

# Business & IT



# Crunchyroll

*This paper is color-coded to indicate the contributions of each writer. Each section is marked with a different color representing one of the three group members.*

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# Introduction

From illegal pirate streaming in 2006 to becoming the world's largest anime streaming service today, Crunchyroll has undergone one of the most remarkable business transformations in digital media. Originally launched as a site that hosted user-uploaded anime content—often without proper licensing—Crunchyroll has since evolved into a legal (Vaughan, 2025), global platform with more than 100 million registered users globally (Spangler, 2021). As of August 7th, 2024, they have announced that their streaming service has officially crossed 15 million monthly paying subscribers (Crunchyroll Official, 2024). A huge milestone for the anime community and the still-evolving brand. While the company has operated in a niche market—Japanese anime—which was once considered a subcultural phenomenon outside Japan (Parrot Analytics, u.å.), they have through strategic partnerships, acquisitions (such as the merging with Funimation), and various business model shifts, managed to transform itself into a mainstream service under Sony's ownership (Sony, 2024).

## **This paper aims to investigate**

How has Crunchyroll's niche strategy contributed to its growth and competitive positioning in the anime streaming market, and how has it navigated the transition toward a more mainstream audience?

## **Purpose and motivation for the choice of the case**

The motivation behind the choice of this specific topic comes from mutual interest in the world of anime, and in the market of Crunchyroll. As well as the intriguing market structure of specializing in a specific area, therefore catering to a very distinct group of customers, also called 'niche marketing'. Hereby forming an understanding of how niche markets, considering their rather reversed strategy in comparison to a classic mass market, can possibly form a very tight-knit bond between customer and company – and how this can either make or break their market position, depending on their success rate.

## Theoretical framework

This theoretical section outlines the key concepts and models used to answer the research question:

*How has Crunchyroll's niche strategy contributed to its growth and competitive positioning in the anime streaming market, and how has it navigated the transition toward a more mainstream audience?*

To analyze and discuss Crunchyroll's development, this project applies niche marketing theory based on Dalgic, T., & Leeuw, M.'s text *Niche Marketing Revisited: Concept, Applications and Some European Cases* (1994). According to Dalgic and Leeuw (1994), Linneman and Stanton have developed key principles for implementing a niche marketing strategy, including a general checklist designed to help prevent common mistakes in marketing practices. To gain insight into Crunchyroll's market positioning, selected aspects of the framework are applied to assess how the company has grown and sustained its role in the anime streaming niche.

The theory is relevant as an analytical framework, as it allows for examining how Crunchyroll operates within a specialized market segment – anime streaming – and how the company has applied a targeted niche marketing strategy to build and sustain its position in this market.

The concept of *Relationship Marketing* in the text "Exploiting Niches Using Relationship Marketing" by Chalasani, S. and Shani, D. (1992), concerns how a company builds and maintains long-term relationships with its customers. This concept is especially used within niche markets, as relationship marketing focuses on creating loyalty among customers, while targeting a specific audience rather than trying to reach all customers. In relation to comparing with another company, the concept is used to illustrate how Crunchyroll applies relationship marketing in a niche market, providing a good basis for comparison with Netflix.

In connection with the comparison to Netflix, the figure *From Niches to Riches: A Bottom-up Approach for Niche Marketing* (Dalgic & Leeuw, 1994) is also used. The figure helps illustrate how Crunchyroll operates with a bottom-up niche strategy focused on long-term customer loyalty, whereas Netflix follows a broad mass market strategy (Chalasani & Shani, 1992). The figure serves to support the analysis of how the two companies differ in their approach to target audiences and market positioning.

## Methods

This assignment applies various methodological approaches to analyze and understand Crunchyroll as a developing company. The assignment primarily takes its starting point in a case study, where mainly document analysis is used based on the article Document Analysis as a Qualitative Research Method by Glenn A. Bowen. The choice of method is inspired by Bowen's definition of document analysis, which is described as a systematic review and interpretation of documents and other relevant material. In this project, document analysis is used as a tool to illuminate and examine the case more thoroughly by identifying key themes and patterns in the collected material (Bowen, 2009).

In continuation of this, and based on Bowen's approach, various types of material have been gathered via the internet, including articles and industry sources, to gain a deeper understanding of Crunchyroll's development and to identify themes related to the niche market and target audience. The data foundation is based on source material that has supported and contributed to answering the research question. The sources have been selected with the intention of including both objective and subjective perspectives in order to illuminate the case from a nuanced angle. These sources include, for example, online articles, user comments, and various forms of data that together contribute to a broader and more balanced understanding. The assignment also incorporates statements from Crunchyroll and other streaming services, which provide more in-depth insight into the complexity of the case (Bowen, 2009).

Before the analysis, there is a section describing what a niche market is and what Crunchyroll is. In the section on what a niche market is, the concept is generally reviewed, including the characteristics that define a niche market. Subsequently, the second section describes what Crunchyroll is. Here, a timeline of Crunchyroll's development has been created, from being a piracy-based company to becoming one of the largest players in the anime streaming market. The background section on what a niche market is and what Crunchyroll is leads into the analysis, which is divided into subcategories: Community strategies, Niche market survival, Mainstream, and Comparison with other streaming platforms.

In the first-mentioned category, Community strategies, The Business Model Canvas, developed by Alexander Osterwalder and Yves Pigneur in their book *Business Model Generation* (2010), is used in the analysis to provide a visual overview of Crunchyroll's business model. The application of the model focuses primarily on two elements: customer relationships and revenue streams (Osterwalder et al., 2010). These two elements help illustrate how Crunchyroll manages its customer relationships and integrates with its customer segments, as well as how it maintains these relationships. The revenue streams element is used to show how Crunchyroll generates its income, i.e., where its revenues come from. These theoretical frameworks help identify and explain the strategic choices Crunchyroll has made and how these contribute to the company's growth and competitiveness both within the niche market and in its transition toward a broader mainstream audience (Osterwalder et al., 2010).

In the Niche market survival section, it is described how Crunchyroll has survived and developed within the niche market of anime streaming using Niche theory (Dalgic & Leeuw, 1994). This section aims to analyze and explain how Crunchyroll's business strategy and adaptation to the niche market's needs have contributed to the company's long-term success and positioning.

In the Mainstream section, this part of the analysis applies a case study method based on document analysis, where the development of Crunchyroll is examined through Dalgic & Leeuw's niche marketing model (*From Niches to Riches*, 1994). Regarding the use of this theoretical model as an analytical framework, the focus is on how Crunchyroll has moved from a narrow niche to a broader market position.

In the final section, Comparison with other streaming platforms, a qualitative method focusing on comparative analysis is used. "Glaser and Strauss (1967) called attention to the usefulness of documents for theory building—a process that "begs for comparative analysis [with the library offering] a fantastic range of comparison groups, if only the researcher has the ingenuity to discover them" (Bowen, 2009). This comparative method is used to examine how Crunchyroll's development from a niche platform to a mainstream service can be illuminated over time — among other things, through comparison with other platforms — and to investigate differences and similarities between Crunchyroll and other streaming services, with particular focus on Netflix.

The discussion section is structured into three parts: theory, method, and analysis. First, the choice of theory is discussed, where the relevance of niche theories to answering the research question is evaluated, along with the strengths and weaknesses of using niche theory and possibly other relevant theories. There will also be a reflection on whether other theories could have further supported the analysis. Following this is a discussion of the methodological choices, where the use of qualitative methods with a focus on document analysis and comparative analysis is assessed. Their strengths and weaknesses concerning the analytical purpose of the assignment will be discussed. At the same time, there will be an evaluation of the Business Model Canvas as an analytical tool, with particular emphasis on the two elements: Customer Relationships and Revenue Streams. In the final part of the discussion, Crunchyroll's move towards a mainstream platform—and thus a potential move away from the role as a niche marketer—is addressed. This development will be illuminated and substantiated using external sources and data, which contribute perspectives and documentation on Crunchyroll's market position and growth.

The conclusion will summarize the main points and answer the research question based on the work with theory, method, and analysis.

## Background knowledge

### What is a niche market?

A niche market appeals to a much smaller, and therefore quite specific group of people, than other general mass markets. In these types of markets, consumers typically share distinct characteristics that make them more attracted to certain products or services. From a business perspective, choosing to focus on a particularly specific market, though with a narrow clientele, reduces competition significantly - all while maintaining strong customer loyalty (Coursera, 2024). This is possible since staying highly focused on a certain market area allows them to genuinely understand the specific needs of their customer base. Hereby offering a 'perfectly' catered product to their clientele (Yaman,

2023). Niche markets provide an outlet for each individual's particular desires, thereby allowing them to fully emerge into their interest.

In their report, Dalgic & Leeuw mention that: "Another characteristic according to Kotler is that niches are relatively small. Although niches might be comparatively small initially, they might grow to become large markets. According to McKenna, "most large markets evolve from niche markets"" (Dalgic & Leeuw, 1994). This progression is seen in a lot of different companies such as Amazon, Facebook and Lululemon (Boris, 2016). Since the advancement of technology, niche marketing has become more and more achievable. As the text from Chalasani and Shani mentions: "The advances in technology make it possible to carve out niches and target individual members with a precision that was inconceivable earlier. In the future, it will be possible to come close to the ideal niche of a single customer." (Chalasani & Shani, 1992). Crunchyroll's progression and evolution as a company can be analyzed through a timeline of events and achievements.

## What is Crunchyroll?

Crunchyroll is an American subscription-based streaming platform specialized in everything anime-related that launched on May 14, 2006. The friends and founders Kun Gao, James Lin, Brandon Ooi, and Vu Nguyen first met each other at the University of California, Berkeley. In an interview where Crunchyroll CEO Kun Gao talks about how his site will transform into the newest legitimate channel for distribution of anime, he says: "Back then anime was really picking up everywhere--in the dorms, on campus, people were watching it. We got really into animation." (Gao, 2008).

As the popularity of anime rose in America, more and more people had their eyes on the price: ""Things have never been better for anime fans in America," said John Ledford, president of Houston-based ADV Films, which published 189 anime DVDs last year. "No matter what channel you look at -- retail, broadcast or theatrical -- more anime is available in more outlets than ever before." (Kohler, 2005). The early 2000s were golden years for the anime community, with series like Dragon Ball as a father figure of shonen anime, the industry was looking for the next big star. Here, the newest candidates that were taking over the anime industry in the early 2000s were, for instance, Naruto, Full Metal Alchemist, and One Piece (Kohler, 2005).

The word “anime” stems from the Japanese word for animation [a·nuh·mei]. Whereas in Japan this word represents all types of animations, it has taken the form of only Japanese-type animation in the West. So, when talking about anime in the West, it is exclusively about the Japanese style of animation that is typically based on the Japanese comic books called manga. The typical anime that most people recognize are, for instance, Spirited Away, Dragon Ball, Naruto, and Pokémon. One of the most prominent genres of anime that leads the anime industry is the shonen genre, which means “for young boys”. This genre appeals to the young male audience and focuses on action, adventure, and friendship. Though there are many more genres like Shojo – “For Young Girls”, Seinen – “For Adult Men”, Isekai – “Other World”, and many more (Deguzman, 2025).

As the four friends quit their jobs to focus on the future of Crunchyroll, they officially launched the company on May 14, 2006. With a rocky start, they eventually started talking with venture capitalists who became interested in the vision because of the community that they had created on their website. Thereafter, CEO Kun Gao mentions in the interview how they started legalising their content as of 2007: “We received funding from Venrock (that’s the venture arm of the Rockefeller family), in December of 2007. From then on we’ve been very aggressively licensing content, and taking down unlicensed content.” (Gao, 2008). With a capital investment of \$4.05 million, this started to create backlash from many other anime distributors, because of their illegal user-submitted videos from their users (Zippia, u.å.).

Although they had a shady beginning, 2009 marked the beginning of the legitimized company, Crunchyroll. In 2009 Crunchyroll went on and legitimized their company: “On January 8, Crunchyroll will stop accepting user-submitted videos and other content from individuals, and only host videos approved by copyright holders. Gonzo and Toei Animation are two other major Japanese copyright holders of anime that decided to stream on Crunchyroll.” (Loo, 2008). This choice opened up for many more opportunities for Crunchyroll, and they quickly became the interest point for many other companies. Many companies became interested in partnerships with Crunchyroll, and in 2015 they announced a partnership with the Japanese trading company Sumitomo Corporation. Together, they launched a joint venture to create a company that

focused on funding anime co-production projects. With this news, the site for all anime news, "Anime News Network" also cites: "The announcement lists that Crunchyroll has 700,000 paying subscribers and more than 10 million registered users worldwide."(Hodgkins, 2015). These numbers support another milestone reached for Crunchyroll, a confirmation of the company's success. As the rise of success for Crunchyroll became more prominent, even more companies wanted to partner with them.

Although Crunchyroll quickly rose to the top, they still experienced some challenges on their way: "Gao stated that Crunchyroll wanted to build "the best fan experience" with the company's goal to simulcast every anime. "We're getting closer to that goal every quarter, but it's challenging," Gao stated. "Funimation runs a great service and they get a ton of great titles as well – each season, fans had to make a choice, or subscribe to both services. It wasn't an optimal fan experience, for simulcasts.""(Hodgkins, 2016). Having to choose between Crunchyroll and its biggest competitor, Funimation, became a major source of frustration for customers, prompting the companies to resolve the issue together: "Under the partnership, each company will share anime titles across streaming, home video and electronic sell-through distribution. Crunchyroll will continue to focus on subtitled-streaming experiences for fans, while Funimation will deliver English-language dubbed content ("broadcast dubs")." (Spangler, 2016). This way, Crunchyroll has cleared the competition between them and the other top U.S.-based digital providers of anime. Meanwhile, working together, they also eliminate other players from the competition, such as Amazon and Hulu, with their diverse assortment and catalog (Hodgkins, 2016).

This all leads to another milestone for Crunchyroll. On December 9, 2020, Sony, which previously bought Funimation in 2017, valuing the company at \$150 million, now also bought Crunchyroll for \$1.175 billion (Spangler, 2020). This is a global achievement for the company and the anime community, paving the way for the next generation of anime. Sony, which now owns the two most successful anime companies in the world, decided in 2022 to merge Funimation and Crunchyroll to one final product: "Sony is effectively merging its two anime streaming services, announcing that Crunchyroll subscribers will have access to library and simulcast content previously available exclusively on Funimation starting March 1." (Spangler, 2022). This decision leads to an almost monopoly on the anime market. Although other streaming platforms still feature

anime, they cannot match Crunchyroll's dedicated approach and comprehensive offerings: "Compared to the likes of Hulu or Netflix, each of which has somewhere in the neighborhood of 200-300 anime titles, Crunchyroll has around 1,300 individual titles available." (Gibbs, 2022). With this fusion, the company, which still goes by the name of Crunchyroll, could position itself to hold substantial control within the anime streaming ecosystem. This whole situation has in the past led to the fear of an anime monopoly, to the point that in 2021 the US Department of Justice extended "[...]its antitrust review of the \$1.175 billion purchase into a full-on probe" (Campbell, 2021). This review was intended to assess whether the deal would grant Sony dominance over the anime streaming market. It could delay the acquisition by several months or potentially prevent it altogether.

All these achievements are the reason Crunchyroll stands at the top today: "Crunchyroll is a pretty good anime streaming service—we've even named it our favorite place to stream anime in 2025" (Bono, 2025).

Crunchyroll functions with the offering of both free and paid subscription tiers, also known as a freemium business model. The free plan allows users to stream a limited range of anime content with advertisements and delayed episode releases. In contrast, the paid plans are divided into three tiers: Fan, Mega Fan, and Ultimate Fan (see figure 1). The Fan plan, priced at approximately \$7.99 per month, includes ad-free streaming and access to the full anime catalog. The Mega Fan tier, at the price of \$9.99 per month, includes offline viewing and allows simultaneous streaming on multiple devices. Finally, the Ultimate Fan plan, costing \$14.99 per month, includes all previous benefits along with merchandise discounts and exclusive store access. This tiered pricing model enables Crunchyroll to cater to different segments within the anime community—ranging from casual viewers to highly dedicated fans—while supporting its niche positioning through differentiated value offerings (Crunchyroll, u.å.). Despite its reputation as the go-to platform for anime streaming, Crunchyroll's role in the industry may not be as entirely benevolent as it

Plan	Price	Offline viewing	Game Vault?	Full anime catalog?	Streams:	Details
Free	Free	—	—	—	1	<a href="#">View plan</a>
Fan	\$7.99/mo.	—	—	✓	3	<a href="#">View plan</a>
Mega Fan	\$13.99/mo.	✓	✓	✓	4	<a href="#">View plan</a>
Ultimate Fan	\$14.99/mo.	✓	✓	✓	6	<a href="#">View plan</a>

Figure 1: Crunchyroll plans and pricing (Bono, 2025)

appears: “Unfortunately, it’s also your only option for a lot of anime—Crunchyroll’s bought up a lot of its competitors. So if you don’t like its user experience, you might be out of luck.” (Bono, 2025).

## Analysis

In the analysis a range of theoretical and methodological concepts will be applied to Crunchyroll, hereby attempting to form an overview of the platform’s role within the global streaming industry. This will include an examination of the primary elements of its business model and its general cultural impact including growth on the global market, while also investigating how niche market theory application emphasizes Crunchyroll’s strategies and techniques in maintaining market relevance and position.

### Community strategies

A key aspect in understanding Crunchyroll’s success as a niche market provider, it’s crucial to recognize how they, as a business, manage to create an active environment for their customers and fans. By utilizing Business Model Canvas (Osterwalder et al., 2010), it will be revealed which key elements are being used to secure their position as the top provider of anime content. In this case, the customer relationship has a huge impact on determining the prosperity of Crunchyroll’s market dominance. ‘Community’ being a top aspect of Crunchyroll’s ‘customer relationship’ bracket (Vizologi, u.å.), takes a huge part in their success in the anime market. Not only do they manage to create a space for fans to come together, but they also allow them to chime in with their wishes, thereby influencing the upcoming content. Organizing a platform where people feel welcome and like they matter, on top of creating an opportunity for people to build meaningful connections through shared interests. Considering the state of our day and age, where loneliness has become too regular a phenomenon, being a normal part of many people’s lives (Holloway, 2025). Discovering a space where you can unfold in your own interests, whilst naturally gravitating towards like-minded people, has become a common escape. “Participants were more likely to turn to social media as a social support than to parents or mental health professionals, and to prefer similar-peer communities (such as fandom communities).” (Zubernis, 2023).

By building a so-called ‘safe haven’(Dalgic & Leeuw, 1994), Crunchyroll not only creates a secure market segment for itself, but also the highly essential aspect of the feeling of community for its customers. Therefore, it facilitates a close relationship with their customers. And recent studies also show that access to a space where one can truly feel a sense of belonging can positively impact their well-being, whether it being in person or virtually. Utilizing such an impact will undoubtedly create a strong company-customer relationship. “Fans often cite the feeling of belonging to a group of like-minded individuals as one of the main benefits of fandom. Whether fans come together in person or virtually, interacting with other fans can be a positive experience.” (Zubernis, 2023).

But this is also where it becomes absolutely crucial for a company like Crunchyroll, to really understand their customers, and therefore how they best cater to their wants and needs, and keep them interested. Understanding what is necessary to keep your customers happy is equivalent to what keeps the business active. “People are craving community now more than ever. For businesses, this means that the community is critical to success. However, forming a community requires much more than simply gathering people together in the same place or accumulating a certain number of users on an app or site.” (Karpis, 2018). Diving into Crunchyroll’s other key elements under the ‘customer relationship’ segment of BMC(Vizologi, u.å.), themes such as ‘social media’, ‘forums’, ‘live-chats’, and ‘feedback’ appear. These are all features and strategies that build an active community, but also a growing ground for the general anime fandom. Even looking back at the earlier days of Crunchyroll, there is a sprout of community engagement involving a contest where artists could contribute their design ideas for Crunchyroll’s new mascot. “Crunchyroll-Hime, the mascot behind Crunchyroll was born out of a contest (2012) that had a certain artist win and design the concept.” (Zippia, u.å.). Furthermore, hosting events throughout the years, such as ‘Awesome Con’ and ‘Anime Expo’ being a snippet of the events hosted by Crunchyroll in 2025 (E. Crunchyroll, u.å.). As a result of this they’ve established gatherings that further fosters the bond in the fandom, by making a safe space for a specific mutual interest, where fans can meet up in real life and develop a stronger bond with each other.

Additionally, crunchyroll has developed an online store where it’s possible to purchase merchandise of different sorts (S. Crunchyroll, u.å.). This being one of their revenue

streams(Vizologi, u.å.), that additionally manages to directly accommodate the customers positively. Their shop has a wide assortment of things, ranging from clothes and stuffed animals, to posters and figurines. They've done this by categorising each program into its own section, therefore creating small "individual" markets for fans to engage with. Hereby developing a reasonable revenue stream, based on the customers' specific wants and interests. This is a clever business development, since establishing an income source that is both differentiated from their main focus — anime streaming, but is also targeting the fans in a way that strengthens customer relations, by allowing them to engage and express their passion and emotional connection, bonding over a mutual interest. Thereby also fostering the community itself, by sustaining the connection that already exists in the fandom. "Fandom is more than just a hobby; it's a vibrant community where people come together to celebrate their shared love for specific stories, characters, and worlds. [...] Allowing fans to find their tribe no matter where they are in the world." (Joy Addict, 2024).

Not only does this please their loyal customers, but it's also a resourceful technique for Crunchyroll, by potentially making their customers 'walking' advertisements. "When customers use or wear your merchandise, they become walking advertisements, exposing your brand to a wider audience effortlessly. This mobile promotion increases brand visibility and recall." (City Apparel, 2023). Not directly advertising for Crunchyroll themselves, but rather all the content they provide on the streaming platform. Hereby potentially waking other individuals' interests for a specific show, and naturally finding their way to Crunchyroll, being the biggest supplier on the market.

## Niche market survival

By using niche theory from Dalgic & Leeuw's text, this paper can provide concrete, real-world principles for implementing a successful niche marketing strategy. By examining Crunchyroll's history and development over time, it is possible to bridge theory and real-world practice by analyzing the company's niche marketing strategy in light of relevant theoretical frameworks. With the aim of gaining a deeper understanding of how the company has developed and sustained its position within the niche anime streaming market, selected steps from these guidelines will be applied to analyze Crunchyroll's niche business approach.

Looking at Step 2 (Know Your Customer), Crunchyroll has consistently demonstrated a clear understanding of its target audience: anime enthusiasts. What sets Crunchyroll apart from other platforms is the strength and dedication of its anime community. This fanbase is so deeply engaged that many users develop a strong sense of loyalty to the platform. As one article notes: "At Crunchyroll, our users aren't just subscribing to access content — they are subscribing to a lifestyle. Spend an hour in the Crunchyroll office and you'll see... anime fans have their own events, clothing, vocabulary, and unique set of hobbies that define an incredibly strong community that never ceases to amaze me. It is this strong sense of identity that differentiates brands like Crunchyroll, Twitch, The Chive, and Rooster Teeth from mass-market brands like Netflix, Hulu, and Amazon. Not only do fans love the content, but they speak the language, identify with the community, attend the events, and proudly display the brand logo on a T-shirt" (Moothart, 2016). Crunchyroll leverages its close relationship with consumers to its advantage, creating a symbiotic dynamic that reflects both Step 1 (Know Yourself), being the: "[...] company's strengths and weaknesses, its uniqueness, competitive advantages, distinctive competences, regional and traditional characteristics." (Dalgic & Leeuw, 1994), and Step 2 (Know Your Customer) of the practical niche marketing guidelines. By aligning its internal strengths with the specific needs of its audience, Crunchyroll generates mutual value and fosters long-term loyalty. Having a platform that offers simulcasts of new anime episodes shortly after their Japanese release, provides subtitled and dubbed versions, and curates genre-specific recommendations tailored to fans' interests (Crunchyroll, u.å.), is what creates this unbound loyalty to Crunchyroll users. This focus on the specific needs and viewing habits of anime fans illustrates how Crunchyroll has built loyalty and maintained its relevance within a culturally specific niche. By 'knowing their customer', Crunchyroll has become more than a streaming service — it has evolved into a cultural hub for anime fans.

Step 5 (Apply Differentiation) is also relevant to look at when it comes to Crunchyroll. This step focuses on how Crunchyroll sets itself apart from general streaming platforms (such as Netflix or Disney+). Although Crunchyroll, of course, is a niche imprinted anime platform, they also differentiate by offering significant benefits to their customers. While they offer the largest and most up-to-date anime catalog, rapid simulcast of new episodes, specific language options, specific community features, and bundled offers,

they also include traits that appeal uniquely to anime fans. Step 5 mentions: “determine what your customers real values are and appeal to these values better than anyone else.” (Dalgic & Leeuw, 1994). Crunchyroll uses the real values of anime fans to their benefit through fan services like music: “While the service carries anime from numerous studios and manga publishers like Kodansha and MAPPA, there's one standout offering on Crunchyroll: music. If you have a premium account, you can stream music videos and 100-plus full-length concerts from various artists known for performing anime hits.” (Jackson, 2024). But also moving along trends like games that are anime-related: “While manga may have seemed like the next logical move for Crunchyroll, with their initial effort sputtering out, the company needed another strategy to grow the business. And when you get down to it, getting into mobile gaming makes perfect sense.” (Rodriguez, 2024). Their branding is strongly associated with authenticity and passion for anime, further reinforcing this distinct position.

So, when looking at Step 5 of the practical guidelines, other steps are also indirectly implemented. Step 8 (Do Not Spread too Thin), Step 11 (Do Not Be Static, Look for New Pastures Continuously), and Step 12 (Minimize Your Dependence on Any One Customer or Product), all complement each other in different ways. While step 5 can be seen as a strategic core that holds the other steps in balance, step 11 encourages innovation and for Crunchyroll to seek new opportunities: “They attempted to crack the manga market by distributing manga on a separate app (long before Viz Media and Azuki got into the subscription model). They also pioneered the simulcast model, in which anime is streamed hours (if not minutes) after it premieres in Japan. The company has also dabbled in podcasting and publishing, and in 2022 the company bought Right Stuf International, giving them an online retail presence.” (Rodriguez, 2024). Meanwhile, Step 12 encourages diversification by warning against over-reliance on a single product or customer group. This is done by diversifying revenue through subscriptions, ads, merchandise, licensing, and co-productions — so they're not dependent on just one income stream (Ash, 2020). So Step 12 is less about innovation or expansion into totally new areas (that's Step 11) — and more about building stability and resilience through diversification within their business model.

All the while, Step 8 cautions against spreading resources too thin — a risk that can be mitigated by a strong differentiation strategy that filters which opportunities are worth

pursuing. This step warns that companies must stay focused on the unique value they offer, not dilute their differentiation by chasing too many markets. Luckily, they kept their core identity focused on anime culture. They didn't suddenly try to become "the next Netflix." (Tech Edu Byte, 2025). In the case of Step 8, the company has successfully expanded into games, merchandise, and live events without losing its niche focus, because all of these offerings are firmly rooted in anime culture. This step also emphasizes how discovering one niche often leads to the identification of more niches. Essentially, it recognizes that niche markets tend to be interconnected, and successful niche marketers like Crunchyroll may uncover multiple opportunities related to their initial discovery.

Now, here is how Step 5 acts as a strategic foundation and a balancing mechanism for the other steps. Crunchyroll's ability to consistently differentiate itself from generalist platforms like Netflix and Disney+ — through exclusive anime content, community features, and brand loyalty — has allowed Crunchyroll to explore new pastures (Step 11) and diversify its revenue streams (Step 12) without overextending (Step 8). Differentiation thus serves not only as a growth enabler but also as a safeguard against strategic drift.

Another relevant step to look at is Step 7 (Create Your Safe Haven). Dalgic & Leeuw talk about covering all the bases to deter potential competitors by creating high entry barriers. Looking at the timeline from the "What is Crunchyroll" section of this paper, Crunchyroll has done this in different ways. One of their first moves was securing licensing agreements with Japanese animation studios (Loo, 2008). This marked a significant shift from their earlier operations, which were instrumental in establishing Crunchyroll as a legitimate and leading platform for anime streaming, aligning with niche marketing strategies that emphasize specialization and deep understanding of a specific customer segment. And as mentioned, they shortly after announced a partnership with the Japanese trading company Sumitomo Corporation, where they together launched a joint venture to create a company that focused on funding anime co-production projects (Hodgkins, 2015). Furthermore, the cooperation and later merging with their former rival Funimation also put them at a huge advantage to protect their niche position (Hodgkins, 2016). All these achievements and more show how Crunchyroll has built strategic partnerships and barriers to entry. These moves have

secured access to content that competitors cannot easily replicate. Furthermore, the company has cultivated long-term relationships with studios, fans, and cultural institutions, creating what Dalgic & Leeuw call a “safe haven” — a defensible space where the company can continue to operate profitably despite competition.

## Mainstream

Through research, it has become apparent that Crunchyroll might no longer be considered a niche market platform. While still catering to a specific market, with subbed east-asian content, the anime market in general has seen a significant rise in popularity, therefore also rising in demand. Crunchyroll exemplifies the progression outlined in Dalgic and Leeuw's From Niches to Riches model (1994), which illustrates a bottom-up approach to niche marketing. By using previously used material and the laid foundation of Crunchyroll's timeline, this model can be used to describe Crunchyroll's evolution.

The first step on the pyramid, 'Specialization Build-Up', is the focus on a specific competence, product, or market segment. This aligns with when they first launched in 2006 as a pirate site, as mentioned in the "What is Crunchyroll" section of this paper. While they weren't legal yet, they still had a clear specialization: anime streaming. Here, they served a very specific audience that wasn't being served by legal platforms at all, yet. So even though it was unauthorized, it fits Step 1 perfectly from a marketing theory perspective — they began by serving a very narrow niche with deep specialization.

The main focus after pivoting to a legal streaming site in 2009 was strictly licensing as much anime content as possible. This is where they started their next step: 'Single niche build-up'. At this stage, they became masters of their specialty, they had chosen to operate within a single, narrow niche — anime fans — but now through a legitimate business model. They began to grow trust and legitimacy while still focusing on a clearly defined market segment. They did however linger in their singular niche for a while, growing more confident in their expertise. As they grew steady in their specialization, it became possible to branch out.

This being the moment of introducing the 'multiple niche build-up' with the implementation of elements that exceeded the main focus of 'converting' anime for

western consumption. Hereunder, introducing titles such as manga and hosting anime conventions for the fans to further engage with the brand and each other. Not to mention their conduct of the anime award show, first going live in 2017 (AnimeNewsNetwork, 2016). “Crunchyroll, Inc., the leading global destination and platform for anime and manga, today announced the nominees and judges for its inaugural Anime Awards. The awards, which recognize and celebrate the accomplishments in anime over the last year” (AnimeNewsNetwork, 2016). While also partnering up with Funimation to not only offer subtitled anime content, but also dubbed versions. These being the two top hitters on the market, made for an excellent partnership, reaching a peak audience.

Truth be told, the arrangement of this model cannot simply be recognized as a linear process when applied to Crunchyroll and their evolution throughout their time as a streaming platform. It’s rather a process of building up their specialization, making their ‘single niche’ prominent and unique on the market. Having run this as the main hitter for most of their time on the market – with the inclusion of smaller out branches – Sony buying them and Funimation, and fusing them into one entity, formed a growing ground for further evolving the basis of what the platform offers its customers. Sony’s acquisition of Crunchyroll is really where the business steps into the ‘corporate strategy build-up’, linearly skipping a bunch of steps in the model. Therefore, Crunchyroll only first really stepped out of their ‘single niche’ when they were bought by Sony, their resources and expertise allowing them to branch out. “Controlling both Funimation and Crunchyroll means one thing in the context of anime streaming services in the US, but taken with all the other things Crunchyroll does, like manga publishing and anime conventions, and the international anime companies Sony already purchased in Australia and France, the company could have a huge amount of control over the entire industry.” (Campbell, 2021). The insertion of elements like video games, music streaming, the news outlet, and their merchandising section has become a powerful tool in engaging current customers while also reaching new ones, and a clear assertion towards the development of a semi-mass market.

## Comparison with other streaming platforms

This section will highlight how Crunchyroll's dominant role in anime streaming is complemented by other streaming services, especially Netflix, which have increasingly engaged in the anime industry in recent years. It will also examine Netflix's development in the market and its strategies, as well as the efforts of other platforms. At the end of this comparison section, an overview will be provided based on *From Niches to Riches: A Bottom-up Approach for Niche Marketing* (Dalgic & Leeuw, 1994). The model will be used to analyze how Crunchyroll, as a niche platform, has developed toward a broader market, while mainstream services like Netflix continue to expand the reach of the anime genre.

According to TeenVogue (Delgado, 2024), Crunchyroll is the largest official online collection of licensed anime in 2024, offering subtitles and dubbing in multiple languages worldwide. Over the past few years, several streaming platforms such as Netflix, Disney+, and Prime Video have attempted to join the anime wave. In 2022, Disney also made a move into the anime and manga market with a focus on manga and animation formats heavily influenced by Japanese culture. They entered into a partnership with the Japanese publisher Kodansha, aiming to develop original anime productions for Disney+ and secure exclusive licensing agreements for anime titles based on Kodansha's manga. (Delgado, 2024)

Although Crunchyroll remains the leader in anime streaming, one of Netflix's strategic moves was to sign a production deal in 2018 with Production I.G. (including Wit Studio) and Bones. In 2019, they also entered into co-production agreements with three other leading Japanese studios: Anima, Sublimation, and David Production (Blair, 2019).

In 2021, Netflix revealed its intention to expand its catalog by adding over 40 new anime titles. Since then, Netflix has released over 10 TV shows and films based on popular Japanese manga or anime as global originals, including *One Piece* and *Alice in Borderland*. Netflix's first live-action adaptation of a manga series, *Alice in Borderland*, premiered in 2020 (Lee, 2024). In 2024, Netflix decided to start producing a live-action adaptation of *Yu Yu Hakusho*, a Japanese manga, knowing in advance that it would have an established audience.

*Yu Yu Hakusho* also achieved great success in Japan. “I grew up on that IP and, also, I love ‘*Yu Yu Hakusho*.’ And 20 years later, even the 19 volumes of manga is still super popular here,” said Kaata Sakamoto, Netflix’s Vice President of Content for Japan (Lee, 2024). Although live-action adaptations have not always been very successful in the U.S., *Yu Yu Hakusho* and other live-action series have been very well received globally. Since the majority of Netflix’s subscribers are located outside the U.S., with many new subscribers coming from abroad, investing in this category is, according to Brandon Katz, industry strategist with Parrot Analytics, “very important to their growth and retention strategies” (Lee, 2024). According to StreamTV Insider, today Japanese content has become the second-largest content category on Netflix. Netflix has also become the global leader in licensing and producing anime. The number of licensed original titles has increased significantly. This growth includes a doubling of exclusive licensed titles from 45 to 86, as well as a substantial rise in original productions from 21 to 76 (Pennington, 2024). Despite Netflix’s substantial investment and broad reach, Crunchyroll maintains its position as the largest dedicated anime streaming platform, as proven by former research (Katz, 2024). According to Rahul Purini, president of Crunchyroll, services like Netflix should not necessarily be viewed as competitors, but rather as players that help strengthen the anime community through increased exposure. Netflix’s global reach makes anime accessible to a broad audience, which can serve as an introduction to the genre. As Purini puts it: “We think it’s good for the anime community that these large services have anime content and make it available to large audiences” (Aquilina, 2024). He further adds, “I think those fans that want a deeper experience will then come to Crunchyroll” (Aquilina, 2024). This reflects a strategy in which mainstream platforms act as catalysts, guiding new viewers toward more specialized and dedicated anime services such as Crunchyroll. While large streaming platforms such as Netflix, Disney+, and Prime create broad exposure, maintaining long-term loyalty within a niche requires a much more specialized approach. As the text from Chalasani and Shani highlights: “However, through relationship marketing with individual niche members, a marketer can build enough goodwill to defend itself against competitors who try to exploit the same niche.” (Chalasani & Shani, 1992). From this perspective, Crunchyroll does not see Netflix as a direct competitor; on the contrary, Crunchyroll leverages Netflix’s wide reach to build and maintain a loyal user base within its niche. Crunchyroll strategically benefits from the limited anime selection available on

platforms like Netflix by positioning itself as the next destination for viewers seeking a deeper and more comprehensive anime experience. In this way, Netflix often serves as an informal entry point for new fans, who may later migrate to Crunchyroll for its specialized content, community features, and broader catalog tailored specifically to anime enthusiasts.

In this context, Crunchyroll's development can be seen as a textbook example of a bottom-up approach, as described by Dalgic and Leeuw (1994). The platform began by targeting a specific, underserved niche—anime enthusiasts—and gradually expanded its offerings while maintaining its specialized focus. In contrast, platforms like Netflix represent a top-down approach, where they, as a broad mass market, shortly begin incorporating the niche genre “anime” into their catalog. This difference in strategic orientation illustrates how niche-based platforms like Crunchyroll can grow organically from within a community, while mass-market players often attempt to reach niche audiences from the outside in. This validates the point of Dalgic & Leeuw, where: “We can draw a parallel between mass marketing and niche marketing in that niche marketers often evolve to mass marketers and mass marketers return to be niche marketers. It seems that most companies start out as niche marketers and evolve into mass marketers as their product life cycles tend to develop into maturity and once maturity is reached and saturation starts, innovation occurs and former mass markets tend to return to niche markets.” (Dalgic & Leeuw, 1994).

## Discussion

In the discussion, there will be reflected on the theory used in the case and how this theory effectively contributes to analyzing and understanding the central problem: How has Crunchyroll's evolving business model contributed to its growth and competitive positioning within the niche anime streaming market, and how has it navigated the transition to mainstream audiences. By applying theories, underlying mechanisms, patterns, or causes, it can uncover what would otherwise be difficult to identify. Hereby forming a nuanced reflection upon the argued case.

## Theoretical reflection

This paper's analysis primarily drew upon niche marketing theory, particularly the practical guidelines from Dalgic and Leeuw's text, and hereunder also the "From Niches to Riches" model. Firstly, the guidelines proved useful for understanding Crunchyroll's niche marketing strategy. Looking at how they evolved from a narrowly focused service to a globally positioned platform, while maintaining a strong relationship with their core audience has contributed to comprehending how they have used their knowledge of this specific market "[...]to make the necessary adjustment in time to prevent "niche dry-up."'" (Chalasani & Shani, 1992). Based on the guidelines, the analysis focused on the following simplified steps: focus (Step 8), growth (Step 11), and risk diversification (Step 12), all connected through differentiation (Step 5) as a central linking element. Additionally, Steps 1 and 2 were combined to establish a stronger foundation for understanding the company, while Step 7 also played a key role in the analysis. This all reveals how Crunchyroll carefully balances growth and focus. Through differentiation and strong customer relationships, the company has created a stable niche that resists pressure from generalist competitors like Netflix.

Further, Dalgic and Leeuw's From Niches to Riches model, which illustrates a bottom-up approach to niche marketing, has been key to understanding how niche markets typically become bigger. Meanwhile, comparing this progression to bigger companies like Netflix shows how they chose to do the opposite and follow a top-down approach instead. Overall, the combined use of these theories offered a multifaceted understanding of Crunchyroll's strategic positioning, revealing both its internal structure and its role within a broader digital media ecosystem.

However, this paper could have also benefited from using other related theories.

Crunchyroll is defined as an anime platform throughout this report. By this logic, further insights could have been gained through the lens of platform strategy analysis by Van Alstyne, M. W., Parker, G. G., & Choudary, S. P., "Pipelines, platforms, and the new rules of strategy" (2016).

The two-sided market framework focuses specifically on platforms, offering a useful lens for understanding how services like Crunchyroll operate within a multi-sided digital environment. The text mentions, "Platforms create value by facilitating

interactions between external producers and consumers. Because of this external orientation, they often shed even variable costs of production. The emphasis shifts from dictating processes to persuading participants, and ecosystem governance becomes an essential skill." (Alstyne et al., 2016).

This quote highlights how platforms connect different user groups—such as content creators and viewers—by enabling interactions that generate value for both sides, a core principle underlying Crunchyroll's platform model. It can therefore be declared that Crunchyroll, being the central actor, creates a connection between the developers and consumers, yet it is the relationship between these two parties that creates value. Thus, being in the middle of the two groups, it also explains how Crunchyroll has so much control over them. They are essentially the connective between the developers and consumers, which in Crunchyroll's case is the connection between anime fans with Japanese animation studios and licensors. The value for one side (viewers) increases as more high-quality content is available, while the value for the other side (studios) increases as the audience base grows. So when applying this business model perspective to Crunchyroll, the platform is no longer seen solely as a niche content provider but also as a facilitator within a global media ecosystem. Furthermore, using two-sided market theory offers deeper insight into how Crunchyroll maintains its relevance, scales its operations, and balances the needs of both its users and content partners.

Considering the material applied to generally analyse Crunchyroll's market position, as well as their strength in keeping the title as the key provider of East-Asian content, it could further be fascinating to completely dive into their strategies of maintaining their acquired position, and how they protect their space. In this case it could be relevant to apply theories such as Johan Schot and Frank W. Geels' "Strategic Niche Management" (SNM)(2008), since it allows for a deeper understanding of mechanics of a niche market, and what strategies are effective, while also highlighting the structures of building up and fostering a niche market to its full potential.

"While SNM research provides evidence that there is a correlation between the design of experiments and outcomes in terms of technological and market niche development, it is also clear that internal niche developments are not the only important factor." (Schot & Geels, 2008, p.545). In other words, this means that while the design of niche experiments, such as how they promote learning, stakeholder involvement, and shared visions, can significantly influence technological and market development, these

internal factors alone are not sufficient considering the longevity prominence of the market itself. External influences, including social, political, and economic conditions, also play a critical role in determining whether an innovation can succeed and scale. Applying ‘Strategic Niche Management’ to Crunchyroll could help explain how the platform has built and maintained its strong position in a niche market. By offering a dedicated space for East-Asian content, Crunchyroll developed a loyal user base, formed key partnerships with content producers, and shaped its brand around accessibility and authenticity. The company has continuously adapted by learning from user feedback and using data to guide content choices. At the same time, its growth has also depended on external factors such as cultural interest in anime, legal developments, and competition from larger streaming services. This shows how both internal strategies and external conditions are important for long-term success in a niche market.

Looking back at the practical guidelines this paper could furthermore have benefitted from adding additional steps, which may have offered a more nuanced understanding of Crunchyroll’s early development and internal strategic planning. For instance, implementing Step 3 (Know Your Competitors) in the analysis could have been useful in getting an overview of Crunchyroll’s strategic positioning in the anime market and therefore giving a better understanding of why it chose not to compete directly with mass-market platforms like Netflix. This would perfectly complement the “Comparison with other streaming platforms” section, when talking about other streaming platforms. Another aspect of the practical guidelines would be Step 6 (Do Not Compete in the Same Market Segments with Yourself), by avoiding internal competition between its own offerings. Its tiered subscription plans are structured to serve distinct user needs without overlap. By using this step, the paper could have drawn another parallel from the “What is Crunchyroll” section, to therefore keeping a coherent narrative and utilizing all the given information throughout this paper.

Even though this project primarily has used niche theory from Dalgic & Leeuws' text, because of its usefulness for understanding how niche firms like Crunchyroll build customer loyalty, differentiate themselves, and scale strategically, it may have some limitations. Since the theory was developed in the early 1990s before the rise of digital platforms, it may not consider or fully account for the complexities that companies like Crunchyroll possess. Platform dynamics, indirect network effects, or algorithm-driven

personalization are all different factors that go into play in today's society and infrastructure, and should be considered when using theories for analyzing business and IT. The practical steps that are used in the case study give a perfect perspective on how Crunchyroll might have survived the niche market, though the steps at times may seem very contradictory to each other. When Step 8 warns not to chase too many niches at once, Step 11 advises to keep exploring new niche opportunities. If taken out of context, this can be interpreted very confusingly and lead to wrong claims and analysis. However, in this paper, it has been interpreted as if they complement each other.

Moreover, the theories seem to be tailored more toward smaller, independent firms, where Crunchyroll perhaps has grown too large after becoming a corporate-owned platform under Sony. Therefore, it becomes difficult to place Crunchyroll in some parts of Dalgic and Leeuw's "From Niches to Riches" model, as a result of the company becoming part of a large multinational corporation. The model gives a good overview of the company's evolution, hence how it has been used, but it can't be used for deeper analysis with nuanced findings. In summary, the applied theories have provided valuable insights into the subject matter. Though with a few alterations and attributions, Dalgic & Leeuw's practical guidelines could have brought a stronger foundation and broader view in sight for Crunchyroll within the niche marketing. Other theories, instead, could also be relevant, since their limitations became more apparent when addressing Crunchyroll's role as a digital platform.

## Methodological reflection

In this assignment, various methods have been applied to illuminate and analyze the case. One of the methods used is the Business Model Canvas (Osterwalder et al., 2010). The Business Model Canvas is a tool that has been used to gain an overview of Crunchyroll's business model. The key elements applied were customer relationships and revenue streams. A strength of the Business Model Canvas is that it provides a clear overview of Crunchyroll's business model and highlights the elements that have contributed to Crunchyroll's success. A weakness of using the Business Model Canvas is that it is quite superficial and does not provide a more in-depth analysis of the company. The Business Model Canvas does not take into account a company's development, changes, or growth over time. The model only provides an overall picture of a company.

Therefore, a case study was conducted based on document analysis and comparative analysis. The purpose of the document analysis was to provide a more in-depth examination of Crunchyroll through articles, websites, documents, and other empirical sources.

One can argue that a potential weakness of document analysis is that the case could have incorporated more perspectives to achieve a more source-critical approach. Additionally, a comparative analysis was used to compare Crunchyroll with another company, Netflix, in this case. The purpose of the comparative analysis was to examine the roles of the two companies in anime streaming. Furthermore, the comparative analysis helped to explore Netflix's development and history regarding its implementation of anime content. A strength of comparing Netflix and Crunchyroll is that it reveals what differentiates the two companies regarding their strategically and in terms of customers. To create a broader basis for comparison, it would have been beneficial to include more streaming companies in the comparative analysis. This could have provided a wider insight into how other streaming services operate within the anime market.

In this context, the strengths of the two methods—document analysis and comparative analysis—become evident, as each method offers different advantages that complement one another. Together, they contribute to a more in-depth and nuanced analysis of the case. While document analysis focuses on depth and detail, comparative analysis aims to compare the two companies. (Bowen, 2009).

## Analytical reflection

In the analysis a key aspect was the argumentation for Crunchyroll entering a mainstream platform status, thereby potentially seeing its exit as a niche marketer. While the analysis draws perspective from Dalgic and Leeuw's From Niches to Riches model, as a tool to argue for Crunchyroll's pivot towards the mainstream scene, this reflection will provide perspective from research material, therefore including a viewpoint of external opinions and insights. At a general level, anime itself has seen a major burst of popularity over the last years.

"But even though these anime were international hits around the world, come schooltime you were seen as "the weird kid" or labeled a "geek" for daring to like Japanese animation. Fast forward to 2023 and now you can spot people proudly wearing t-shirts and other merchandise emblazoned with their favourite anime characters" (Bassi, 2023). Even the CMO of Crunchyroll acknowledges this impeccable rise of anime, mentioning the exceptional amount of exposure across many platforms, not only considering Crunchyroll's positioning. "Gita Rebbapragada, Chief Marketing Officer for Crunchyroll, agreed that there's never been a better time to become an anime fan because of how easily accessible it is — not only on Crunchyroll, but on other popular streaming services like Netflix, Disney+ and Prime Video, which all contain anime titles. "It's fairly ubiquitous — so I think more people are exposed to it than ever before." (Bassi, 2023).

By placing direct emphasis on Crunchyroll itself, the rise of anime has naturally flung them into a new market position. "[...]Although viewed by some as a niche content category, anime is proving to be an engine that drives commercial activity — from content production and video game development to merchandising and fan events. Indeed, it can be argued that anime already has emerged as a truly mainstream mode of entertainment." (Crunchyroll, 2019).

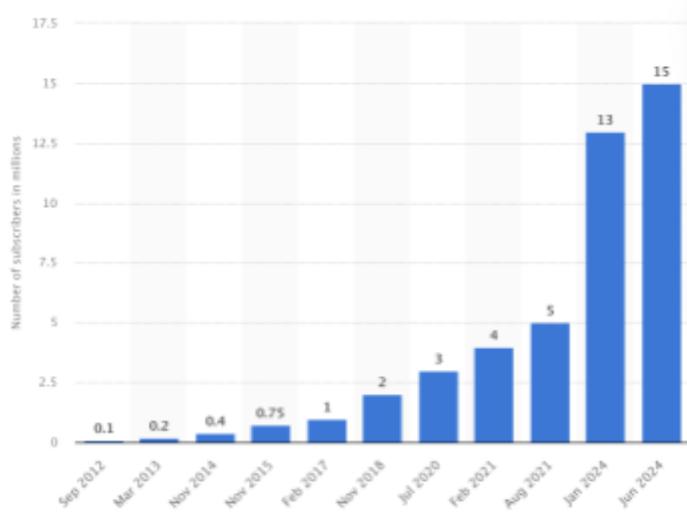


Figure 2: Paying Crunchyroll subscribers (Stoll, 2024)

Even just looking at Crunchyroll's paying streamers, it quickly becomes apparent that they do not only serve a small market portion. As the numbers speak for themselves, the amount of paying subscribers – this graph does not include customers that use the free version – has tripled in just three years, going from 5 million to reaching 15 million paying customers (see figure 2 (Stoll, 2024)). As the graph also illustrates, Crunchyroll has had a steady growth throughout their market years, where 2024 clearly runs its own course, showcasing an incredible graphical rise.

While, generally speaking, still being a niche provider in the sense that the product itself still comes across as somewhat ‘niche’ by continuously providing a specific product. The popularity of anime in other common media such as Netflix has contributed to the general popularization of anime, making it more mainstream and introducing the genre to bigger anime-specialized platforms like Crunchyroll. In other words, the market itself has seen a high-scale pivot towards mainstream media. And Crunchyroll, factually being the biggest distributor in regards to anime, has undoubtedly launched them into the position of a mass marketer.

While the argument for Crunchyroll not being a niche provider anymore, has its own reflective importance. Looking at Crunchyroll themselves, as a contributing factor in this broadly mentioned upcoming, they might have actually slowly been pushing themselves upwards. Managing to establish a platform where anime fans can come together and be seen and feel heard in their wants and perspectives, has certainly had its own effect on the growth of anime. Reaching out to a wide spectre of audience, by truly caring about the anime community and making themselves visible on the general market, they’ve managed to build up a space that not only keeps their customers present, but also draws new curious people in. Though other big players on the streaming market also offer anime, Crunchyroll is for the people who genuinely cherishes anime and the community.

## Conclusion

This paper has researched and analysed Crunchyroll as a niche marketer through different theories and materials found on the internet. This is done through thorough document analysis and comparative analysis to answer the research question: How has Crunchyroll's niche strategy contributed to its growth and competitive positioning in the anime streaming market, and how has it navigated the transition toward a more mainstream audience? At the beginning of the project, a general timeline of some of the company's important achievements laid a foundation for Crunchyroll's evolutionary story. This segment established how Crunchyroll went from a small pirate site to becoming the biggest anime platform with the help and cooperation of other companies like Funimation and Sony. Thereafter, incorporating relevant theories, the analysis consisted of four parts: an insight into the company's relationship with their customers, an analysis on how they have survived the niche market, a brief analysis on their path to mainstream, and finally, a comparison to their competitors' reverse path to niches. These analytical parts led to the conclusion that through differentiating their market, through involvements in other industries while still maintaining their focus on "anime", Crunchyroll has survived the tough niche market and gone from a niche market to a mass market. This view on Crunchyroll then gets challenged through a comparison between Netflix's reversed strategy of going from the mass market to targeting niches. From here, the case study moves to the first part of the discussion about the theories used. Even though they bring relevant insights to the research study, other theories could be usefully included. Platform theories and other niche concepts would've brought a more varied perspective on the matter, and strengthened this paper's statements furthermore. The second part of the discussion then reflected on how the methodical approach could have improved throughout this project. Even though the used methods of document and comparative analysis complemented each other very well, other methods like the Business Model Canvas only gave a very superficial understanding of the research motive. The third part of the discussion illustrated the variance and evolution of anime as a self-standing category on the streaming market, hereby underlining Crunchyroll's positioning as a server of this market. While also noting their own contribution in the upbringing. With a focus on the transition of niche marketing as a developing factor for Crunchyroll, in handling the rising popularity of anime. Utilizing

both graphical evidence as well as statements from notable figures on the market, it became evident that augmenting for anime, and Crunchyroll still being considered niche, had become a somewhat outdated statement.

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