

Research on the Development of One IP(intellectual property) Animation & Game in Chinese Market

Yang Pan , Chul-Young Choi , Zilu Meng

*Department of Visual Contents, Division of Digital Contents
Graduate School of Dongseo University.
Busan, South Korea*

pyy8976341@naver.com , freechoi@dongseo.ac.kr , mmengzillu@gmail.com

Abstract

"No IP, No Content" has become a phenomenon in the content industry, high-quality IP has a strategic importance. It has become a Trinity in the movie-anime-game basic package, Competition is more intense. However, there is a tremendous amount of know-how hidden behind the use of IP to operate games well. We are worth exploring in detail. The research and analysis of digital IP market, the advantages and disadvantages will be the focus of our pragmatic research. As an emerging market in the digital industry, China has great research value. This paper analyzes the status quo of the current Chinese market by comparing the mature US and Japanese markets. For example, the research of American Disney Company analyzes the mature market structure of Japan. , compared with the excellent case of the Chinese market legend of qin. By studying the current situation of China's digital market, analyzing the interest trends of the customer base, discovering existing problems and improving the accuracy of the prediction and judgment of the Chinese digital market in the future. According to the survey, the IP heat is mainly concentrated in six categories of games, animation, TV, variety, movies, and novels. At present, the most popular IP of manufacturers have three major categories. This article will conduct research and analysis on digital IP, and analyze the market status of China, the United States, and Japan and the research on outstanding representative works in the market.

Keywords: *Chinese Market, Digital IP, Animation, Game, Derivative product.*

1. Introduction

In the Chinese market, we have recently realized the importance of intellectual property, established government agencies to ensure intellectual property in the provinces, and actively promote intellectual property

and intellectual property rights of startups, existing companies and students. Unlike the past, the government is also actively supporting the importance of intellectual property and intellectuals. This is because intellectual property issues caused by market opening are important, and they recognize the importance of intellectual property in the future market.

China's IP licensing is still in its infancy. According to data from License Global, retail sales of licensed goods worldwide exceed \$260 billion, and China accounts for only 3% of the world's total. The "2018 China Brand Authorization Industry Development White Paper" also pointed out that the main IP in China's authorized market still accounts for 40% of US IP, followed by China with 26% and Japan with 11%. China's IP road is still under exploration. China's digital industry has mature and rich classic IP data, as well as original IP with strong plasticity and step by step. The increase of young users, the growth of stable users and consumption, the rapid development of 5G network channels, and the bursting of IP movies have made the digital content market in China ushered in a golden age. As far as the development of China's current IP market is concerned, authorization chaos is the most typical problem. Secondly, IP homogenization and plagiarism have become the main problems that have been criticized. In addition, capital speculation lacks a unified and professional value evaluation system and cannot provide resource support after the heat period. The development of China's IP licensing market also requires learning from mature countries. It is necessary to establish the output of industrial industrialization and standardization. In the next two to three years, China's IP market will continue to rise, and long-lived IP will be built more and more mature.

1.1 Book class IP

Including traditional solid novels, online novels and animation, the traditional literature IP (fiction) has a deep cultural heritage and fan accumulation, and the IP value is large. The biggest feature of this type of promotion audience is:

- (1) It is literate and has the power to consume.
- (2) The retention rate is low, mainly due to hobbies, but once the game is well-made, loyalty is often at the forefront.
- (3) Positive feedback on advertising in the early stage, but ultimately staying in the quality of the game.

1.2 Film and TV IP

The overlap between TV dramas and game users is higher, and the age and characteristics of the audience are approaching. However, the difference between video IP cooperation and other IP is that it will consider whether the schedule is synchronized, whether marketing can cooperate with resources sharing; whether the inter-investment phase can be intervened earlier to ensure content matching, which is very high for the development and operation of the game market. Requirements, but the profits brought by nature are also extraordinary. Video-game linkage is not a simple cross-border interaction. It needs to be accurately grasped in IP operation timing. Before and after the film and television drama is on the line, it is undoubtedly the best node for online and offline communication.

1.3 Veteran Game IP

The classic game IP adaptation mobile game is a successful "shortcut" discovered by the traditional end-game manufacturers, and the ARPU value is higher. These innovative elements are undoubtedly injecting fresh blood into this old IP, keeping the old IP fresh and increasing game playability. Use the old IP can only make the game quickly catch up in the short term. It is one of the winning plans for long-term operation by innovating and recreating the original IP based on the original IP.

ARPU, Average Revenue Per User (ARPU-Average Revenue Per User).

The ARPU focuses on the profit that the operator gets from each user over a period of time. Obviously, the more high-end users, the higher the ARPU. During this period of time, from the perspective of the operator's operation, the high ARPU value indicates high profit, and the benefit is good during this period. ARPU is for shareholders. Investors should not only look at the company's current profitability, but also pay attention to the company's development capabilities. If the ARPU value is high, the company's current profit value is high, the development prospect is good, and the investment feasibility is feasible.

2. The Value of IP

High quality IP can bring a lot of users in the early stages. This saves on promotional costs. The conversion rate is affected by 3 to 7 times and the income is also doubled. First, you can see the game world faster through IP. Whether the game is fun or not depends on whether the world view of construction is complete, IP generally has a complete and logical world view. Second, IP reduces user learning costs. With IP, players can become accustomed to the product as quickly as possible. Increase user loyalty by making game characters more recognizable and increasing game substitution and input sensation. Third, IP brings tricks to attract fans. IP can provide a good publicity effect. Not only can you drag the original IP punk, you can distinguish it from regular games. Fourth, the dual effects of fans and famous writers, the ability to pay more money

The fans who pay for the contents of the novel are all big fans of the novel, and the possibility of payment is bigger than that of ordinary players. Fifth, your work has been verified by the market and you can easily target the target group. - Young users

Serial novels have been identified in markets with small risks. And IP awareness can increase the import efficiency of new users. In addition, the Chinese online literature reflects young people's desires as much as possible and overlaps with the audience of the game. Sixth, emphasis on channel. Games are IP standard already, if there is no IP in the game, there is no channel interest or recommended seats.

3. Animation industry in China, USA and Japan

3.1 Current Status of the American Animation Industry

The development of the American animation industry is heavily influenced by Hollywood development models, so the next example is Disney.

Table 1. Disney's main business segment data (2013)

Department	Revenue	Profit
Radio and Television Media Group	20,356	6,818
Theme parks and resorts	14,087	2,220
Film and Television Entertainment Group	5,979	661
Consumer product division	3,555	1,112
Interactive media department	1,064	-87
total	45,041	10,724

Disney Financial Data (2013) Unit: million dollars

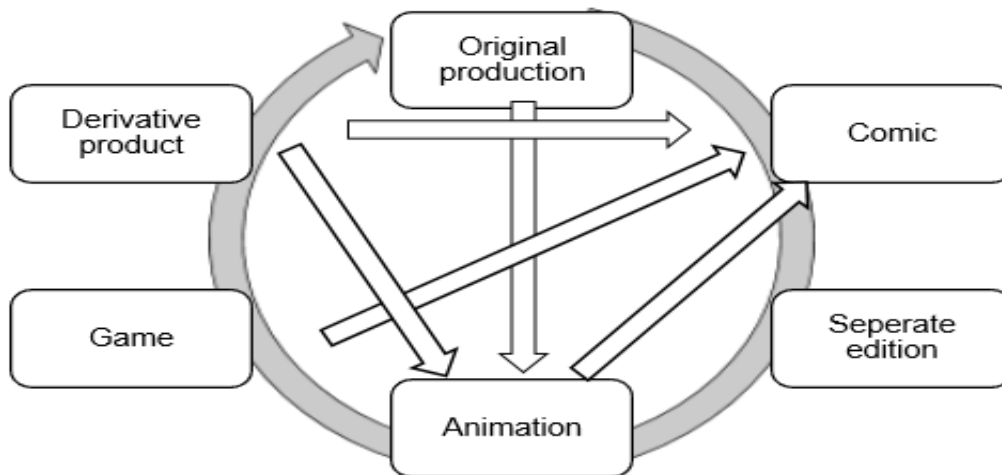
Four of Disney's five divisions account for 90% of its revenue. Of which \$ 20 billion in revenue from broadcast and television media groups. Disney's classic cartoon images and many movies are well known to

us, but their contribution to the sales and profit ratio is only 13.3% and 6.2%. On the other hand, the advertising and copyright of Disneyland, Disney-approved clothing, food and media networks have been derived from various industries to maximize the value of the animation industry. Disney's business philosophy is to use brand-based content as a reader to produce home movies for all ages. Family watching can target audiences of higher ages and there is room for expansion in late derivatives development.

3.2 Current Status of the Japanese Animation Industry

Since the development of animation in Japan has been almost one century, the animation has already developed into the three major industries in Japan, and the GDP has exceeded about 10%. As an example of development, the mode of operation of the Japanese animation market has been completed through long- The country that develops around other animation industries is also of great value.

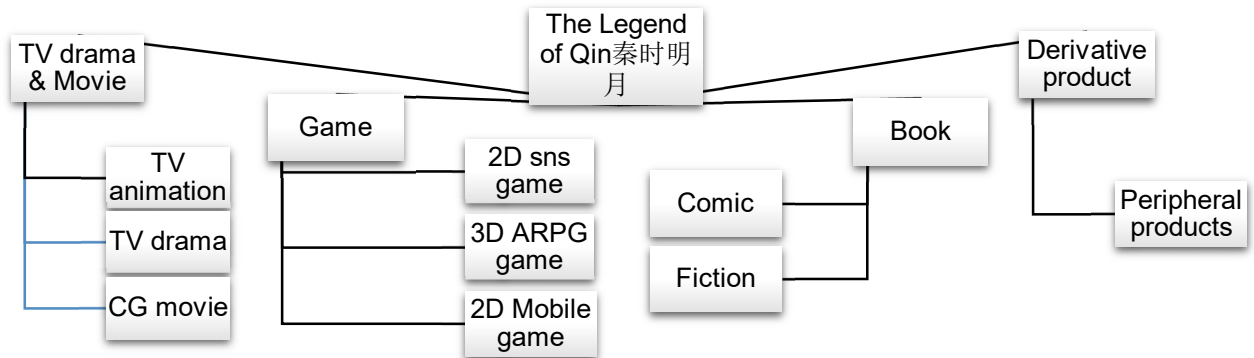
Table 2. Japanese animation industry status analysis chart



3.3 Current Status of the Chinese Animation Industry

Comparing the US and Japanese industrial models: All derivative products are derived from animated content. This includes derivatives of other industries as well as derivatives of animated characters and plot lines. The classic animation brand, itself has the characteristics of industrial chain expansion. Referring to China's animation derivatives market, we have seen inferior toys, but now we are laying out many excellent animation industries derivative industrial layouts. "The Legend Of Qin", for example, has developed these animated works for many years, has a very good industrial layout. As you can see, "The Legend of Qin" not only developed live TV dramas on numerous TV animations, large movies, movies and TVs, but also developed the same names, books and audio games, and the products we saw around. Likewise, by expanding the content of the animated film, The Legend of Qin's monthly biography series produced not only seven, but also produced a variety of formats such as prequel, movie versions and extras.

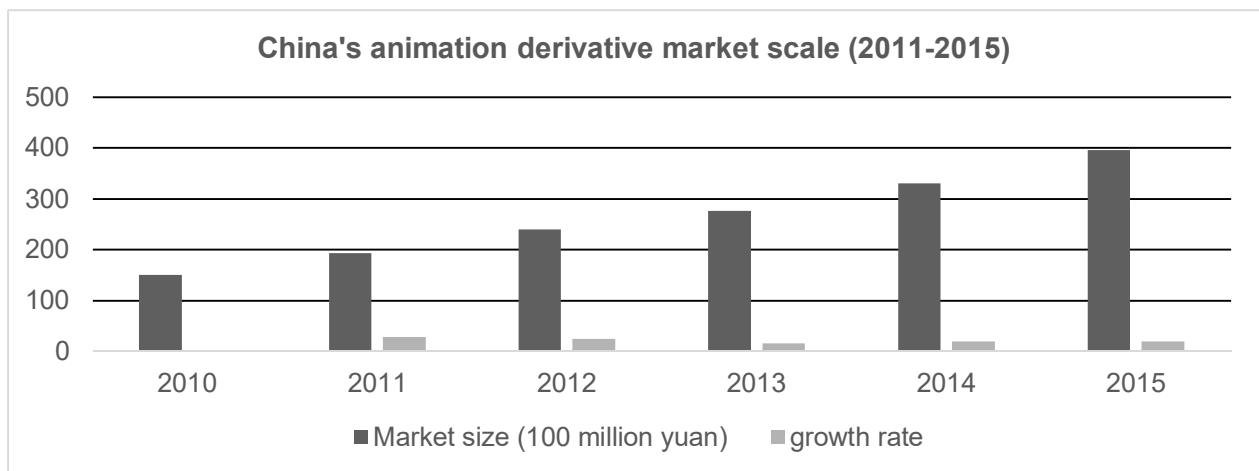
Table 3. "The Legend of Qin" series industry analysis chart



4. Current Status of Animation & Game Derivatives in China

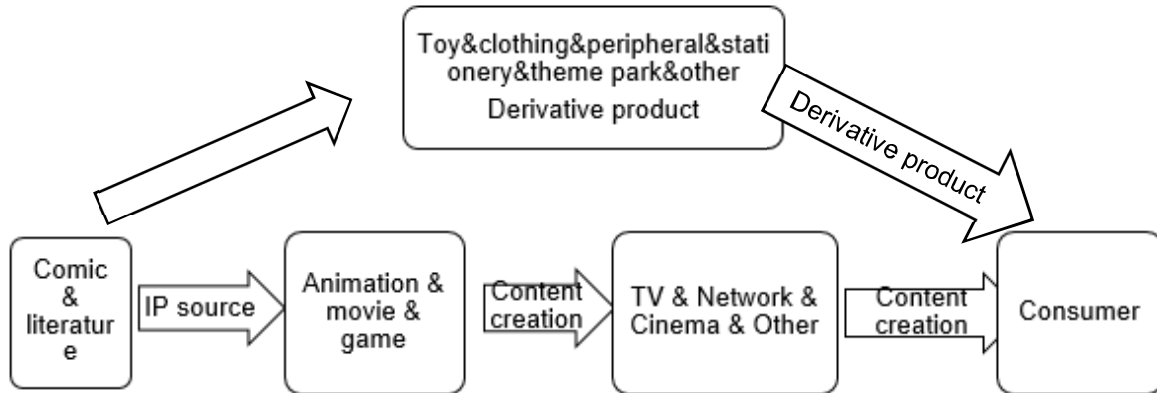
Derivatives are secondary sales of animated products downstream of the animation industry chain. Figures, toys, clothing, stationery, and handicrafts. Currently, the animation derivative market is a pillar of the animation industry, and it is the key to excessive profitability of the animation content brand and the driving force of the re-creation of the original animation.

Table 4. China's animation derivative market scale (2011-2015)



According to the development trend of the animation industry and how to realize it, China has already started to operate the operating mechanism of the industrial chain of animation integration. It is usually divided into three levels: IP core layer, intermediate development layer, and surrounding derived layer.

Table 5. China Animation Derivatives Market Analysis Chart



The IP core layer mainly includes two aspects, cartoon and literary creation. The IP core layer brings together a lot of writers and comic novelists, and the number of works is enormous, so you can easily get the best quality plot and get a high quality original IP. IP is a source of industry chain, It directly affects ability. The middle development layer is mainly the development of animated IP including movies, TV series, animated video and other works. While this market is modest, film and television animations can have strong communication effects, expand IP influence, accumulate users, and foster an excellent user market. The surrounding derivative products are based on the second development of IP such as game production, animation toys, animation clothes, animated stationery, theme parks, etc. to achieve commercial profitability mainly through IP license development and direct contact with consumers.

5. Chinese market popular same IP game & animation work statistics

The online gaming industry has grown at a CAGR of 21.7% over the past five years. In 2016, sales reached 16.57 billion yuan (17.7%), of which the mobile game market sales were 81.92 billion yuan (59.2%), accounting for 49.5% for the first time in the client game market. PC game market sales reached 582.5 billion yuan (%) Negative growth for the first time. The number of Chinese game users reached 566 million (+ 5.9%). In 2017, the Chinese gaming market recorded 178.92 billion yuan, 480 million PC gamers and 520 million mobile game users. In 2017, China's animation industry reached 150 billion, accounting for 24% of the total output of the cultural and entertainment industry. Games, animations and movies have become the backbone of the Chinese cultural entertainment industry jointly.

Table 6. A representative survey of popular game & animation collaboration works in the Chinese market

	The Legend of Qin	Azur Lane	Onmyoji	Fantasy Westward Journey	I'm MT	Fate/Gr and Order	Final Fantasy	Blade & Soul	Revelation
Game production company	Fuchun Technology (CN)	bilibili(CN)	Netease (CN)	Netease(CN)	LOCOJOY(CN)	TYPE-MOON(JP)	SQUARE ENIX(JP)	NCsoft (KR)	Netease(CN)

Game Distribution Company (CN)	Beijing Chukong Technology (CN)	Bilibili(CN)	Netease (CN)	Netease(CN)	locojoy (CN)	bilibili(CN)	SQUARE ENIX(JP)	Tencent(CN)	Netease(CN)
Animation production company	Sparkly Key Animation Studio(CN)	Bibury Animation Studio(JP)	Thundra Technology (CN)&BLADE(JP)	Bluearc Animation Studios (CN)	Colorful cinema studio (CN)	TYPE-MOON(JP)	SQUARE ENIX(JP)	GONZO(JP)	Sparkly Key Animation Studio(CN)
Animation type	3D CG movie / 3D animation	3D animation	3D animation	3D animation	3D animation	3D animation	3D CG movie / 3D animation	3D animation	3D animation
Game type	Mobile game/web game	Mobile game	Mobile game	PC online game/Mobile game	Mobile game	Mobile game	Mobile/PC/Platform Game	Mobile game/PC online game	PC online game
Other digital industries	TV drama		Movie	TV drama	3D CG movie				

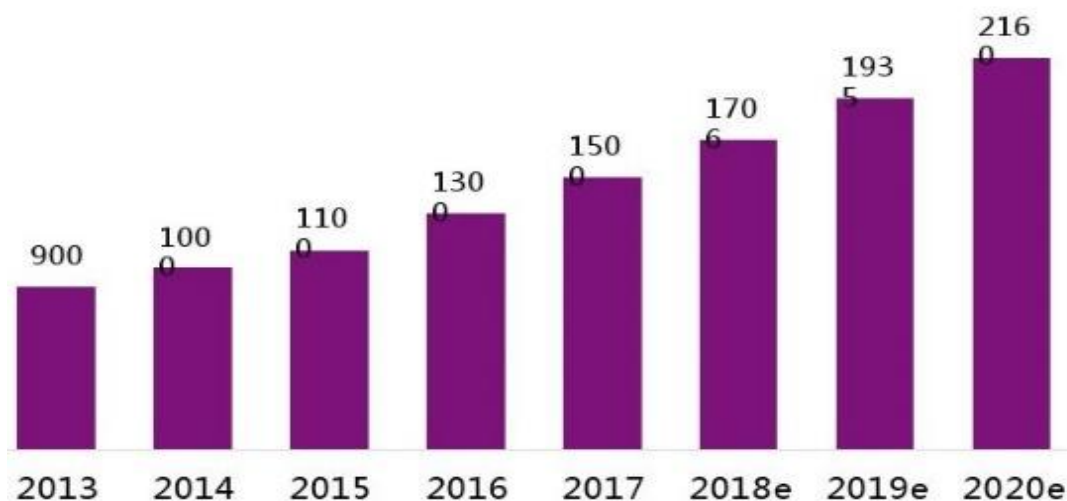


Figure 1. Chinese animation market output. Unit: 100 million yuan (RMB)

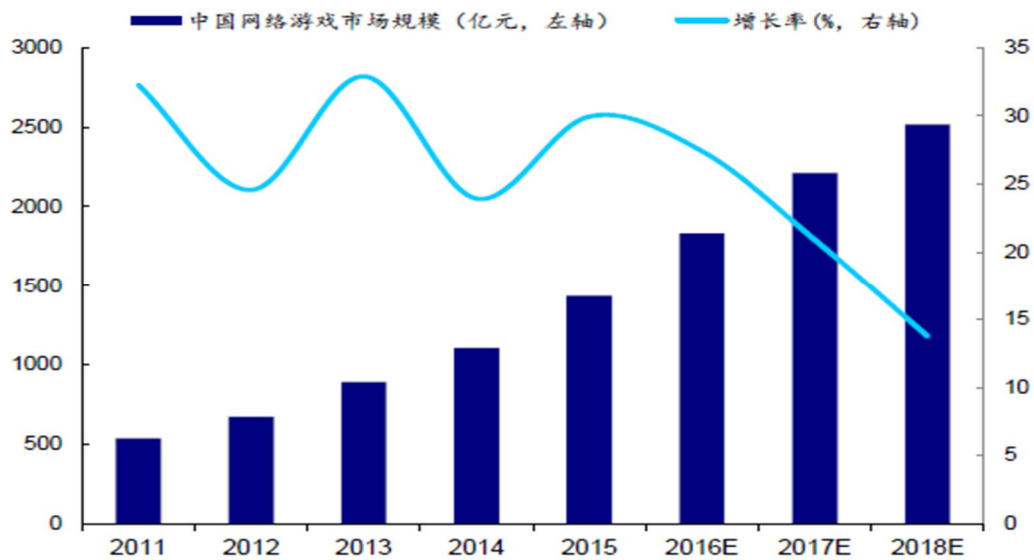


Figure 2. Chinese game market output. Unit: 100 million yuan (RMB)

6. Analysis

Market research and analysis reveals the importance of IP in all areas of the digital multimedia industry, and it is important to have and use one or more superior IPs for the success of related products. Whether it's an animation or a game as IP grows, it's the most important means of carrying IP. It is to notify the public through animations and games. After intent to write to it, you can get unexpected revenue and development if you have many of the same IP products. The creation of the initial IP is more economical and convenient than the production of the latter, either by creating more than one priority IP, by popular IP and investment cooperation, or by setting up an IP for sufficient preliminary market research and product line use Will produce relevant multimedia industries to obtain more economically stable results. It can also be reused for existing high quality IPs. In pursuit of collaboration and innovation, more derivatives can be promoted in the Golden Age of Series IP to maximize the value of a single IP. For small and medium-sized manufacturers, there are two problems in developing animation derivatives: capital pressure and resource constraints. On the other hand, small and medium-sized manufacturers with limited capabilities should consider urging investors to "make a realization cycle" and realize the fastest way to realize cash, accelerate the collection of funds through approvals and cooperation, You must choose. In addition, head manufacturers, media monopoly of traffic, lack of resources, SMEs can not find the right entrance and marketing can not go smoothly. Large companies such as Blizzard, Tencent, and Aofei have already built marketing systems for animation derivatives, but they are mostly online. The marketing of offline scenes is often hampered by the limitations of inter-industry resources and internal coordination. For years, most large companies have chosen the form of "outsourcing agency." Increased consumer spending and the emergence of a new middle class have begun to increase the number of offline entertainment scenes and word of mouth promotions.

7. Conclusion

The Chinese market and China's export market research show that the future development space of IP suitable for China market is enormous. Studying advanced technologies and mature systems in the US, Japan and Korea,

cultivate talent, learn traditional culture, perform bold and unique innovation activities, develop IP with cultural characteristics of China, develop new digital content market in China And promote Chinese culture. In the global market, China is investing more and more excellent ips in various countries, such as Disney, Marvel, Sony's various ips, trying to obtain the right to use ip through investment or cooperation. In China's internal market, China is working hard to The local characteristic culture and the national culture are re-created and re-processed, and the original high-quality ip is used for secondary utilization or multiple use in line with the needs of the modern market, and efforts are being made to export to the global market. In order to cope with the future global digital content market, I believe that the research and analysis of the Chinese market will be indispensable for the study of Chinese national culture and the analysis of the needs of the Chinese people's market and the trend of the customer base. In the field of cultural industries, I believe that nationality and culture are not high walls of demarcation. Instead, they are diversified and have excellent resources with diverse characteristics. Today, all industries tend to be globalized, market integration, multiculturalism Learning and learning, I think it is an important part of the digital content industry, and the objective and positive and excellent cultural industry digital content products will surely become the leader of the market, and will become the treasure of all human culture and art.

References

- [1] "2017 Online Animation Market White Paper". 2018. P 4-5. <https://wenku.baidu.com>.
- [2] "2017-2022 China Online Game Market Supply and Demand Forecast and Investment Strategy Research Report". Zhiyan Consulting Group. 2017. P 286-287. Report Number: R485377. <http://www.ibaogao.com/>
- [3] China Animation Game Industry Annual Report Research Group, Zhang Li, Wang Wei, Niu Xing, Meng Xiaoming. 2017 China Animation Game National Industry Annual Report (Abstract Edition) [J]. Publishing and Research, 2018(10): 36-39.
DOI : 10.19393/j.cnki.cn11-1537/g2.2018.10.008
- [4] China Open Data Portal. <http://data.stats.gov.cn>.
- [5] Jung Ho Kim, Deok-Young Yun, Kwang Chul Son, Seung Hyun Lee, Soon Chul Kwon. "Change of Total Convergence on Visual Function Case after 3D Images". International Journal of Internet, Broadcasting and Communication(IJIBC). Vol.7 No.1. P 57-61.