel, and partly because we have worked with the Pokémon animation team for ten years, they can already predict what I am going to say. In this sense, our creators have considerable marketing data. But I would like them to pursue what they want as creators, and at the same time they need flexibility to admit new good things.

Morita: What kind of requests do you make to creators during the meetings to create a game?

Kubo: I do not make many requests, but if any, I request things about characters that will make them easier to use and more attractive for movies and TV animations. We must try to match the game's characters with the images that the movie director, Kunihiko Yuyama and creators desire. For example, people who create animations prefer a character that is easy for them to manipulate. However, it is often difficult to keep the game character as they are when represented on the screen. Therefore, special producers are assigned to work as mediators and propose ideas for developing stories that also take the needs of the movies into account, it is a

process of matching needs. Since game creators are the most motivated to create games, my role is to inform the producers of what they need to consider for movies and animations.

Morita: Does this mean that a character that is easy to apply to other media is designed in the game production stage?

Kubo: People who are in charge of developing ideas for characters and drawing them are creators from Game Freak Inc. who create games. What I mean is to make adjustments to prevent animation images from deviating from the game character's personality and appearance. I think interaction in this work is very important. Creators wish to do as they want, so they are willful in a sense. The reason they work together and do well is they have mutual respect for other's creativity. In some countries Pokémon games are not sold, only the TV animations are available. In these countries Pokémon is still very popular. It means that it is still very interesting with only the animations. The enjoyment of games and card games are added to this. Each one is created very well in its own right and each one is interesting, which is the Pokémon strength.

Inoue: Is there any issue that you find difficult when adjusting the character's image for different media?

Kubo: Characters are infused with life to play a part in the Pokémon world. We hold discussions to decide if the character speaks a human language, if it can communicate with other Pokémon characters, and whether it is only one monster or part of a "family", and what kind of skills it uses. It is like deciding an ecosystem and we try to keep the characters within that same ecosystem in all media. A Pokémon that lives in the sea in one media can't be used in mountain scenes in another.

Generally speaking, as multiple creators are involved on both sides of game production and animation production, it is usually very difficult to reach a consensus. However, for Pokémon, elements used in animations are sometimes incorporated into games. In this sense, interaction is done relatively well.

Morita: Does this mean Pokémon characters are created based on a consensus among people involved with games, animations, and movies, instead of the ideas of a single creator?

Kubo: It is a little different. Of course, there are several people who are authorized to make a final decision: Mr. Satoshi Tajiri, Mr. Junichi Masuda, Mr. Ken Sugimori, and others for games.

Overall coordination is the province of Mr. Tsunekazu Ishihara, of The Pokémon Company. Nevertheless, it is essential to have an environment in which people feel free to express their opinions. In some movies the director has absolute power and dominates production, but this is not how we work. In the meetings for Pokémon movies young people express their opinions freely. Of course, the director Mr. Yuyama makes a final decision. It is still possible to do this by maintaining a sense of involvement at a high level.

Creators' Rights and New Content

Morita: As a Director of Entertainment Lawyers Network, you focus on developing laws concerning intellectual property rights. Do you believe that creators' rights should be protected more for games as well?

Kubo: Japanese creators are excellent and they work very hard. If there is an environment in which proper considerations are not returned to creators due to problems with distribution and platforms, it should be corrected.

Some issues need to be considered over time. It is true that authors' rights should be protected, but if it goes too far it might

destroy the creation of new things. Personally, I believe that the copyright legislation should be revised so we keep pride in our work and continue to take the initiative in developing products. Some people claim that the effective period of copyrights should be shorter. However, if they are still protected in America, and can be used in Japan, should we feel good about this? Also, if content is created by multiple people and one of them refuses to allow it to be used in some way, or if the person dies and a success cannot be found under the present laws, distribution will stop at that point. Is that a good result? For content that is a collection of diverse rights, it is necessary to create new rules.

Improving usability for users means requiring nearly no fee for content. In this case, however, content creators cannot make a living. It is a headache.

This applies to the overall content industry: While rich content on which a lot of money has been spent attracts attention, content that comes from a layman such as Air Guitar can gain great popularity. It is time we accepted that some content that comes from individuals is a new form of entertainment, and not something to be regulated by criticizing their work as pirate versions or unauthorized use. We contact YouTube every day and request them to delete the

content used without permission. However, it is necessary to properly develop powerful content that is created in such an environment.

Game Platforms and the Next Pokémon

Inoue: Pokémon games have basically been developed for Nintendo, and mainly for handheld game machines. Do you have plans to develop PC and online versions?

Kubo: For Pokémon, four site businesses work in cooperation: the Pokémon official site, Pokémon Daisuki Club, the Game's official site (these three sites are operated by The Pokémon Company), and the movie's official site (operated by the movie production committee.) About 300,000 page views are recorded each day, on the game site in particular. However, we do not intend to make money there; rather, we consider it is the Nintendo platform where we really aim to win.

Morita: What do you make of hardware competition among game machines for home use, such as Xbox360, PS3 (Play Station), and Wii?

Kubo: These powerful platform developers are spending a tremendous amount of money in this three-way battle. For PS3, it is said they spend several

billion yen to develop a single game. If these games are not a financial success they will place the company's very survival at risk. It is difficult to make a smash hit every year, and it is difficult for game production companies to keep growing rapidly. It is important to get over the hard times, but there are few companies that know how to do this.

There is also the issue of distribution of secondhand software. The case has already been decided by the Supreme Court, so the game industry has to live with a marketplace for secondhand software. It is a destiny that we cannot avoid as an industry. In reality, secondhand products are released on the date the new product is released. For creators and software manufacturers, it is a matter of life and death. Unless the issue of secondhand software is resolved, games will increasingly move online. How will it change in the process? If we intend to exchange very dense data is there an advantage to using a PC? If any distinction could be made between PCs and game platforms, the latter might be overtaken by PCs.

Inoue: If game machines are overtaken by PCs, what will Pokémon do?

Kubo: That's why we are fortunate to use the mobile DS platform as the core of our product. Even if PCs advanced to a very

significant degree, they would not have the light, compact, and easy interfaces of the DS. However, there is a conflict with mobile phones, and the DS is going to compete with them. The DS begins to differentiate itself from mobile phones, such as entry using a touch screen and pen stylus. I believe Nintendo made the right decision. Either way, if new technology appears, content manufacturers will need to respond in a flexible manner by determining whether they will fight, incorporate, or follow.

Morita: What platform is best suited to allow characters to jump from games to other media including movies?

Kubo: For games where the copyright cannot be determined, such as net games, it is difficult to convert them into other media. Also, there is nothing new in creating a movie from a PS3 game featuring highly animated images. Initial Pokémon games started from monochrome screens that do not move very much. Adding colors made them beautiful, and it was fun to make them move. If works are created within a limited scope of expression, there is plenty of room to add new creativity. New games that are created and converted into other media might be limited to the DS and PSP.

Or there may be demand from people

wanting to watch a long story based on an arcade game. There can only be a few minutes' play for 100 yen. As there are more limitations to games, the opportunities are higher in other media. And excellent creators tend to go into the area where they are free to express themselves and do whatever they want to do.

Inoue: It means potential remains. Thank you very much for speaking to us today.

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