

Culturenomics: Using Culture as a Commodity and as a Brand

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ABSTRACT

The utilization of culture as a commodity and as a brand is gaining attention worldwide and the strategies employed to make its mark in the economy as well as its mark on the rest of the world are giving fresh perspectives to old methodologies. This paper studied this treatment of culture using the countries of Japan and South Korea as case studies contrasting, comparing and extracting, what the author can, the applied strategies in generating income through culture. These strategies have contributed to the economic growth of the countries mentioned and are right now enjoying the distinction of being among the world's most powerful economies.

The aim of this paper is to present the findings of the economic contributions of utilizing culture as an economic resource in the countries of Japan and South Korea. In doing so, one will find better understanding and appreciation of culture in the Philippines and elsewhere as an important tool in poverty reduction or simply to generate revenues. The two uses, as a commodity and as a brand, are chosen as these are interlinked in the new trend in utilizing culture as found in a preliminary reading prior to the conduct of this research. To achieve this, news framing, primarily what is available online, was used along with academic studies on the subject at hand.

The study shows that culture is an economic value to the countries subject of this study. But more than that, it is also a significant source of soft power. Hence, the concept of soft power is also explored. Through the conduct of this study, we find that culture is more than just an economic resource but also a diplomatic tool wielded through soft power.

KEYWORDS:

Culture, economics, culture as brand

INTRODUCTION

During the Marcos regime, culture in the Philippines was regarded as elitist and exclusive and one that often displayed foreign art (Sta. Maria,

2001). It is no wonder then that after the fall of that regime, the (Corazon) Aquino administration proclaimed that culture simply is not its priority (Ibid., p. 2). Despite changes in the Philippine cultural vision that sees a culture that truly reflects its people, culture remains a concept that many struggle to understand. The difficulty in understanding Philippine culture can perhaps be partly attributed to the twenty years of Marcos Regime's elitist definition of culture and the hundreds of years of colonization and occupation by foreign nations.

Decades have passed and administrations have changed and yet the culture sector continues to struggle for priority in national policies. This national regard is echoed in local governments where programs for agriculture and infrastructure take center stage in provincial and municipal master plans. For sure, there are several factors including management, as most cultural advocates are artists and lacked management skills, but most of all because of the perceived dissonance of culture and economics. Somehow, it is difficult to see culture as an economic resource and, hence, is often relegated to entertainment.

One of the biggest goals of local governments in the Philippines is poverty reduction and culture just doesn't figure anywhere in the government's program to achieve the goal. It is easier to assign culture as a support program to the other programs providing performances to entertain guests and citizenry and nothing more.

As this treatment persists today, Asian neighbors, Japan and South Korea, are making a fortune using their culture as commodities and exporting the same within Asia and elsewhere. Japan and South Korea also used their respective cultures to brand their countries applying similar methodologies in commercial branding.

Three years ago, Japan launched its Cool Japan brand as a post-earthquake strategy to revitalize its image and economy and take dominance again in the exportation of cultural products against, once colony, South Korea.

This study is relevant at a time when economic strategies are sought for especially in the advent of globalization where small countries like the Philippines will struggle even more against import dependency. This study is even made more significant today in the light of the latest disasters that hit the Philippines; the 7.2 magnitude quake, followed by Typhoon Haiyan (Yolanda), that caused devastations in all aspects of human life including the Philippine economy. Furthermore, this study might contribute to the country's public diplomacy just as what culture has done for countries. Perhaps, we can learn a lesson from our Asian neighbors and apply the same strategies here.

There are those who say that this treatment of culture will only serve to distort its meaning as culture in this aspect is being commercialized and tweaked to suit the market. But let us first look into the use of culture as a commodity and as a brand as applied in Japan and South Korea.

DEFINITION

Culturenomics is the amalgamation of two terms which are culture and economics. In defining culturenomics it is necessary that we learn the given definitions of the two words.

In the 1982 World Conference on Cultural Policies hosted by UNESCO, culture was defined as that which “comprises the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only the arts and letters, but also the modes of life, the fundamental rights of the human being, value systems, traditions and beliefs” (Ibid., p. 19).

In the Philippines, through R.A. 7356 creating the National Commission for Culture and the Arts (NCCA), culture was defined as “a manifestation of the freedom of belief and expression and... a human right to be accorded due respect and allowed to flourish” (Ibid., p. 19).

The NCCA defined culture as “*ang pamana ng ating kagalingan at karangalan* (Culture is our heritage of excellence and nobleness)” (Ibid., p. 20).

Economics, being an old concept, has found several definitions over the years. But for this paper, we will use the definition cited in the book, *Economics: Principles and Applications* as “the study of how societies use scarce resources to produce valuable commodities and distribute them among different people” (citing Samuelson & Nordhaus, 2000, p. 5).

In 2001, during the Davos World Economic Forum, the term “culturenomics” was coined by columnist-economist Robert J. Samuelson (as cited in Kim, 2007, p. 3) in his column for Newsweek explaining the term as follows:

“Economic markets everywhere conform to the peculiarities of local history, social structure, psychology, religion and politics. These forces influence the desire to work, consume, invest, save, and take risks. Human nature maybe constant but it is always chiselled by culture” (Ibid. p. 20).

Samuelson postulated that global slumps in economy lie not in economics but very much in local traditions, values and politics. He further rationalized that it is an “illusion to think that economic weakness stems from economic causes and can be cured quickly by economic remedies” (Ibid. p. 20). In that Forum, culturenomics was used to allow a different treatment for every country in consideration of the different consumer trends, way of thinking, and way of living attributable to one’s living.

This insight to economy was viewed as a more comprehensive treatment in viewing the issues in a globalized economy. Immediately, we see that indeed every nation is defined by its culture and, in the advent of globalization, what can separate us from one another are our cultural differences that dictate our choices in the goods we consume. Because of culture, rice eating Asians are differentiated from the bread preferring Europeans. Italians are

passionate over pasta while the Japanese love sushi and the Filipinos will rave over *lechon*.

But the word *culturenomics* found new definition as enterprise based on culture which is an integral part of economy. Long before Samuelson coined the term, several Asian nations, foremost of which were Japan and South Korea, have already used culture as a post-war tool for economic growth. With the coinage of *culturenomics*, these countries now found a word to encapsulate culture as an economic value.

David Throsby (2008), in the 2008 Global Metropolitan Forum of Seoul in Seoul, South Korea, talked about *Culturenomics* and how urban policy-makers have recognized the full extent of the role of arts and culture in economy (as cited in the blogspot: *Creativity Never Sleeps Introduction*, para. 1).

Consequently, there is a need to establish a common understanding of cultural products or, interchangeably, culture-based products. In this aspect, products borne from cultural activities as contained in our adopted definition, "includes not only the arts and letters, but also the modes of life, the fundamental rights of the human being, value systems, traditions and beliefs," (Sta. Maria, p. 19), will be our foundation for this understanding although the countries, subject of our study, may define for us what to them are their cultural products.

LIMITATIONS

For the purpose of this paper, culture is regarded in two ways; first, as a commodity and second, as a brand. We return to the generally accepted definition of culture as agreed upon during the 1982 World Conference on Cultural Policies hosted by UNESCO. From this, we learn that culture "are distinctive features" whether spiritual, material, intellectual or emotional that characterize a society or social groups.

Furthermore, this paper will adopt Samuelson and Nordhaus' definition of economics particularly production of valuable commodities. In commodifying culture, this characteristic of economics must therefore find application in cultural activities.

Culture as a brand finds a different application in that in essence it is intangible. The American Marketing Association (AMA) defined brand as a, "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (American Marketing Association, n.d.). This definition, however, does not really encompass what a brand is and hence, Paul Feldwick, who defined brand simply as, "the intangible values created by a badge of reassurance," is hereby adopted (as cited in Southgate & Paul, 1999, p. 18).

In this definition, branding goes beyond a name, logo, a mark or a symbol that signifies ownership. Here, intangible values are attached giving identity to that name, logo, mark or symbol; intangible values that, in the case of culture,

capture the distinctive features characterizing a given society or social group. Culture as a brand can generate income but it is not marketable item, hence, incapable of business transaction per se differentiating this from culture as a commodity.

The study takes the case of Japan and South Korea. This does not mean, however, that culturenomics is peculiar to these Asian countries alone. But in their case, they made a calculated move to use culture as a tool for economics as a brand and as a commodity. The post-war phenomena of these Asian countries invading both the Asian and the Western markets are fairly recent and thus we will look at how Japan and South Korea effectively conquered the West and its Asian neighbors using culture.

Furthermore, the data taken are mostly from internet sources since this is, at present, the fastest, most comprehensive, most available and not to mention, the cheapest way to study foreign case studies.

METHODOLOGY

The author selected and reviewed 62 scholarly studies from the 1990s to present and 105 news reports from mainstream news sources as well as alternative media sources from as early as the 80s that are available on the internet to April of 2014 that particularly reports on the topic to come up with a critical analysis on the use of culture as a commodity and as a brand. From these materials and documents, those that specifically mention branding for Japan and South Korea, the author came upon Japan's use of culture in their national branding strategy dubbed COOL Japan, and the South Korean brand, "Hallyu" or the Korean Wave presently using the country brand tagline, South Korea: Be Inspired.

Comparative framing analysis of news reports, particularly on the subject, was used by the author to generate a learned deduction for the purpose of this paper. News reports from known mainstream media with retrieval from their websites, including *The New York Times*, *CNN*, *TIME*, *Newsweek*, *The Japan Times*, *The Korea Times*, and *Global Times* (China), among others, were used while alternative sources, including blogspots and independent web news sites, were considered to compare and contrast the treatment of the content. These news reports were supplemented by published papers and other studies that were duly selected, reviewed and analyzed to effectively gauge the use of culture as a brand and as a commodity in each country.

The author employed content analysis in the message frames to methodically evaluate the significance of these messages. Since many of these sources tackle both use of culture, the author separated the content which reports use of culture as cultural product from that of culture branding.

CULTURE AS COMMODITY

In the use of culture as a commodity, it is necessary to identify what are cultural products. For both South Korea and Japan, news frames show TV

dramas, animation, music and fashion as the leading cultural products. There is also a lot of mention of J-Pop and K-Pop which refers to Japanese Popular culture and Korean Popular culture respectively.

So what is popular culture? Is popular culture part of culture *per se*? Felice Prudente Sta. Maria (2001) defines the word 'popular' in popular culture as "an adjective describing anything related to the general public or the majority of people in a society" (p. 58). Sta. Maria (2001) further points to popular culture as often called as youth culture. Other definitions similarly mention general public or mainstream.

From this definition, we find that popular culture is well within the given definition of culture and is encompassed by culture in general only that popular or pop culture is culture identified by the general population, or the mainstream, or the "*masa*", in a given society as opposed to high culture which is associated with the elite.

Another inquiry would be what cultural products are being marketed. To answer this we need to look at our case countries one by one.

The Animated Japan

Haunted by defeat in colonizing its neighbors, Japan was hesitant to use culture in the fear of resurrecting anti-Japanese sentiments. It instead focused on industrial exports such as cars and electronics from the end of World War II to the mid 1980s (Otmazgin, 2002, para. 1). But improved relations in the 1970s and 1980s allowed for Japanese cultural exports (para. 3).

Soon, exports of Japanese animation, TV dramas and music in the 1990s were gaining success in the neighboring East and Southeast Asian neighbors. The content was taken mainly from the Japanese "manga" or comics. And because "manga" is translated into animation for export to other countries as TV shows for children, it was non-threatening even to the countries that Japan once attempted to colonize and that included the Philippines. With the right theme, Japan found the perfect olive branch to offer its neighbors.

The 80s also saw the popularization of Japanese cultural products such as pop songs, TV drama, characters (e.g. Hello Kitty, Pokemon) and fashion (Toyoshima, 2011, p. 5). Soon, more cultural products including film, and gaming joined the cultural export of Japan (Ibid.). Certainly, there was a growing awareness by the Japanese Government that multi-media and culture-related industries were a growing segment in their economy. The value of music exports alone to just nine markets in East and Southeast Asia rose from 5.5 billion yen in 1998 to 14.6 billion yen in 2002 and raked in more than 200 billion yen over the whole period (Otmazgin, 2002, para. 4).

Japanese television programs had an export value of 2.1 billion yen from 1991-1995 with almost half going to Asia. In 1992, the Ministry of Economy, Trade and Industry (METI) estimated the multi-media industry to generate 55.3 trillion yen by 2015 where 62% will come from sales from software, motion pictures, artistic images and sound, broadcasting and video games. Not

only was cultural export profitable but was also boosting Japan's image overseas (Otmazgin, para. 5).

The economic contribution of cultural exports is significant considering that Japan in this decade ran massive deficits and their once dubbed economic growth "miracle" (1960s-1980s) markedly slowed down. The 90s also saw the fall of the corporate Japan image after its "bubble economy" bursts (Cannon, n.d., p. 108,).

The Japanese Government, in support of cultural exportation, made necessary changes including amending broadcasting laws in 1994 to allow TV and radio programs to air overseas (Otmazgin, para. 5).

There was also the creation of the Japan Media Communication Center (JAMCO) by the Ministry of Foreign Affairs and the Ministry of Post and Telecommunication to subsidize the export of television programs to developing countries. JAMCO, in 1998, translated 586 programs into English and exported them to 35 countries. The Ministry of Post and Telecommunication went further by creating a committee tasked to report on the promotion of cultural export of Japanese TV programs (Otmazgin, para. 7). Japan's METI Media and Contents Industry Division also established a think-tank to look into the media and content industrial policy including its challenges and prospects with the aim to promote overseas export of Japanese content (Ibid.).

There is a lot of mention of content but what does this include? The term which encompasses this can include music and movies, text publications of any kind, ownership of standards, geographic data, and metadata about all and any of the above. A report from the METI Media and Content Division Commerce and Information Policy Bureau (September 2001) listed Japan's contents as visual to include film, television program, and animation, music, and video game (Ibid., p. 2).

Of the news reports and studies used by the author for this paper, there is also mention of creative industry as cultural export of Japan. But none gave a definition even prompting one news report to mention that creative industry has no specific definition, hence, it covers from manga, anime, to food, traditional crafts, fashion, tourism and music (Nagata, *The Japan Times*, 2012 May 15 Issue, What is the strategy about? Section, para. 6).

Further search with the keyword "creative industry" showed a definition offered by *Wikipedia* which it took from John Howkins' 2001 book, *The Creative Economy: How People Make Money From Ideas*. Creative Industry is defined as that referring to "a range of economic activities which are concerned with the generation or exploitation of knowledge and information." Howkins' list of creative industry includes advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, research and development, software, toys and games, TV and radio, and video games.

In reports from *Time* (2013 July 1 issue) with reference to *The Japan Times* (2012 May 15 issue) there is a mention of the Japanese cultural exportation or global expansion as "piecemeal", "random" and even "disorganized". This

approach of marketing of cultural products is pointed to as the reason for South Korea's domination today of the global market's cultural products consumption along with a lack of support for the small and midsize enterprises who are engaged in creative industries and lack the finances to run a global operation (Ibid.,).

If Japan will have its way, the next 20 years will change to their favor with a new program that will regard them once again as the top Asian cultural exporter.

The South Korean Drama

Another country that deliberately used culture as an economic tool is South Korea. Seeing the success of Japan, South Korea soon followed suit out of fear of the massive onslaught of Japanese music, videos and drama in South Korea's black market despite the long-time ban of cultural imports from Japan (Onishi, 2005 June 29 Issue, para. 13).

In 1998, the South Korean government through its Culture Ministry, with a substantial budget, a reported \$500 million (Kelt, 2013 para. 3), carried out its plan to build up domestic industry (Onishi, para. 13). A Cultural Industry Promotion Law was enacted in 1999, as a means to combat foreign domination of cultural products in domestic markets (Hui as cited by Henry, 2007, p. 13). This law came with a five-year plan for the Development of the Cultural Content Industry (Ibid.). The law was amended in 2002 and a Culture Contents Industry Vision 21 was published in 2002 (Ibid.).

The New York Times (2005 June 29) and The Korea Times (2013 July 10), point to the Korean TV drama and music as the cultural products that spurred the cultural exportation of South Korea. The popularity of Korean popular culture was dubbed by a Beijing journalist in mid-1999 as Hallyu or the Korean Wave (as cited in Lee, 2011, p. 86). With a growing popularity, where clothing and hairstyles were being copied and heavy government investment, the entertainment industry of South Korea earned in 1999 US\$8.5 billion and rose to US\$43.5 billion in 2003 and that same year, the cultural products export earned US\$650 million. Prior to this, no figure was reported due to its insignificance (Onishi, 2005, para. 6).

Colleges opened culture industry departments and provided equipment as well as scholarships with the encouragement of the government. Soon the number of such departments rose from almost non-existent to more than 300 (Lee, p. 86). The Ministry of Culture, in 2002, opened the Korea Culture and Content Agency to encourage exports of cultural products (Ibid.,).

Korea.net (2012 February Issue) also mentions the South Korean cultural industry and its twelve fields that include among others, publishing, film, music and gaming (para. 2). Further reading of that same article also mentioned character industry, tourism, R&D on Culture Technology, cultural infrastructure, and sports (para. 5). The New York Times (2005 June 29) also mentions TV dramas, music, movies and gaming echoing the report of Korea.net as the cultural products of South Korea. In 2011, the total sales of

South Korea's cultural products were reported at 82.614 trillion won with a total export of US\$4.159 billion at 25.2% per year average increase since 2007 (Choi, 2012, para. 2). The culture industry accordingly created 490,000 jobs in 2008 alone and 590,000 jobs in 2011 (Choi, 2012, para. 3). The growth of the industry is attributed to government support, changes to the media environment and promotion through Korean Wave (Choi, 2012, para. 4).

South Korea reported to have logged a surplus from cultural exports for January to May 2013 alone of \$52 million compared to the \$43.5 million in 2012 (Data from Bank of Korea as cited in Korea Herald, 2013 July 10 Issue, para. 2). The trade in cultural products for the entire year of 2012 had

Table 1. Comparing Country Demographics and Revenues

	JAPAN	SOUTH KOREA
GDP (Nominal) 2012 IMF	US\$5,963,969 (Millions)	US\$1,155,872 (Millions)
GDP (PPP) 2012 IMF	4,617 (Billions) International Dollars	1,622 (Billions) International Dollars
Unemployment (2012)	4.5%	3.3%
Population (2013)	127,270,000	50,219,669
Cultural Products		
1998-2002 (Music)	200 Billion Yen	---
2003 (Entertainment)	---	US\$ 43.5 Billion
2003 Total Export Sales	---	US\$650.0 Million
2011 Total Export Sales	---	US\$ 4.159 Billion
2012 Trade Surplus	---	US\$ 85.5 Million
2015 Estimated Revenue		
Multi-media	55.3 Trillion Yen	---

Source: IMF World Bank 2013 Meetings Global Finance

a surplus of \$85.5 million (para. 4). The popularity of Korean popular culture (K-Pop) was said to be the factor for the even bigger growth of the cultural products trade of South Korea (para. 5). And, with a sustained support for their cultural industry, South Korea is ready to take on the challenge of rival Japan.

CULTURE AS A BRAND

As defined, a brand refers to those intangible values that are attached to a symbol, a sign, a name or a logo. The use of culture as a brand is found in nation branding which also refers to place branding, and city branding (Teslik, 2007, citing Anholt, Simon, para. 1). Nation branding is fairly new in that it applies the same methodologies of commercial branding, and looks at the importance of a country's projected image in order to create an

acceptance and consumption of its products that is beyond tourism (Teslik, 2007, para. 1).

Country or Nation Brand Index is a measurement on how a country is perceived affecting its soft power (Future Brand 2015). Nation branding to some authors has key objectives, namely; export promotion, inward investment and tourism, and public diplomacy (Dinnie, 2006, p. 8).

From the definition of culture, we learned that culture refers to distinctive features that set a society or social group apart. While it is logical to use culture if we take the marketing aspect of a unique selling point, we look into our case studies to further understand the preference of using culture as a brand.

The Japanese Cool

The popularity of the Japanese cultural products such as anime and manga prompted one writer in 2002 to comment that despite the dwindling of Japan's gross national products, its "gross national cool" was on the rise (Zax, 2013, para. 2, citing a 2002 article in Foreign Policy).

On that same year, former Prime Minister Junichiro Koizumi launched a series of initiatives for nation branding which resulted in the creation of the Japan Brand Working Group in 2004 (Dinnie, 2012). In 2005, the group submitted its first report which calls the 21st century as "the era of cultural power" (Intellectual Property Headquarters as cited in Cannon, p. 110, n.d.). The report also claims that the key to becoming a nation that is loved and respected worldwide is found in soft power showing Japan's attractiveness namely cultural power instead of military or economic power.

Soft power is a term coined by Joseph Nye in his 1990 book, *Bound to Lead: The Changing Nature of American Power*. It is a concept that describes the ability to attract and co-opt in order to persuade. In a document written by Nye, "Soft Power, Hard Power and Leadership" (2006, June 6), Nye explains that leadership and power are "inextricably intertwined" and soft power is one way to affect the behaviors of others to get the outcomes you want (p. 2).

Soft power, as Joseph S. Nye proposed in another document, allows for diplomatic ties and lists culture as one of the sources of that power (Nye, n.d., p.12). He further stated in yet another document on soft power that public diplomacy has three significant dimensions and one of them is strategic communication much like advertising campaigns (2004, Chapter 4-Wielding Soft Power, p. 9).

In 2006, Japanese Foreign Minister Taro Aso called for an all-Japan approach in polishing the Japan brand (as cited in Cannon, p. 111). Prime Minister Shinzo Abe, the prime minister after Koizumi, in his second policy speech in 2007, mentioned the importance of branding their products; a policy contained in the Abe administration's Asian Gateway Initiative (as cited in Cannon, p. 112).

The Japanese government further evolved the concept as administrations changed and in January 2012 the COOL JAPAN Strategy, riding on their

“coolness” factor as a brand, was released as a means to revitalize Japan after the Great East Japan Earthquake and the nuclear accident in the Fukushima Prefecture (Cannon, p. 113). A Cool Japan Advisory Council, composed of public and private groups, has been working on this branding concept since the year 2010 (Zax, 2013, para. 2). The Cool Japan campaign was much-needed after the earthquake and tsunami that hit Japan in 2011 claimed around 16,000 lives, devastating homes and also Japan’s economy with the tourism industry falling by over 60% in April (Roberts & Hudson, 2011, para. 3).

The *Asahi Shimbun* on May 1, 2013 reports a support from the national budget of \$97 million for dubbing and subtitling of multimedia cultural products and a 50 billion yen fund set-up as a collaborative effort of the Japanese government and private sector (Takaku & Akada, 2013, para. 22). It is a long-term support by the central government for business operations that banks may not provide where short-term profits cannot be guaranteed (Takaku & Akada, 2013, para. 24). More than that, news reports from *TIME*, *The Japan Times*, *The Japan Daily Press* and *Asahi Shimbun*, all report a \$500 million (20-year fund) support to promote Japanese culture overseas. This was inspired by the South Korean government’s investment in 1998 for cultural-promotion whose artists now dominate pop-music charts, television and film within the region (Kelts, 2013, para. 3). This amount will be even bigger with the backing of Japanese financial institutions investing in different cultural aspects including distributors, manufacturers and retailers of Japan’s cultural products (Hofilena, 2013, para. 2). One institution will help establish business bases abroad and the other will be providing financing and personnel support to clients who will be expanding outside of Japan with a focus on traditional arts and crafts (Hofilena, 2013, para. 2).

From the reports, it is evident that inward investment and promotions are certainly objectives of the COOL Japan brand. More so that the Japanese government has just added a Creative Industry Promotion Office under METI to coordinate efforts in increasing cultural exports under the “Cool Japan” project which will cover traditional arts and crafts and pop culture products to include cartoons, television shows and feature films (Hofilena, 2013, para. 5).

A reading of the Japanese nation branding strategy, the Japanese government support for the COOL Japan brand is concentrated on culture. The *Asahi Shimbun* quoted an official of METI saying that “if the value of Japanese culture increases, a new business model could emerge in which related products, such as toys and stationery, could also be sold through spill-over effects” (Takaku & Akada, 2013, para. 25).

Despite the previous piecemeal approach of Japan, it still was able to attach good intangible values to the Japanese brand through a high-quality export of their products as pointed out by Simon Anholt, a British government advisor on branding policy and strategy (Kang, 2008, para. 12). Such high-quality export, according to Anholt (as cited in Kang, 2008, para. 11), built trust with consumers and allowed Japan to recover from a very negative image. Among Japan’s global brands are: Toyota, Honda as well and the

cultural products; sushi, manga, anime, comics and print cartoons (Kang, 2008, para. 17 & 19).

The South Korean Wave

The South Korean Wave or Korean Wave was coined in China after the popularity of Korean TV dramas and music. In 2008, South Korean President Lee Myeong Bak, in a speech, expressed the need for a nation branding in saying, "If we wish to be an advanced nation, we must improve our reputation in a groundbreaking manner" (Presidential Council on Nation Branding, Background and Objective section, para. 1, n.d.).

In 2009, The Presidential Council on Nation Branding was created with a vision of a reliable and dignified Korea employing the following strategies: expand contribution to international society, disseminate the value of traditional culture, strengthen global communication and pursue national integration (PCNB, Vision & Strategy section, n.d.). Despite the existence of the Council, the nation branding attempts were still under fire for failing to capture the image and the soft power that Korea envisioned. Even the brand manager for the Seoul government, Peter Kim, said in a January 2012 interview with BBC Asia that despite becoming the thirteenth largest economy they have yet to find a unique brand for South Korea (as cited in Williamson, 2012, para. 6).

Among the struggles of the branding for South Korea is sharing a name with the communist North Korea which regularly gets featured in global news channels for food shortage, political repression and their nuclear weapons program (Williamson, 2012, para. 6). Marketing campaigns for South Korea included Korea Sparkling, of which Korea spent 5 billion won to develop in

Table 2. Brand & Soft Power Index

	JAPAN	SOUTH KOREA
Brand	Cool Japan	Korea Be Inspired
Nation Brand Index (NBI) 2008 NBI Ranking	5th (also 1st place, of five, in Exports Brand raking)	33rd
2010	5th	29th
2011	5th	26th
2012 NBI Ranking	6th	Unpublished
Monocle Soft Power Survey 2012	6th	11th
No. of Tourists (2012) Foreign Investment	8,367,872	11.1Million

Sources: Roper/GFK

2007 (Do, 2010, para.9). In 2008, Roper came out with their Nation Branding Index (NBI) Ranking placing South Korea at the 33rd place among the 50 best overall brands. The slogan was replaced with Korea Be Inspired in 2010. (Do, 2010, para. 9) Korea's tourism, a key objective of nation branding, has risen from 6.45 million in 2007 to 9.8 million in 2011 (Choi, 2012, para. 11). Global Asia, in a report, observes the South Korean approach to nation branding as energetic and applying a strategy rooted in Korean culture and display openness towards the rest of the world (Dinnie, 2012, South Korea section, para. 1).

Simon Anholt, creator of the NBI says, that the NBI is meant as a report card to measure the world's perception of each nation as a public brand and went further to explain the correlation between a country's overall brand and its economic status as reflected by the top ten most positively perceived countries (Roper, 2008, p. 5). Anholt, in a BBC interview, observed that South Korea's image is improving because it is also improving (Williamson, 2012, Turning Point section, para. 4).

In 2013, the National Council for Nation Branding was disbanded for already achieving above the average OECD. In 2010 South Korea's nation brand index rank moved up to 29th and in 2011 moved even higher to 26th (PCNB, Korea, n.d.). In this same source, it reports that Anholt-GFK Roper Brands Index has not published South Korea's ranking since 2012. Unlike Japan whose strategy is said to be piecemeal, South Korea's consistent multisectoral backing is now reaping its gains.

ANALYSIS

At first glance, the study shows that Japan and South Korea applied different strategies in using culture as a brand and as a commodity. Further analysis, however, will find both countries sharing several similar methodologies. In this analysis, the author will attempt to apply the strategies found in this paper to the Philippines.

Culture as a Commodity

From the study, we noticed that Japan uses "creative industry" to refer to their cultural products while South Korea uses "cultural industry". In a seminar given by the Department of Trade and Industry in 2007 regarding creative industry, differentiation of the two terms was tackled in that, cultural industry emphasizes on "heritage and traditional and artistic elements", while creative industry puts emphasis on "individual creativity, skill and talent in the exploitation of intellectual property" (2007, Creative Industries: Contextual Framework in the Philippines, DTI Handouts, no sources referred, p. 3, n.d.).

Can this differentiation be true to the case countries we used for this study? And could this differentiation also have made a difference in the strategies, economic outcomes, marketing and audience response? A deeper study of these industries and the sample countries may find us an even deeper

understanding of these two terminologies. What is clear, however, is that these two countries use the same method by identifying what their cultural products are and created the necessary offices, organizations, policies and strategies to handle its development.

What is also true in both countries is that they applied the same technique where their industries were recognized primarily by its popular culture whose mass appeal and attraction paved the consumption of other cultural products which in turn allowed for the consumption of other non-cultural products. Similar strategies in both countries include creation of appropriate government offices that focused on the culture/creative industry. Research and development in every step taken is given importance. Laws and national policies were also reviewed and changed to allow for easy access to the cultural products and services. And more importantly, the two countries allocated a big budget for the development of their products.

The marketing strategy applied, however, is different in both countries in that Japanese marketing of their creative industry is said to be piecemeal while that of South Korea is a sustained support with a start-up budget allocation of \$500 million in 1998. South Korea's well-planned support for their culture

Table 3. Strategies In Commodifying Culture

	JAPAN	SOUTH KOREA
Cultural Product	Creative Industries popularized by animation	Cultural Industries popularized by TV Dramas
Institutional Mechanisms	<ul style="list-style-type: none"> • Creation of the specific offices, committees and think tanks for the development of the industry including the Japan Media Communication Center (JAMCO) • Amending laws to allow TV & Radio programs to air overseas • Allocation of budget 	<ul style="list-style-type: none"> • Creation of offices including the Korea Culture and Content Agency • Open culture industry departments in colleges Allocation of budget Enactment of laws on cultural industry promotion
Strategies	<ul style="list-style-type: none"> • Identification of products • Multi-sectoral involvement 	<ul style="list-style-type: none"> • Identification of products • Multi-sectoral involvement

industry may have been the reason for their domination of Asian cultural exports today. Note however, that this domination did not affect the soft power standing of Japan. Table 3 below shows how Japan and South Korea employed strategies in treating culture as a commodity.

Culture as a Brand

Xiaoyan Zhao (2008), Senior Vice President and Director of the NBI Study opines that while commercial brands rely on favorable public opinion in order to sell products, countries, on the other hand, depend on their reputation to bring in tourists, business, investment, and such others that are important to a nation's financial strength and also international standing (Roper, 2008, p. 5).

Japan and South Korea opted for the same methodology in using their culture to brand their respective countries, thereby, increasing their reputation. Culture is deemed to have a high brand value and in this concept, the use of culture for a country's brand will make for a higher value in the eyes of consumers. Therefore, by heightening culture, the country's brand value is also heightened.

In culture used as a brand, we find that culture goes beyond economic benefits. And for both Japan and South Korea, branding is as much a matter of soft power

And Japan, who still bears the burden of its history of militarism, colonization and invasions in the backdrop of rival China growing in economic power and, once colony, South Korea keeping pace, is certainly in need of it (Lam, 2007, p. 3). China and South Korea are still vocal in their animosity to Japan. Incidentally, both China and South Korea are spreading its culture with China establishing Confucian Institutes globally and South Korea with its Korean Wave (Lam, 2007, p. 3).

One of the great contributions of Japan's soft power is opening doors for women working as artists including the popular field of manga as opposed to working in corporations where surveys placed women only at 10% in corporate management (Shorrack, para. 1, n.d.). But the branding has also met some opposition. One media scholar opined that branding a country appear as a product instead of a community of citizens (Zax, 2013, citing a comment of Katja Valaskivi). However, armed with a big budget and an even bigger goal, Japan is set to convince us just how cool is Japan's cool.

And what is South Korea's interest in soft power? Nye (2009), in his article for Project Syndicate, said that, "If geography is destiny, South Korea was dealt with a weak hand." Nye points to China, Japan and Russia as the three giants surrounding South Korea whose difficulty to develop sufficient military power at the beginning of the century saw South Korea becoming a colony of Japan (para. 2).

Despite the economic status of South Korea today and their high-tech weaponry, small countries like South Korea, cannot compete with superpowers such as China and the United States in terms of military or hard

power (Nye, 2009, para. 5). But in the arena of soft power, small countries can compete with the superpowers simply by making themselves attractive enough for co-option. With the continuing war with North Korea, South Korea needs allies which soft-power, whose goal includes public diplomacy, can help them persuade other countries to be on their side. With a strong soft power, South Korea just might be able to achieve its dream of a reunification of the two Koreas their way.

There are those who say that this treatment of culture will distort it as culture is commercialized to suit the market. This may be true, however, these two countries teaches us that investing in culture is a viable investment to help the economy. But it would be a better scheme if governments invest in culture with its people in mind. It is a more sustainable goal to invest in the people, than just merely investing in the product itself.

Let us take the case of Japan. Despite its piecemeal approach to branding and marketing of its cultural products its soft power, based on the NBI, is not affected. Simon Anholt (as cited in Kang, 2008, para. 12) attributed this to Japan’s ability to attach values to the Japan brand by their high-quality product. Despite the fall of its corporate image, it has ingrained in public consciousness the image of “dedicated and tireless” Japanese workers shedding

Table 4. Strategies in Branding

	JAPAN	SOUTH KOREA
National Brand Slogan	COOL Japan	South Korea: Be Inspired
Institutional Mechanisms	<ul style="list-style-type: none"> • Creation of the Japan Brand Working Group • Creation of the Cool Japan Advisory Council • Allocation in the National Budget 	<ul style="list-style-type: none"> • Creation of the Presidential Council on Nation Branding • Allocation in the National Budget
Strategies	<ul style="list-style-type: none"> • Presidential Council on Nation Branding • Allocation in the National Budget • Presidential policy on branding • All-Japan approach to branding • Muti-sectoral involvement in the Cool Japan Advisory Council • Rooted in its people 	<ul style="list-style-type: none"> • Presidential policy on branding • Consistent multi-sectoral backing • Rooted in culture products

a previous image of “deficient product quality in the 50s and 70s (Cannon, p. 108, n.d.). One author refers to the Japanese brand as “organic” and is not just a product of overt branding efforts (Cannon, p. 108). Japan’s high-quality exports are viewed with global competitiveness and excellence allowing Japan to stay at the top in the Nation Brand Index ranking notwithstanding its disorganized approach to branding in the previous years. Simon Anholt (as cited in Zax, 2013 August) said that ultimately, countries are judged by their behavior and not by their slogan. Anholt in a BBC interview, commenting on South Korea’s incredible rise, also said that reputation is not something one constructs but rather one that is earned (Williamson, 2012, para. 10). Table 4 below shows a comparison on how Japan and South Korea used strategies in culture branding.

CONCLUSION

Culture, as the study shows, is indeed an economic resource where countries like the Philippines can tap. As a tool for poverty alleviation, culture is a good source of employment and revenues. In South Korea, about half a million jobs were created from this economic resource in 2008 alone and more than half a million in 2011. This same resource opened jobs for women in Japan where they can be in equal footing to men earning just as much as the latter. In terms of actual revenues, South Korea reportedly had sales for cultural products of 82.614 trillion won and total export sales of US\$4.159 billion in 2007 with a yearly average increase at 25.2% thereafter. While it is difficult to find data on the revenues of Japan for their cultural products, Japan’s music industry reported 200 billion yen in revenues from 1998 to 2002 and their multi-media industry is estimated to generate 55.3 trillion yen by 2015. Even with economic slumps, it is easy to see that cultural/creative industry is a very good investment.

Culture is a source of soft power whose goals include tourism, inward investment and public diplomacy. Its attractiveness, when promoted, allows for co-option among other nations; a useful means for small countries such as the Philippines that is facing not only economic challenges but also international controversies.

In branding, the author looks to South Korea’s country tagline, South Korea Be Inspired. It is a tagline that involves a future and not just a description of the place. Apparently, it is not enough for South Korea to wow its visitors in the present, it wants its visitors to make them the source of their future.

In branding strategies, however, the author looks to the Japanese model having maintained its Nation Branding Index despite fluctuations in its economy. Japan branding looks into excellence of its people and not just products. We learned that country branding is dependent on reputation, and country identity is one that will sustain despite the changes in the demand of a country’s products, tourism or investments. Japan’s strategy is not only overall product quality but even includes promoting concepts to the global community such as “human security” that looks into human development (Cannon, p. 113). Here, solutions to global issues such as pollution and early

aging are already part of Japan's branding strategy and by doing so, they have successfully curbed their own issues in pollution and is an active participant in finding solutions to pollution problems worldwide. Branding in the Japanese model is not merely public relations, it is internal change with an outward projection. For Japan, branding isn't just multi-sectoral, it is multi-individual.

If we are to apply the strategies of our case countries, Japan and South Korea, it is necessary to point out that in the use of culture as a commodity, both countries identified what will comprise their cultural/creative industry. If we are to look around for the possible cultural commodities, it is easy for us to do so with our very rich cultural heritage. For Japan and South Korea, the utilization of culture as a commodity goes from their food to their art and entertainment. The Philippines is in no way behind these countries in this aspect. In food alone, we have so much to offer. We can promote our lechon to rival the kimchi madness of South Korea or the sushi fame of Japan. As for art, it is so ingrained in the Filipino that we find it everywhere we look, exemplified in the vibrant designs on our favorite form of public transportation, the Jeepney. Indeed, the Philippines has a lot to offer in terms of music, performance, visual arts, and literature. What the Philippines lack is simply the same concerted effort and savvy marketing of the Japanese and the South Koreans when they decided on using their culture as a major player in their economy.

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