Analysis of Major Problems Existing in Chinese Animation Industry

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Keyword : Digital Contents Design, Chinese Animation, Contents Business Design

Abstract
In recent years, China had put into effect many policies to promoting its native animation industry; however there still are some serious problems impeding the promotion of Chinese animation industry. In this paper, we try to identify the existing problems that retarding the development of Chinese animation and analyzed the underlying reasons. Furthermore, we adopted case study to testify the problems we identified. Bearing this in mind, case of The Moebius Strip is investigated as a failure representative and case of The Super Adventure is investigated as a successful case. Both cases are carefully scrutinized to illustrate and demonstrate the impacts of the problems. It shows that originality, marketing, audience incubation, and division of labor are significantly responsible for the success of animation products. Based on the research findings of this paper, a promoting proposal could be study in the future researches.

1. Introduction and Background
According to the survey on Chinese animation market in recent years, see figure 1, the market share of Chinese native animation was significantly less than Japan, Europe and North America.

Figure 1. Chinese Animation Market Share

However, the truth is many national and provincial policies had been put into effect for promoting Chinese native animation and its industry in recent years, it turns out the previous efforts do not work well. Hence, this research was motivated by the aforementioned abnormal facts and hopes to find out the substantial factors that lead to the status quo of Chinese animation industry. So far, the most existing researches focus on the animation theory and its manufacture techniques. In this study, we pay more attention on the animation industry chain and try to identify the existing problems in Chinese native animation industry as well as the underlying reasons.

2. Existing Problems
According to our investigation, there are three major problems in current Chinese animation industry. (a) Lack of originalities. (b) Too enthusiastic about the state-of-art techniques. (c) Unclear division of labor and immature industry chain. (d) Prefer making animation movies. Specifically,

2.1. Lack of originalities
Outsourcing is one of the major works of Chinese animation industry in the past years. Moreover, most of the animation topics focus on historical, fairy tale and so forth, which are lowering age. Hence, the manuscript construction is limited and immature. Furthermore, copy exotic animation is common in some Chinese native animations. For example, the cartoon named “Xin Ling Zhi Chuang” is copied from Japanese animation “5 Centimeters per Second”. See figure 2.

Figure 2. Screen Shot of “Xin Ling Zhi Chuang” (left) and “5 Centimeters Per Second” (right)

Besides, the professionals in Chinese animation industry are deficient in expertise. The animation companies depersonalize their animators in order to make them into an animation pipeline [1]. Hence it is somehow impeded the innovation of animators. The abovementioned three points are the major reasons that cause the lack of originalities.

2.2. Too enthusiastic about the state-of-art techniques
Manufacture of animation had been changed dramatically. With the advanced techniques, animators could present the unprecedented animation to audience. Many animations succeed due to take advantage of the state-of-art computer graphics techniques. Similarly, Chinese animators are enthusiastic about the techniques, and most of them were
making blind attempts. They thought the state-of-art techniques are the best attractions to the audience instead of the story of animation. Nonetheless, ignoring the importance of story would be paid off eventually. Comparing to emphasis on the story of animation, emphasizing on techniques is highly risky.

2.3 Unclear division of labor & immature industry chain

The third major reason is unclear division of labor and immature industry chain.

Firstly, there is no mature production chain within Chinese animation industry. One of the facts is all companies try to individually accomplish all the producing procedures such as scheme making, producing, sale and so forth even it is a very small company. Besides, there is no clear division of labor within the companies’ producing system, as a consequence, one worker might do various kind of works involve all producing procedures, obviously, it will not yield good animation productions.

Secondly, no industry chain was established. In Recent years, there were some national bases established for improving the cooperation and competition among animation companies; however the outcome is not good. There are no industry standards within the industry, for example different companies use different manufacture software, different manufacture standards. Companies did not communicate with each other, and doing their own business individually. Interestingly, this situation is similar to the Japanese animation industry at 1980s, which was at initial stage [2].

2.4 Prefer making animation film

Another major problem is most companies prefer making animation films, rather than making animation TV series at the beginning.

As a matter of fact, due to the special animation censorship in China, Chinese animation companies has to produce a whole-year package, which includes 52 episodes, and then send for content examination. In other words, companies had to spend a lot of money on a whole-year package, only it passes the examination that the companies can then develop associative products and make profits. Clearly, it is highly risky for animation investor. Thus, as a compromise, most companies prefer to invest animation film, which has short manufacture cycle and less risky.

Currently, the Chinese animation industry took advantage of the experience of United States, which focuses on techniques and animation film. The truth is this kind of business style would crash due to it suffer from the following reasons:

Firstly, the maturity of Chinese animation market is still naïve and un-professional.

Secondly, the animation film market of U.S. is supported by the huge film market. Both on scale and influence, the market of U.S. is too huge and mature. For instance, according to the survey of Deloitte Consulting in 2010, the average sale price of film ticket in Chinese film market is 5.4 US dollar, it equals 2.5 percentage of monthly operating income of Chinese urban dweller; which is 8 times larger as U.S. Besides, in China, every 120,000 people shares one film screen, but in U.S. every 7,900 people shares one film screen [9]. Therefore, it is unreasonable to learn from U.S. without considering the obvious difference between Chinese animation industry and U.S. animation industry.

3. Case Study

As aforementioned, lack of originalities, unclear division of labor & immature industry chain, and prefer making animation films are three major factors that contribute to the current problems in Chinese animation industry. In this section, we scrutinize some representative cases including both successful and failure cases.

3.1 Case 1: Thru The Moebius Strip (Failure)

Firstly, a failure case is investigated. Animation film named “Thru The Moebius Strip” (abbr. as Moebius in the rest of this paper) was put on screen at August 4, 2006. Moebius was China’s first digital high-definition 3D animation movie by Global Digital Creations Holdings Limited (abbr. as GDC). However, the white hope on Moebius was crashed eventually. Table 1 offers some facts of this failure movie.

Table 1. Data of Thru the Moebius Strip

<table>
<thead>
<tr>
<th>Thru The Moebius Strip</th>
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</thead>
<tbody>
<tr>
<td>Type: Animation Film</td>
</tr>
<tr>
<td>Budget: 18,000,000 US dollars</td>
</tr>
<tr>
<td>Box office: 570,000 US dollars</td>
</tr>
</tbody>
</table>

3.1.1 Leading technologies and prestigious production team

In fact, Moebius was developed by the state-of-art Computer Graphics (CG) techniques in its day. At its initial stage in 2001, technicians who could master CG was quite few in China; in order to make Moebius, hence, established an animation school that training talents to master CG. Besides, more than 400 experts from France, U.S., Britain, and Canada were recruited to form a very strong team. For example, the director was the Glenn Chaika, who was the animator of the Disney animation film named “The little mermaid”. The screenwriter is French animation artist Jean Giraud, whose write-ups include “Tron”, “Alien”, “The fifth element” and other internationally reputed works. In addition, in order to compete in international market, the creator even designed the characters with a western-looking appearance [3]. The Moebius had a so-called well preparation before creation. However, as you could find out from the table 1, Moebius’s box office turns out terrible. Why did the white hope crashed?

3.1.2 Reason of failure

I. Lack of originalities in story

As previously, most of the topic focus on lowering age; indicating the native animators are not good at story manuscript construction. Figure 4 and 5 informs the trends of numbers of animation and their minutes from 2007 to 2009. The data was collected, by author, from the official website of The State Administration of Radio Film and Television.
Based on the two charts, the numbers and minutes of education, fairy tale are consistently increasing fast, other lowering age types such as mythology and historical is stable or slightly decreased but still at a high level. The essential factors contribute to that could be, for a long time in the past, Chinese animation companies used to be the outsourcing contractors of foreign (Japan and etc) companies; These companies suffer from lack of originalities. Consequentially, no good original manuscripts lead to regular stories.

II. Poor marketing and audience investigation

Even the Moebius recruited many foreign experts and adopted the most advanced manufacture skills, no substantial efforts were made on identifying the right audience. They try to attract native audience, however, all the characters have foreigner appearance, and neither invited any native celebrities to dub the film, which proved to be a good way for publicity; moreover, when the technique competes with others internationally, there was no advantages.

III. Emphasis on manufacture techniques at beginning

There are more similar failure cases. In July 19, 2008, “Storm Rider-clash of Evils” (abbr. Storm) put on screen. Storm cost 12 million US dollars but received 4.85 million dollars. Similar to Moebius, it emphasis on the advanced CG techniques, but suffered from problematic story. The story is about Chinese traditional warriors; however the three main characters have a blue and green hair respectively, contrasting to the common sense that Chinese has black hair. Guodong Qian, the CEO and producer of Storm, admitted that they did not fully consider the marketing issues.

3.2 Case 2: The Super Adventure (Successful)

Though it is quite few, there is still a successful case. The Super Adventure (abbr. Adventure), created by creative power entertaining, was put on in January 16, 2009. The total cost of Adventure is only 0.85 million US dollars, and just adopted the simple technique flash; but it received 1.18 million dollars at the first delivering day, which is much more popular than the “Madagascar II” and “Bolt” at the same period. Besides, in order to attract more audience, the ticket price was once reduced to 0.7 dollars. As a result, Adventure’s box office reached 14.7 million dollars, refreshed the box office record of native animation film [4]. See the table 2.

Table 2. Data of The Super Adventure

<table>
<thead>
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<th>The Super Adventure</th>
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<tbody>
<tr>
<td>Type</td>
<td>Animation Film</td>
</tr>
<tr>
<td>Budget</td>
<td>850,000 US dollars</td>
</tr>
<tr>
<td>Box office</td>
<td>14,700,000 US dollars</td>
</tr>
</tbody>
</table>

3.2.1 Reasons of success

I. Incubating audience by TV series

The Pleasant Goat and Wolffy (abbr. Goat & Wolffy), which is the TV series version of Adventure, had been put on TV screen since August 2005. More than 500 episodes had been delivered by more than 50 TV stations and CCTV (the largest national TV station). The best audience rate of Goat once reached 17.3%, which indicated the Goat collected a huge number of potential audience for the later films [5].

II. Serious schedule before creation

Since the initial stage on which the characters were designed, the animation companies began to earnestly investigate the feedbacks from market. They conducted serious questionnaire at kid garden, junior high and high school. They also adjusted the contents of succeed episodes with the feedback from market during the TV delivering.

III. Break the traditional style of characters

The creator kept the principle of “Entertaining only, no sermonizing”, which broke the education-oriented style of traditional animation. For instance, the main characters in Adventure is no longer the prefect role model as in traditional animations, they have their own flaws, as a result, it made the characters more lively, cute and is more interesting comparing to other animation characters. Watching the Adventure is kind of relaxing and interesting for all-age-range people. Hence, it earned a number of fans in this nation.

IV. Successful marketing

If we scrutinize the budget of Adventure, we would find that 30 percent of its budget spent on marketing. Its commercial publicity and sale was conducted by both SMG (a massive media group in Shanghai) and Beijing Uyong Media Co., Ltd (Own 60-70 percent advertisement resource of kids and own a national publicity network for kid program [5]). Before the film was put on cinema, they had taken advantage of the subway advertisement and TV commercials for publicity. Furthermore, more than 300 employees were sent
to cinemas to send puppets of film characters as a gift to
children, and also cooperating with KFC to send puppets
along with set meals with the help of the popular fast food.
The brand building is another success factor contributes to its
success. Along with TV delivering, the merchandise right of
animation characters were began to sale, include kid clothing,
beverage and so forth, totally more than 150 categories.
Besides, the sales of the comic books of Goat & Wolffy had
over 2 million books. Profits from books and merchandizing
share 70 percent of Goat & Wolffy’s revenue [6].

V. Clear division of labor

Actually, there is a very clear division of labor system in
this cooperation. Specifically, SMG has its own Satellite TV
station to deliver the animation, Uyong is strong at new film
advertising. SMG built a small theme park at the cinemas
where would put on the animation; on the other hand, Uyong
invited some popular kid program host to interact with kids
[6]. Through this way, their advantages were maximized
respectively, thus gain more profits.

VI. Establish production chain to make profits

Currently, the Creative Power Entertaining Company
established its own original TV program, named “Animation
train”, to establish its own national-scale delivering Channel.
The same time they also established an advertising company
and chain store for kid’s clothing; and a theme park was built
in Guangdong Province in February, 2010. Furthermore,
Pleasant Goat troupe is also established and performing in a
national tour [6]. Clearly, a profiting chain was
accomplished based on Pleasant Goat, and the Creative Power
Entertaining Company would not miss any chance to make
profits, thus formed a virtuous cycle.

VII. Emphasis on originalities and story on initial stage

Pleasant Goat and wolffy just adopt the simplest
technique, flash. However, rather than saying it is to evade
the risk, it is more suitable to say that it is due to lack of cash [6].
Though the visual effect cannot compare with CG techniques,
the Pleasant Goat and wolffy gives a fresh air into vapid
Chinese animation industry with its original and untraditional
stories and humors. On the initial stage, paying less attention
on manufacture techniques and investing reasonably; instead,
on the feedback of market and insist on original story; after
delivering, engaging in commercial developing and brand
promoting; all these contribute to the success of Pleasant Goat
and Wolffy in native animation market. Actually, the third
step of Pleasant Goat and Wolffy had been activated since
April 2010. Only in this time, the Creative Power Entertaining
Company decided to enhance audience experience with the
most hot technique 3D [6].

4. Conclusion & Future Researches

In this study, we introduced the status quo of Chinese
animation market and identified several existing problems and
the reasons contribute to the problems. Furthermore, both failure
cases and successful cases are examined in this paper to analysis
the major reasons lead to the consequences. It testified that
originality, marketing, audience investigation, audience
incubation, division of labor and so forth are significant to the
outcome of an animation product. In future researches, the
proposal of promoting Chinese native animation industry could
be examined based the research findings of this paper. Besides,
periences from Japan, Europe and North America could be
introduced to enhance the robust of promotion proposal.

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