The Digital Frontier of Manga Part I

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“I’m a believer in digital,” said Kuo-Yu Liang of Diamond Distributors in an article published by Publisher’s Weekly. “I’ve preferred reading an e-book over a ‘real’ book for over 10 years, so I’m excited about every new thing… But, it doesn’t matter what I believe. Look at what’s happening to music, movies, newspapers, magazines, and gaming. The future of reading is in the digital format, get used to it.”

The Japanese digital market was estimated at $654.5 million in 2009 and expected to reach $797.3 million in 2010. The 2011 estimate was even higher at $904.4 million. Growth of downloads was expected in multiple formats, with a decreasing growth trend expected, but a steady overall download rate. The industry also estimates that 89% of digital publishing in Japan is manga.

In 2010, the US and Canadian comic publishing industry took a hard hit. The comic market was worth $680 million in 2009, and $370 million was in graphic novels. Japanese manga itself declined 20%, marking a third year of decline. For an industry with two prior years of sales drops, that could equal up to 50% in three years, as well as marking the downsizing or closing of several publishers. However, digital comic sales were predicted to increase nearly ten times in 2010. In 2009, the digital publishing of comics was a $500,000 industry, but the projection for 2010 put it at $6 to $8 million as “the fastest-growing part of the comics business,” according to an article by ICv2. There isn’t “anything we can do to fight it, so we have to figure out how to exploit it and expand business.”

With my previous fellowship, I took the opportunity to examine the scanlation internet phenomenon, a sort of illegal version of digital comic publishing. They can be viewed in previous issues of Interface and are a useful background for this series of articles (Part 1, Part 2, Part 3) Using this illegal digital manga

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community as a springboard, I felt the logical evolution of my fellowship project would be to look at the opposite side of the spectrum – i.e., the legal digital manga world. With that in mind, I will take a look at the evolution of e-manga, the trials facing the adoptions of this media, and the future of the manga industry on the digital frontier.

To recap, scanlations are illegally scanned and translated (hence “scan+lations”) Japanese manga. As the previous articles stated, it is not simply something that was traded among friends or circles, and moderately difficult to find. It was easily accessible online and still is, despite the threatened legal action and an organized publishers’ coalition. At the San Diego Comic Con in 2010, a panel of industry experts spoke on digital piracy and the future of online manga. With the serious threat of scanlations worrying publishers and the new coalition worrying fans, such a panel was to be expected. Although not heavily attended, the topic of the future of online manga was a timely one. With applications like “All Manga Reader” available as extensions to browser and automatically pulling from illegal scanlation sites, the task of capturing the online manga market is a daunting one for publishers.

Manga piracy affects companies and their partners, such as the retailers, writers, distributors, and the creators. Ed Chavez, of Vertical, Inc., a small publisher, explained in an article by ComicsAlliance that while traditional publishers enjoy lowered costs for distributing digital content, manga can be a far more expensive publishing process. The licenses are expensive normally, but licensors may require new licenses with new terms and higher royalties to allow digital publications. He says printing is only 10% of a book’s costs, and that additional fees make up more than 50%. Digital royalties may go up 5 to 10%. In 2009, Japan, the home of manga, saw an over 6% drop in manga sales, and a 10% drop in manga magazine sales. Piracy also affects the licensing abilities of US companies, thereby affecting the fans that do not see the titles they want, sending them to scanlation sites – essentially becoming another step in the self-sustaining cycle of piracy and publication. The scanlation aggregator sites with which publishers would need to compete earn money from advertisements, whereas publishers will need to find a way to monetize e-manga in a profitable manner.

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There are numerous ways a person can read material online. E-readers have been released from numerous companies, some with more success than others. The iPad, while not predating the eReader market, was a game changer that forced greater competition for the attention of consumers. Publishers started creating apps for the iPad, essentially the first legitimate digital manga reading option. It is important to note that just as with the previously mentioned browser extension, there were apps created that accumulated illegal scanlations as well. Some groups, like Katalyst Lab, went for exclusive digital comics, as with the release of “Maniac Tours” in the App Store only. The first episode was available for free, with subsequent episodes available for $0.99 each. The publication was also released simultaneously in English, Japanese, and French. Digital content is easier to produce in multiple languages and allows access to a greater number of users. For independent authors, like Mike Jasper and Niki Smith of In Maps and Legends, and Alex DeCampi of Valentine, publishing across all Apple platforms and others, such as the Barnes & Noble Nook, provides an advantage to their publications that will be integral in the developing digital market for comics.

Tokyopop, perhaps the largest manga publisher in the United States, launched an iPad/iPod app for their PRIEST manga series at Comic Con in 2010.

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They've also begun working with digital library distributors, such as Zinio and Overdrive, and expect to provide more titles in the near future. Tokyopop is looking into additional media delivery options as well. Smaller publishers, like Vertical Inc., uses iTunes and the App Store to distribute its Tezuka series through “AstroBoy Magazine” and is also pursuing other forms of publishing, including talks with Sony to provide manga through the Sony PlayStation Network. Viz Manga, another major manga publisher in the United States, was one of the first to jump on the iPad bandwagon for digital content. They created a free app that provided previews of their books at no cost, with the ability to purchase the books and keep them in the app like a virtual bookshelf. The first five series offered were at $4.99 per volume, less than the cover price of the print manga. They also offered volume one of the popular Death Note manga for free as an incentive to download the app. From examining the prices of e-books, I've found many are as expensive as their printed counterparts, as strange as that may seem. Viz’s price appears quite reasonable in that respect.

Viz also thought ahead with regards to online reading of manga, and launched its site sigikiki.com. On SIGIKKI, thirteen series from Viz's Signature line are available for free reading and review. If reader demand supports the series, then they are printed in the signature line. Web comics are done much the same way; gathering fans and then offering print copies if sufficiently popular, sometimes as a full volume like a graphic novel or only one chapter at a time like a comic book. It provides a built in risk limitation. Now, if only movies could do the same thing, we wouldn’t see so many millions wasted on box office flops. Crunchyroll, a site that provides streaming Japanese anime and Asian dramas, contracted with Japanese technology company, Bitly, to build a viewing platform for manga. While this spurred some fans to think Crunchyroll would be entering the digital manga business, they have created the platform for others to use, not to use for licensing titles themselves.

Not all publishers are coming out with formats that are particularly sensitive to their end users. Yen Press is following a similar scheme for online publishing in a serialized format, with a digital relaunch of their publication *Yen Plus*. It is a preview of their print manga being offered in a paid format digitally for $2.99 a month.\(^\text{17}\) This doesn’t sound as appealing or interesting to a reader, seeing as how it is previews only – there would be no completed content or continuing chapters for a reader to look forward to. A reader could just as easily hit the bookstore and read the back cover or flip through the first few pages without paying the monthly fee.

Another potential flop in the digital publishing domain would be Square Enix’s opening of its own manga store online. While Square Enix is known among gamers for famous works, such as the *Final Fantasy* series, and for working with Disney on *Kingdom Hearts*, they are not well known as a manga publisher. Their most well known titles are actually licensed and distributed in English by the aforementioned US publisher Viz. Like Viz, the online price is lower than the print price of a new book ($5.99) but is suggested to be “for a limited time” and therefore may be expected to rise. It is also not downloadable. While Apple Apps, like the Viz app, are not downloadable in the sense that you can access every file you purchase independently without the reader, they do not require the internet to be connected to read what has been purchased. Square Enix will be using a browser reader that will require a person to be online at the time to read their purchase – not exactly convenient for someone on the go looking for a digital copy of their favorite title.\(^\text{18}\)

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One former scanlation site, Mangahelpers.com, is looking to legitimize itself through the creation of Open Manga. While the platform was announced last June, and the group was in contact with Japanese publishers, there have been no updates from the new site’s blog in several months, suggesting the program may have failed before it truly began. Toshiba attempted to enter the world of digital publishing through a site called Manganovel. Its purpose was to digitally distribute various types of manga over the internet and to not be restricted to one publisher such as Viz. It was more like the new J Manga Portal that is in the works mentioned later in this article. Manganovel died a quiet death, for reasons unknown. Perhaps it entered the digital manga frontier too early, as it was before scanlations had been targeted for legal action.

A new up-and-coming digital manga site is similar to Manganovel and of special note. The Digital Manga Guild, the brainchild of Digital Manga, Inc., President Hikaru Sasahara, is slated to take the online manga publishing industry by storm with perfect timing.

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At Yaoi Con 2010, President Sasahara announced the new program that would take the recently targeted scanlators and hire them to perform legal translations of manga for digital distribution. With Digital Manga, Inc., acting as the go-between, between publishers in Japan and pre-screened scanlating groups online. The three players would produce manga in English for distribution online through the Digital Manga, Inc., eManga platform. Popular titles would potentially be distributed in hard copy. All proceeds would be split between the three groups involved, though the actual split is unknown, and those who worked on the title would be properly credited. The first titles are slated to come out this spring, with a goal of 500-1000 new volumes by the end of the year.\(^2\) While there is some skepticism on the feasibility of the project, Digital Manga, Inc., has a positive reputation with fans. They are also holding off on their own portion of the profit until the books are sold, increasing the credibility of the project.\(^3\) Having spoken with President Sasahara directly prior to the announcement at Yaoi Con 2010 and the next day following, I comfortably state that he’s sincerely interested in seeing this idea work to the benefit of all – the publishers, Digital Manga, the scanlators, and especially, the fans.\(^5\) It is perhaps the greatest bridge between my previous articles and what could be a major part of the future of digital publishing in the manga industry. Digital Manga, Inc., as could be suggested by its name, has truly been at the forefront of digital publishing for the manga industry. They publish on Kindle, and were the first US manga publisher to publish for the Nook.\(^6\) The previously mentioned eManga website is successfully running and hosting from publishers other than Digital Manga, Inc., and its imprints.

For those fans hoping for something a bit more comprehensive from the Japanese side of the manga industry, 37 Japanese publishers are stepping forward with a North American manga site tentatively called J Manga Portal. The site would digitally distribute the manga owned by the publisher participants, which include Akita Shoten, Kadokawa Shoten, Kodansha, Sheisha, and Shogakukan.\(^7\) The full version of the site is planned for 2011. The site will

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occasionally offer free manga and other incentives.\textsuperscript{28} If the materials for the North American portal are posted translated, this could be a major contender for the best online option for reading manga. However, whether this would be downloadable, like the Apple Apps or Kindle books, is unclear.

It is difficult to say where the digital publishing industry is going, but the educated guess would say everywhere and anywhere. With digital comics and manga expected to grow significantly while print purchases decline and bookstores struggle, publishers will need to jump on the digital bandwagon before it is too late. I see more titles being released in ePub (open e-book format) and in specialized formats for the major e-reader contenders (Kindle, Nook, iPad). Soon, the digital library will outgrow the print library for manga fans and adaptation will become a must. While I enjoy a good book in my hands, travelling the world with a suitcase of books is not nearly as convenient as my little Nook. I agree with Kuo-Yu Liang – “I’m a believer in digital.” But are the other fans? Time will tell – as will my next article, in April, after Sakura-Con in Seattle.