

# China Film Market Research

**Hu Yi**

*School of Journalism and Communication, Huaqiao University, Xiamen, China  
2093141004@stu.hqu.edu.cn*

**Abstract:** *This thesis discusses the current situation of China's film market, the success of the film "The Battle at Lake Changjin", the analysis of the artistic production of China's cultural film industry, the prospects for the development of the domestic film industry, and the development of the film market in the future. This thesis provides a comprehensive analysis of the current situation and development prospects of China's film market, aiming to provide a reference for the development of the film industry.*

**Keywords:** *Chinese movie market, Changjin Lake, cultural movie industry, development prospect, future development*

## 1. Introduction

The movie industry has been one of the key cultural industries supported by our country, and the development of China's film and television industry has been increasingly rapid in recent years. Adequate domestic capital is conducive to the accelerated development of the film and television industry. And the rapid development and highly developed domestic film and television market is often accompanied by market bubbles. It is now moving from a golden decade of industrial growth to a golden decade of quality improvement. Strengthening the foundation and expanding the genres are effective means of structural adjustment in the movie industry.

## 2. State of the movie market

As China's residents' consumption ability increases and urbanization advances, China's cultural goods and services are becoming more and more abundant, but the supply of the cultural industry is facing a huge shortage, which provides the film and television industry with a broad market development opportunity. Although the demographic dividend is slowly disappearing, the consumption pattern of our audience is beginning to take shape, the frequency of movie watching is gradually increasing, the age level of movie watching is getting deeper and deeper, and theater tourism is beginning to turn into a trend, and it has become the main medium for exchanging the values and emotions of all levels.

In recent years, with the "Several Opinions Concerning the Guidance for Promoting the Thriving Development of the Film and Television Culture Industry", the "Film and Television Industry Promotion Law" and other regulatory laws have been promulgated one after another. China's film and television market is fully integrated into the international market mechanism, and has gradually formed a new situation in which new and old film enterprises compete with each other. The foundation of China's film industry has been further consolidated, the level of production technology has been gradually improved, digital film and television production bases at all levels have been formed, digital films have been popularized in cities and counties, and the total number of 3D screens in China has steadily ranked first in the world. Meanwhile, the global influence of China's film and television industry has been steadily increasing through "Belt and Road" cooperation and exchanges, film festivals and overseas screenings. As China's film and television market is gradually becoming the world's largest film and television market, a variety of social capital has actively entered the Chinese film and television industry, which is of great significance in promoting the vigorous development of China's film and television industry. Through years of market-oriented operation, China has established a relatively perfect film and television industry chain.

From all aspects of the situation analysis: in terms of investment, Chinese blockbusters have also found out the domestic sole proprietorship, Chinese and foreign joint venture, private investment, mainland Hong Kong and Taiwan co-production and other film and television financing channels, and initially established a virtuous cycle of financing environment, which is a huge progress for the fast and

sound development of China's film and television industry.

In addition, from the point of view of the film management mechanism, the State Film and Television Supervisory and Administration Organization has gained certain successful experience in film guidance, auditing and monitoring, which is indispensable to the continuous development and growth of domestic blockbusters.

Thus, the momentum of China's film and television industry "to foaming" has been irreversible, in the production enterprise is still difficult to perfect, a large number of small and medium cost of various types of films will probably be "born", and the use of film quality to obtain the market reputation and the market, so that the domestic film towards a new stage of development.

According to statistics, China's total box office receipts from 2010, 2013, 2014, 2015, 2016, and 2017 were 17 billion yuan, 21.7 billion yuan, 29.6 billion yuan, 44 billion yuan, and 45.7 billion yuan, totaling fifty-five billion yuan. And China's movie box office has maintained nearly more than a decade of rapid growth, especially in the first quarter of 2018 China's movie box office to more than 20 billion Hong Kong dollars, more than the United States into the world's annual total box office revenue champion. Summer 2018 (June 1-August 31) China's movie box office reported revenue of 17.4 billion yuan, up 6.74 percent from last year, setting a new record for summer box office revenue, and eleven also broke through 50 billion yuan. It ended with \$60.695 billion at the movie box office.

### **3. The success of the movie "The Battle at Lake Changjin" reflects the thriving status of our movie market**

The movie "The Battle at Lake Changjin" with a total box office of 5.5 billion successfully surpassed the "Hi, Mom", topped the national box office list of the first runner-up, and Wu Jing's "Operation Wolf 2" is only 200 million short of the box office.

It has to be a miracle that "The Battle at Lake Changjin" has achieved what it has. Six consecutive days of box office over 400 million, the box office for seven consecutive days in theaters against the decline, or in the epidemic control period, the only one. Prior to this the highest grossing Chinese movie in the National Day slot was the 3.167 billion dollar "My people, My Country". The quality of the movie is the fundamental reason for the box office success, "The Battle at Lake Changjin" is undoubtedly the peak of China's war movies, no matter from the director, screenwriter, actors, or investment in the production of the Chinese film industry is the top. Set against the backdrop of real historical events, "The Battle at Lake Changjin" is a fascinating story of Chinese soldiers and civilians who fought together and defended themselves bravely. The film triggered extensive discussions and heated debates, and became a topic of social concern, greatly enhancing the popularity and influence of the film. As a film depicting the bravery of the Chinese people in the fight against the U.S. and in support of North Korea, "The Battle at Lake Changjin" emphasizes national identity and patriotism.<sup>[1]</sup> Viewers will feel a strong emotional resonance when watching such a movie, which will lead to empathy and admiration for the struggles and sacrifices of the characters in the movie. The high box office of "The Battle at Lake Changjin" and "Operation Wolf 2" has proved that the products of China's movie market are well accepted in the domestic market and have a large number of fans. We can see that the potential of the Chinese movie market is huge, but it has not been fully stimulated.

China's movie industry is showing a benign development trend. On the one hand, Chinese blockbusters have regained the trust of the domestic audience by improving both the Quality of their products and their international social impact. On the other hand, its development in foreign markets has also shown a sustained upward momentum, which has a positive effect on the promotion of China's culture and soft power.

The global appeal of Chinese blockbusters is also growing, popular with overseas readers, and the overseas market has been effectively expanded, with increasing commercial value. However, we must see that, although China's films have long maintained a trade deficit in international trade, the overseas competitiveness of Chinese films has been weak, which is not in line with our status as a major economic power and a cultural and artistic power. In terms of development, China's blockbuster film industry has explored an interpenetrating path of film art development from melodrama films, art films and commercial films, especially in the areas of spectacle and artistry that melodrama films should possess, and has reached consistency. In terms of their social role among a wide audience, Chinese blockbusters have begun to gradually build up an artistic tradition of embedding the mainstream culture of the nation or the basic values of society in popular films.

The Chinese movie, which is mainly based on Chinese culture, has an important role in the field of film and television, and it represents the artistic component of the status quo of the Chinese movie industry.

#### **4. Analyzing the artistic production of China's cultural film industry**

On the one hand, arts and cultural products have adapted to the multifaceted cultural needs of the Chinese people, and on the other hand, they have also led the development of China's cultural industry. Consumption, however, controls the methods and scale of literary production, and reflects the aims and motives of literary production. It is because of the diversification of market demand and the competitive mechanism of the market economy that activates the creative potential of literary works of art and prompts painters to actively explore and develop new concepts of literature and art and methods of writing, thus promoting the emergence and development of literary production, and at the same time better serving the public. The highest aesthetic value of handicrafts is its own artistic significance, and its aesthetic artistic value is the fundamental characteristic that distinguishes it from any art form. These aesthetic values also have their connected aspects with the commodity nature of the work. Crafts are products, and their utilization function is obviously closely related to their aesthetic value, and works with better aesthetic value will of course be in an advantageous position in international art competition. This is more prominent in Chinese cultural movies.

Considering the cultural differences between China and the United States, it is worth noting that China, with its profound history as an ancient civilization spanning five thousand years, has yielded a wealth of creative inspiration for its people. As a result, one can see that a high percentage of Chinese domestic movies and TV dramas are based on historical events or myths. On the contrary, in the United States, the history of the founding of the country for hundreds of years is basically a history of war, and because of the general prevalence of risk consciousness in the country, the cautious mentality of the people towards the possibility of future crises has become the biggest reason to look at the export of the spirit of democracy in the United States.

With the increasing comprehensive strength of our country, we also need to use movies to transmit Chinese culture to the world. Happily, we have already seen that Chinese culture is blossoming all over the world, and more and more people identify with Chinese culture, which provides the conditions for the rise of Chinese cultural movies.

A good market, a healthy market, must be in line with the development of social trends. In today's individualized world, the film market, as a cultural product, obviously has a stronger ability to adapt to individualization. Nowadays, directors and screenwriters have changed from simply wanting to tell a good story with a movie to wanting to tell a good story with their own style. Despite the fact that our country's movies have achieved remarkable success in the market, which is a source of pride for our countrymen, we are facing the same problem as Hollywood in terms of the expansion of movie genres: lack of innovation and the proliferation of sequels. This may appear to be a safe means of economic strategy, but it is also the beginning of greater risks for the future. The reason for this is that more and more big companies are encroaching on a huge amount of the market resources reserved for projects that seem to be safer and will lead to obstacles to the production of new directors and new teams.

#### **5. The basis of good prospects for the domestic film industry**

##### ***5.1. Ample domestic and foreign funding helps film industry thrive***

In recent years, the scale of China's movie market has expanded rapidly, attracting the injection of domestic and foreign capital. The relative abundance of domestic capital and the strong desire to invest in the film and television industry from abroad constitute favorable conditions for the growth of the film and television industry, which relies heavily on financial support. Chinese film funds and corporate investors have been involved in film production and distribution, providing substantial financial support for China's film industry. For example, some companies such as Huayi Brothers Media Corporation have increased their efforts in film production and distribution through capital market financing, promoting the rapid development of China's film industry. The broadening of investment and financing channels in the film and television industry not only promotes the development of the film and television production industry, but also brings great help to the film and television companies to expand the industry chain.<sup>[2]</sup>

### ***5.2. Accelerated urbanization brings new opportunities for the development of the film industry***

As urbanization advances, China's urban population is growing and the urban audience base is expanding. According to statistics, China's urbanization rate has risen by an average of nearly 3% per year from 2000 to the present, with China's urbanization exceeding 57.35% in 2016, and urbanization has become the main carrier of national economic development. This provides the movie industry with a larger market of viewers and potential consumers. At the same time, urbanization has also led to the rapid development of urban cinemas, providing more screening venues and improved technical equipment, further enhancing the movie-going experience. With the advancement of urbanization, the culture and regional characteristics of each place are receiving increasing attention. The film industry can create films with local characteristics based on the cultural characteristics and storytelling resources of different regions. Such films with regional characteristics help to meet the diversified needs of the audience, and at the same time can promote the cultural heritage and economic development of each place. Accelerated urbanization has driven the diversification and modernization of the urban landscape. This provides the movie industry with more diverse urban scenes and backgrounds, and enriches the creative space and expression of movie stories. At the same time, the modernization has also brought more advanced filming techniques and equipment, providing greater technical support for film production. Along with the promotion of urban housing, transportation, network and other infrastructure construction, the construction of urban cultural industry will usher in a golden period of great development, which will bring constant momentum to the development and revitalization of the film industry.

### ***5.3. The government's policy of expanding domestic demand is conducive to promoting the development of the film industry***

In recent years, China has implemented a number of preferential policies to expand domestic demand. For example, a policy of subsidizing movie tickets had been introduced to give residents a certain amount of subsidy for purchasing movie tickets; Establishment of a fund for the development of the film industry, provision of preferential tax policies, etc; Establishment of a fund for the development of the film industry, provision of preferential tax policies, and so on. These policies provide financial support and incentives for all aspects of film production, distribution and marketing, and promote the development of the film industry. These policies can promote residents' consumption of movie going, increase box office revenue, and provide more financial support and development opportunities for the film industry. It creates a rare opportunity to promote the cultural consumption of the whole society and to develop the movie and culture industry. At present, China has a strong demand for cultural commodities and services, while the supply of cultural commodities is facing a great shortage, which provides a broad space for the film and television industry to expand its market.

### ***5.4. National Intellectual Property Protection Benefits Film Development***

The formation of the copyright protection system has a good role to play in guiding and promoting the sustained and rapid development of the film industry, which protects the intellectual property rights of creators and encourages innovation and the creation of original content, protects the rights and interests of investors and promotes the development of the film industry, improves the value chain of the film industry and promotes the overall development of the film industry, and attracts more high-quality works and opportunities for international cooperation and enhances the international competitiveness of the film industry. With the in-depth implementation of the policy of reform and opening up, the scope and level of copyright protection in China have gradually been brought into line with international market practice. Under the premise that copyright is well protected, film and television companies will gradually expand their revenue streams from the production of large-scale films, audio-visual products, television programs and Internet broadcasting, thus promoting the healthy development of China's film and television industry. Together with the promulgation of "China Film Industry Law", everything in China's film and television market is developing in a good direction.<sup>[3]</sup>

In the future, China's film and television industry can effectively grasp the film and television technological innovation, high-quality content, high-tech intelligent theater opportunities will certainly take advantage of the momentum to accelerate the realization of the dream of a strong film and television.

## 6. The future of the movie market

In recent years, our cultural and productive conditions have been improving as a result of the constant growth of the national population and the support given to culture by various countries.

China is a huge market that continues to grow both demographically and economically. The movie market is an important part of the cultural and entertainment market. China's total box office continues to rise, the highest box office shocked everyone, which also laid a solid foundation for the development of China's movie market.

China's movie market has a bright future and huge profits, but it has not yet formed a stable and quality-assured production system. This requires practitioners in the pursuit of profits at the same time, do not forget to correct their own attitude, to bring better works for the audience, to achieve higher quality development of the film industry, for the development of China's film market to play a driving role.

After decades of vigorous development, China's film and television industry has been riding the wind and waves, thriving in the midst of change and forging ahead in the midst of challenges. On the whole, the film and television industry has shown a prosperous state of steady growth and established a vibrant industry pattern, and the film and television industry has gradually improved: film production, distribution and broadcasting are becoming more and more specialized, and the division of labor is becoming more and more detailed; The types of film and television production are becoming more and more diversified; The film and television industry is becoming more and more standardized, and the film and television companies are improving their group capacity, and the head of the film and television are constantly being produced; The scale of film and television derivatives is obviously effective. The future of the film market will be more digitized, using more advanced special effects technology, 3D and virtual reality, and other innovations to enhance audience immersion and experience. In addition to traditional feature films, different genres such as documentaries, animation, and science fiction will have more room for development. At the same time, cross-border cooperation between movies and other media will become more common.

China is now the world's second largest movie market, with the number of screens and moviegoers ranking first in the world. However, it should be realized that there is still a gap between China's film industry and the global film powerhouses in terms of film industry revenue and the degree of industrial chain completeness, and at the same time, there is also a great potential for development, and the film industries of different countries and regions will cooperate more closely to promote the cross-border distribution and promotion of films. In the era of rapid development of Internet information technology and digital communication, the future movie market will rely more and more on online platforms for publicity, distribution and movie watching. By analyzing the behavior and preferences of the audience, we can produce movies that are more in line with the tastes of the audience. The intelligent recommendation system will help viewers find the right movie for them more easily. The rise of online theaters and video platforms will bring more choices to the audience at the same time, but also provide more development opportunities for film creators, and more need to seize the new opportunities for the development of the film industry.

## 7. Conclusions

In the future, if China's film and television industry can continue to adapt to the development of the market, seize the opportunity to innovate and seek change, the construction of high-quality content, the development of niche and derivative markets, and the construction of intelligent films, it will be able to ride on the momentum and accelerate the realization of the dream of a strong film country.

## References

- [1] Wei Lirui. (2022). *The success of the melodramatic movie "The Battle at Lake Changjin". Voice & Screen World (20), 77-79.*
- [2] Shao Qi. (2019). *The Development of China's Film and Television Industry from the Expansion Huayi Brothers Media Corporation's Financing Channels. Media (12), 51-53.*
- [3] Lai Xiaopeng. (2017). *Study on Intellectual Property Rights Issues Related to Movies--Taking the "China Film Industry Law" as a Perspective. Contemporary Cinema (02), 128-132.*