Madman in the house: Understanding media merchandising, the implications for convergence and new knowledge economies

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Abstract

This paper is part of a larger research project looking at the role of Australian media companies in sustaining fan culture, and Australian investment in global popular culture. The specific focus is on Madman Entertainment—one of the most successful DVD and merchandise distribution companies in Australia, and the leading distributor of anime with over ninety percent of the market share. The paper explores the ways in which Madman has become a part of the simultaneous globalization and localisation of Japanese cultural products, and sets out to show how profiling such a company can also provide some insight into the changing role of fans in relation to their capacity to drive innovation and investment in popular culture.

Keywords

Transnational media, sustaining local media culture, Asian region, network society, creative industries
Introduction

Madman Entertainment is one of the most successful DVD and merchandise distribution companies in Australia, the leading distributor of anime in Australia and New Zealand, with close to 97% of the market share. It began in 1996 as an anime-only distribution company, but has subsequently expanded into offering live-action and children’s entertainment, Cartoon Network and Adult Swim (animated) programs, a range of Director’s Suite (primarily European arthouse) films, a range of Australian movies, a selection of TOKYPOP manga (Japanese comic) titles, involvement in Australian theatrical releases of (primarily) Studio Ghibli (Japanese anime) films and a youth clothing-line branded as otakuwear. The company is owned by Funtastic Limited (one of Australia’s largest distributors of toys and children’s media), employs 130 people and has an annual turnover of $AU50 million.

In this paper we explore the role of Madman Entertainment, and by implication the role of distribution companies more broadly, in the sustenance of fan culture and Australian investment in global popular culture. It is intended as a pilot study for a much larger research project analysing the relationship between commercial interests, convergence and fandom. Drawing on Australian critical traditions (Morris 1988; O’Regan 1993, 1996), textual analysis (Hartley 1999; McKee 2003) and interviews we conducted with key Madman personnel, the paper aims to provide a brief profile of the company as a way of understanding both the localisation of Japanese popular culture and the 'fan' origins of Madman—as well as the involvement of Madman in sustaining a healthy anime fan culture in Australia. In this way, the paper explores the relationship between anime and national cultural formations, and between Madman and international cultural formations.

Anime

As noted above, Madman’s core business is the distribution of Japanese anime—and it is that portion of their business that most continues to inform their growth. Put simply, anime
is Japanese animation, often marked out by certain stylistic choices (sometimes unfairly reduced to characteristics like BESM--‘big eyes, small mouth’) and a much broader range of subject matter than animation in the West (from juvenilia like Pokemon, through all-ages appropriate material like Spirited Away, to the infamous ‘tentacle porn’ of Urotsukidoji: Legend of the Overfiend). The three major formats within which anime is produced and consumed are:

- theatrically released films
- television series
- video and DVD versions of the above two, together with OAV (original animation videos; that is, original productions made solely for the video/DVD market).

About sixty percent of the anime broadcast worldwide is made in Japan (Japanese Economy Division 2005, p. 8).

While the scale of Japan’s anime industry varies, it has been estimated that through film, games and merchandising agreements, anime annually generates in excess of Y20 billion in revenue, with the US market alone accounting for $4.35 billion for anime products (Japan External Trade Organization 2007, pp. 4, 13). A key format in anime’s export is television. In 2003, the broadcast of anime television series in Japan increased to 2,850 making the television series one of the largest formats within which anime is delivered locally. Globally, television also assists Japanese anime in holding onto such a large share of the global animation market, primarily through the export of popular television series such as Astro Boy (U.S. broadcast from 1963), A Dog of Flanders (popular throughout Europe), and Doraemon (which is popular in Asia). A more recent example is Pokemon which has become the single, largest global success for the Japanese anime industry. Pokemon is broadcast in
forty-five countries and regions, with its spin-off movies generating revenue of over Y38 billion and its related products earning Y3 trillion annually (Japanese Economy Division 2005, p. 13).

While it has typically been those anime that are first popular in Japan which go on to global distribution, anime is increasingly being produced with a global audience in mind and with global co-financing. Examples include The Animatrix—an animated spin-off of The Matrix films, which involved a collaboration between American directors the Wachowski brothers and several Japanese anime directors—and Afro Samurai—a television series involving the U.S. actor, Samuel L Jackson, hip-hop musician RZA and anime studio, Gonzo.

**Popularity**

In seeking to explain the success of American media texts across disparate cultures, including those with very different norms and values, Scott Robert Olson (following Bhabha 1994, amongst others) argues that ‘[a]lthough readers around the world are increasingly gaining access to the same materials to read, they do not have access to the same ways of reading’ (Olson 2004, p. 114). Rather, Olson claims that the producers of American media texts are particularly good at making and exporting texts that easily blend into a variety of cultures. Olson calls this:

... narrative transparency... any textual apparatus that allows audiences to project indigenous values, beliefs, rites, and rituals into imported media or the use of those devices. This transparency effect means that American cultural exports manifest narrative structures that easily blend into other cultures. (Olson 2004, p. 114)

We can think of Japanese anime operating in a similar way. Osamu Tezuka, the manga and anime pioneer who created Astro Boy and Kimba the White Lion, acknowledged that
manga’s depictions of human bodies, objects, and basic dramatic or comic situations can be universally understood. ‘Comics,’ argued Tezuka, ‘regardless of what language they are printed in, are an important form of expression that crosses all national and cultural boundaries’ (Tezuka 1983, p. 11). Clearly the anime based on these manga function in a similar way, so that even if the manga or anime is in Japanese the transparency of the visual layout still makes it legible—not just in terms of literacy, but also in terms of emotional investment and enjoyment. As well-known United States artist and director Frank Miller said of his delight in reading ‘raw’ Japanese manga:

I was able to ‘read’ a hundred pages of a Japanese comic the other day without ever becoming confused. And it was written in Japanese! They rely totally on the visuals. They approach comics as a pure form more than American comic artists do. (in Schodt 1983, p. 35)

Olson’s idea of ‘narrative transparency’ also has much in common with the recent work of a number of scholars investigating anime’s popularity outside Japan (Iwabuchi 2002; Kenji 1997; Ueno 1999). These scholars argue that anime’s success is a direct result of its emphasis on universally understood visuals and softened Japanese presence, making it easy to domesticate locally. This understanding emphasises anime’s globally-recognised qualities—and the ease of their absorption into any domestic market. Rather than claiming that anime is a particularly resilient Japanese aesthetic which can be dated back as far as the 1770s (Shimizu 1991), these scholars point to its modern history and the influence of American and European comic and animation styles on the anime form (Kinsella 2000), making anime itself a ‘convergent’ media form; a Japanese adaptation of American and European practices.

Beyond this, some argue that anime’s ‘narrative transparency’ is a deliberate strategy of the anime industry to ensure its success through overseas sales and adoption, as an American
artist working at Kodansha for five years has claimed:

World Comics, that’s how the Japanese thought about it. They told me that their goal was to create a comics style that would be universal, the style of the 21st century. (Gravett 2004, p. 157)

Informing the export of Japanese anime may be the idea that, rather than just selling a product, Japan can also teach others how they too can adapt various styles creatively, to produce a convergent cultural product such as anime (Iwabuchi 1998).

All of this means that Japanese anime, just like the American media texts that Olson describes, 'seem familiar regardless of their origin [and] seem a part of one’s own culture, even though they have been crafted elsewhere' (Olson 2004, p. 120). While our article does not follow Olson’s methodology of a reception study, Olson’s idea of ‘narrative transparency’ still provides a useful framework for understanding the global appeal of Japanese anime. Just as ‘[t]he American media do not so much encode media as become (or function as) myths themselves’ (Olson 2004, p. 125), so too Japanese anime reduces myths to recombinant elements or what Olson terms 'mythotypes' (Olson 2004, p. 126) that transcend cultural specificities. This is the way in which Japanese anime is internationally contextualized. We recognize these narratives as ‘Japanese cultural products’, but we can still fold them back into our own national cultures, thanks to the distribution companies that deliver them to us, negotiating their commercial and cultural positioning—companies like Madman Entertainment.

Culture

However, Madman's role in sustaining culture is more complex than this. Consider John Hartley’s definition of culture as:
... the production and circulation of sense, meaning and consciousness. The sphere of meaning, which unifies the spheres of production (economics) and social relations (politics) ... culture is the sphere of reproduction not of goods but of life. (Hartley 1999, p. 51)

Such a definition does suggest a role for distribution companies, like Madman, in sustaining culture; for Madman circulates Japanese cultural products throughout Australia. It produces packaging and content for a local Australian market and generates a sense of community for Australian fans and consumers. Most importantly, Madman functions as a cultural node in the modern network society (Castells 1996); it is one of the interconnected systems of popular cultural exchange in Australia, selectively and intentionally packaging and circulating material (by choosing what type of product to distribute and how it will be branded); but also making the nation-state of Australia a network state, ‘influential through [its] partnerships ... rather than [its] autonomy’ (Hartley 1999, p. 161). Madman therefore has a vital role in sustaining Australia’s connection to the globally networked trade in popular culture.

This is also something that is increasingly recognised by Madman’s personnel. CEO Tim Anderson, talking about the risks of Madman’s expansion (into the distribution of documentaries, foreign films and Australian product like Kenny) notes that:

the further away you get from the key people or culture the business was founded upon ... [the more] we need to be conscious of and to try to actively work towards creating a sustainable culture. (Tim Anderson, emphasis added)

The culture Anderson is referring to here is very much a commercial culture, but in order to be truly sustainable it must make an ongoing link with its audience, living not just from
product sale to product sale, but through permanent if dynamic market loyalties. So, in this way, Anderson is also indirectly referring to the 'double-faced' nature of Australian popular culture that Meaghan Morris and Tom O’Regan have both previously referred to, ‘double-faced’ not in a pejorative sense, but in the sense that Australian culture is a blend of local and imported product which produces ‘an amalgam of different cultures ... and multiple identities’ (O’Regan 1993, p. 96). Following this idea, any study of culture ‘needs to pose the synergistic as much as antagonistic relationship between international... orientations [shared identities] and national culture’ (O’Regan 1993, p. 91)—and this is especially true of Australian popular culture. As O’Regan notes: ‘while US and Japanese [popular culture is] a locally produced and defined common culture, Australian [popular culture] is made up of local and imported components’ (1993, p. 81). Australian popular culture is therefore created through partnerships and synergies with imported product, as much as it is through generation of its own cultural product. Indeed, it is through such collaborations that Australia’s connection to the global popular cultural network is sustained.

Furthermore, national cultures are, in Schlesinger’s terms, only one ‘cultural level’; part of ‘the simultaneous interaction and parallelism of different cultural levels within given social formations’ (Schlesinger 1991, p. 305) that include international, local and regional levels. Madman can therefore be thought of as offering a form of transnational culture, in that it cuts across these different cultural levels, linking the international export culture of Japan to the national culture of Australia—and to the local popular culture of otaku (fans) in places as remote as Townsville in Queensland or Glenorchy in Tasmania.

This means that all of these different cultural levels coexist in Madman’s distributed product. As O’Regan notes (1993, p. 83), the relationships between different cultural levels in media can be parallel (‘co-present, without cohering’); dual (providing alternate identities); on a collision course (where they openly contradict each other); or convergent. It is this latter
relationship that we can see articulated through Madman—where the international product (anime) provides for an Australian reading and an Australian appropriation: an idea to which we will return in more detail below. For O'Regan it is the audience that:

... negotiate[s] these different cultural levels, adjusting their various identities in relation to them. They can try and eliminate the distance between the [cultural product] and themselves, assert a distance between themselves and the [cultural product], or set it up as other and not for them ... Thus audiences appropriate programming such that there are local readings of Hollywood programs [and, by implication, Japanese anime] just as there are internationally consistent readings of the same by virtue of syndicated gossip columns [now weblogs] and the like. (O'Regan 1993, pp. 85-86)

But while it is audience interaction that creates the 'continuity' (O'Regan 1993, p. 87) between these cultural levels, this continuity is itself enabled by distribution companies like Madman. Just as John Caughie describes Hollywood programs as affording audiences a sense of distance that enables them to ‘play at being American’ (Caughie 1990, p. 44), so too does Madman’s distribution of anime allow Australian audiences to play with identity, but not only to ‘play at being Japanese’—for they can also play with broader ideas of gender, age and perspective. Positively, like all imported cultural products, anime disrupts ‘cosy and discriminatory local identities’, expanding ‘the definitions of what is possible’ and providing ‘a way out of the available – often conservative – Australian definitions’ (O'Regan 1993, p. 87)—and it is Madman that allows this to happen.

Indeed, there is anecdotal evidence of this from the blogs that anime fans post on Madman’s forums, which relate stories of how Madman provides them with a shared sense of community; through their otakuwear fashion, for example, where one blogger describes
how recognition of the brand worn by two people at a railway station leads to a ‘silent understanding’. Similarly, another writes of how cosplay (dressing up as anime characters) liberates them from conventional ideas of gender (Madman website).

Once again then, Madman’s distribution of anime product becomes surprisingly important for sustaining culture. We can think of the function of Madman in similar terms to Smith’s description of the functioning of national cultures, because Madman too becomes an important agency of ‘popular socialisation’ (Smith 1991, p. 11)—‘... it provides a common public or civic culture for a disparate population’ (O'Regan 1993, p. 81): in this instance, of anime fans across Australia. Madman is therefore another vehicle for a ‘common culture and a civic ideology, a set of common understandings and aspirations, sentiments and ideas, that binds the population together’ (Smith 1991, p. 11), while providing them with that outward-looking perspective on Japanese popular culture. In short, Madman provides the apparatus for a common culture for Australia’s anime fan community.

Communities have access to similar experiences, which provide a social identity and a sense of belonging (Meyrowitz 1985, p. 55). The group is held together by what is unique and special about it, with this 'specialness' consisting of information that members have in common. Here, the Madman label allows the geographically dispersed ‘grass roots’ fan communities to function as one anime (fan) community, built around the Madman label. Madman is therefore actively sustaining these communities. They allow them to communicate ‘directly’ with one another, through the provision of the same cultural products, the same common knowledges and even the same opportunities (for example, through their newsletters and bulletin boards) for cultural exchange. This is despite the fact that they may never actually meet in the same physical place. Madman ‘gives people a brand to belong to’ (Tim Anderson), and in this way, the Madman ‘brand and logo itself have become something of cultural significance, not only in Melbourne, but in Australia and even world wide to some extent’ (Sylvester Ipp).
A creative industry

Madman, much like the television stations O’Regan (1993) refers to in his study, manage their catalogue of anime product in such a way ‘as to create complementarities between the different [cultural] levels while maximising profitability [and] audience share’ (O’Regan 1993, p. 84). This selection of material (both in what to distribute and in how to brand it) is one of the roles of the networked company. But more importantly, it points to the way Madman operates as a creative industry. For Hartley, creative industries are:

... those that take traditional creative talents in design, performance, production and writing, and combine these with media production and distribution techniques (for scale) and new interactive technologies (for customisation) in order to create and distribute creative content throughout the service sector of the new economy. (Hartley 2002, p. 43)

Of course, Madman is primarily focussed on distribution rather than the creation of new content. But in terms of packaging, branding and marketing—as well as ancillary product (like the otakuwear clothing line)—Madman can very much be thought of as a content provider. Their release of 80s ’giant robot’ cartoon Voltron, for example, was considered the best international release of that series because of the artwork and packaging that Madman created. Their release of the complete Transformers DVD collection in 2007 was greeted with similar enthusiasm—a metal box, in packaging that simulated the original toy packaging, surmounted by a cardboard replica of Optimus Prime’s own fabled creation matrix. In 2008 they were responsible for one of the first Western releases of Japanese Transformers content with the Transformers: Headmasters series, offered in the original Japanese with English subtitles.

Most importantly, Madman’s mode of production is “‘Hollywood” not “Detroit” – project-based and innovative, rather than industrial and standardised. It is characterised by
networks and partnerships’ (Hartley 2002, p. 43), and driven by fan interest matched with commercial sense. We can see examples of this in Madman’s hiring policy (‘people who are passionately involved or experts in particular aspects of the business’ (Tim Anderson)) and their underlying philosophy: ‘We are fans buying for fans. We buy for ourselves because we know we are buying for their taste’ (Paul Wiegard). Madman thereby encourages a culture where ‘consumers [give] way to users – interactive partners in further development of the creative product’ (Hartley 1999, p. 43), breaking down the divide between fan and commercial interests. Furthermore, Madman is increasingly offering a complete cultural package of not just DVD titles, but clothing, dog tags, caps and website forums. Creativity for Madman takes the form of product acquisition, product management and marketing—producing unique packaging, selecting material that appeals to Australian audiences and creating a cultural package whereby each individual item—the DVD, the clothing and the website—references the others in interesting ways.

Madman therefore becomes a point of convergence between fan and commercial cultures, and by negotiating this balance, helps to sustain both communities. We can see a kind of new knowledge economy operating in Madman, where fan knowledges are viewed as being as important as commercial knowledges, and both converge to create a truly successful company.

The Retro Collection

Many of these ideas come together in Madman’s ‘Retro collection’, a series of DVDs collecting children’s cartoons from the 80s—amongst them, He-Man and the Masters of the Universe, the Transformers, MASK and Voltron. There is nothing to connect such disparate series, other than the fact they were all produced in the 80s and they were all supported by merchandising; they are the products of different American and Japanese companies; they feature everything from science-fantasy through to giant robots and transforming vehicles.
and, in the case of He-Man, there is no obvious link to Japan. But such a collection does provide a roadmap to anime, the cartoons that anime fans first engaged with before moving on to Akira and The Ghost in the Shell. Furthermore, the Retro Collection serves as a kind of inventory of 80s children’s pop culture in Australia; an archive of particularly Australia tastes.

Note for example the exclusion of other 'notable' 80s animation series like Thundercats and Blackstar in preference for more globally obscure series like the French/Japan co-production, Ulysses 31. Ulysses 31 is chosen because it is more significant to Australians; it is part of a shared memory amongst thirty-somethings of afternoons watching cartoons on the ABC. In constructing this archive Madman is therefore also constructing a cultural history of anime in this country, mapping the pathways through which fandom found their way into anime. Finally, in dubbing this the ‘Retro Collection’, Madman is also commodifying nostalgia for thirty-somethings, with this convergence of fan and commercial interests being perhaps best demonstrated in Tim Anderson’s description of the Retro Collection’s origins:

... it really is about recognizing what we loved, as kids ourselves ... what was cool, what was collectible ... Because you tend to find that when you’re in your late twenties, early thirties, you want to revisit those things. And we were kind of going out to find all the things that we felt had that essence about them that the people would want to collect to revisit their youth and retain some of those fond memories.

Conclusion

O’Regan (1996) has previously described the way 'Australian filmmakers need to provide inventive solutions to being on the margins of the more dominant film cultures' (p. 110) [emphasis added] and we can see that this is precisely what Madman is doing here. Madman does not have the money or resources to create their own content, but through
their *selection* of material and their *production* of packaging, *Madman* is contributing toward a kind of cultural history of pop culture for Australian thirty-somethings.

A study of *Madman* is therefore significant on three levels. First, it aids understanding of how *Madman* specifically has become part of the globalization—and the Australian localization of—Japanese product. Secondly, and more generally, it provides some insight into the changing role of fans in driving innovation and investment in popular culture and the new economies being produced there. But perhaps most importantly, *Madman* points to the ways in which distribution companies more generally may be thought of as crucial nodes in the network society. This should lead to further study of the relationship between distribution and fan cultures, as well as future research into the decisions distribution companies make when selecting which texts are distributed and which are not (somewhat akin to the role of television programming directors), especially how these decisions are informed by fan interests and commercial imperatives. Understanding such processes and the role of such companies is crucial, for as Hartley notes (2002), 'individuals, localities and nation-states are susceptible to exclusion from the network, to being disenfranchised' (Hartley 161). Understanding the role of distribution companies may therefore go a long way towards understanding the functioning of the modern network society.

*Madman Entertainment* certainly contributes towards sustaining a cultural dialogue in Australia, hooking Australian audiences into the larger global popular cultural network. Through projects like the Retro Collection, for example, they localise overseas content and archive it as part of Australia popular culture. In this way we argue that *Madman* can be thought of as 'cultural custodians for [anime] and eighties animation in Australia' (Dean Prenc) and an increasingly important example of how new knowledge economies might flourish in the future.
Author’s note


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Note

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