Chen Ziwei

A Market Research for Chinese Movies
Export to North America

Business Economics
2018
ABSTRACT (font size 14)

Author          Chen Ziwei  
Title           A Market Research for Chinese Movies Export to North America 
Year            2018  
Language        English  
Pages           40 + 2 Appendices  
Name of Supervisor Rosmeriany Nahan-Suomela

China has become the second largest movie market in the world. However, comparing to the domestic revenue of Chinese movies, the overseas revenue is not so desirable. In order to promote Chinese movies to go global, Chinese government are trying “Go Global Project”. With such a background, the thesis will explore the topic of Chinese movie export.

The thesis mainly uses the quantitative research method to analyze the data. At first, related documents and statistics are prepared for the study. Meanwhile, the author read a vast amount of material to develop the theoretical frame to support further study. Afterwards, methodologies and theories can be applied in the empirical study and case study. The empirical study reveals the general situation in the industry. According to a series analysis, the thesis will give suggestions to improve and summarize in conclusion part.

It is found in the study that different market signals affect film trade in different ways under cross-cultural background based on culture discount theories and cultural dimension theories. In response to issues found from thesis, the thesis comes up with practical suggestions at the end of the paper to obtain the significance of the thesis.

Keywords Export, Movie trade, Culture discount, Cultural dimension
# CONTENTS

## TIIVISTELMÄ

### ABSTRACT

1. **INTRODUCTION** ................................................................. 6  
   1.1 Background of the study .................................................. 6  
   1.2 Objectives of the study and research questions .................. 6  
   1.3 Structure of the study .................................................... 7  

2. **LITERATURE REVIEW** ...................................................... 8  
   2.1 The concept of Chinese Language Cinema .......................... 8  
   2.2 The concept of cultural discount ...................................... 8  
   2.3 Measurement of cultural discount ..................................... 9  
   2.4 Hofstede’s cultural dimensions theory ............................... 10  
   2.5 Trompenaars’ theory of seven cultural dimensions .......... 12  
   2.6 Signaling theory ............................................................ 14  
   2.7 Market signals under cross-cultural background ........... 15

3. **METHODOLOGY** .................................................................. 20  
   3.1 Data collection .................................................................. 20  
   3.2 Validity .......................................................................... 21  
   3.3 Limitation ....................................................................... 21

4. **EMPERICAL STUDY** ............................................................ 22  
   4.1 Background questions ....................................................... 22  
   4.2 Audience features ............................................................ 25  
   4.3 Cultural discount analysis ............................................... 27  
   4.4 Cultural dimension analysis .............................................. 29  
   4.5 Research findings ............................................................... 31

5. **SUGGESTIONS FOR CHINESE MOVIE EXPORT** ............... 33  
   5.1 Reduction of culture discount ........................................... 33  
   5.2 Distinguished cultural dimensions ..................................... 34  
   5.3 The grasp of market signals .............................................. 34

6. **CONCLUSION** ..................................................................... 36  

REFERENCES ............................................................................ 37
APPENDICES
LIST OF FIGURES AND TABLES

Table 1. Chinese domestic box office and overseas revenue p.23
Table 2. Annual box office of Chinese movies in North America p.24
Table 3. 2014 Age group share of tickets sold, moviegoers and total population p.25
Table 4. Structure of American film audience gender p.26
Table 5. Racial structure of American film audience in 2014 p.26
Table 6. The Proportion of Box Office at home and in North America p.27
Table 7. Discount rate of Chinese movies in Top 100 of North American market p.28
Table 8. Category distribution of Chinese movies in Top 100 of North American market p.28
Table 9. Hofstede’s culture dimension comparison between China and the U.S. p.29
1 INTRODUCTION

Cultural trade belongs to a special category of service trade in international trade. As an important part of cultural trade, film trade not only brings huge benefits to the movie exporting countries in economy, but also spreads the cultural ideology of the exporting country, and stimulates the rapid development of related industries. (Duan & Wang, 2015) In order to contribute to the film export trade of China, the thesis will analysis the current situation of Chinese film trade through cultural dimension theories and market signaling theories. Meanwhile, culture discount is the focal point of the research as well.

1.1 Background of the study

China elbowed its way to be the tenth in the global film market in 2008. After only 4 years, China overtook Japan and became the second largest movie market and the third largest film producer in the world. Now the Chinese movie box office ranks the second following the United States. (Zou & Yin, 2013)

North American movies dominate the global film market, its box office accounting for almost two thirds of the total box office of the world each year. Comparing to such a strong competitor, Chinese movies have little superiority as a late starter. The rapid development of the domestic market has not succeeded in promoting the development of movie exports. The low gross of exported films has become a normal state. In the situation that the film industry is developing to internationalization, the promotion of the overall strength of Chinese films, the expansion of distribution channels and the development of the film related industry chain are all issues that remain to be solved. (Duan & Wang, 2015)

1.2 Objectives of the study and research questions

At present, China has started research on protective policies for the film industry, but it has mainly stayed in the import protection policy. The relevant theoretical research is still in its infancy, and many areas have not yet been explored. From this point of view, this study will contribute to the improvement of China’s international cultural trade.

This thesis has practical significance as well. All countries in the world are actively adopting various channels to formulate policies to support the export of domestic film
products. Admittedly, as an important part of the cultural industry, film has great potential to be developed. Promoting the trade of film products can not only increase foreign exchange earnings, but also enhance the country’s influence on the national culture and values. Under the background of globalization, China has to explore systematic film product export supporting measures as soon as possible based on its own interests and reality.

The aim of the research is:

a. To understand the current situation of Chinese movies in the market
b. To find the impact of culture dimension on trade
c. To demonstrate interactions between market signals and box office under cross-cultural background
d. To supply practical suggestions for Chinese movie trade

The thesis will analyze domestic and foreign box office data, and propose specific suggestions for the export of Chinese movie at the same time.

1.3 Structure of the study

The first section of the thesis is designed as a literature review to demonstrate basic concepts that are used in the thesis and the development history of Chinese cinema export. This part aims at giving theoretical support, helping understanding Chinese cinema industry thoroughly.

The second section is the empirical study, which is the main analysis part. In this part, the author focuses on factors that affect the movie export and claims personal standpoints based on statistics analysis. Apart from analysis of the Chinese movie itself, the thesis is analysing the features of the North American market according to the cultural discount theory.

The third section is a case study. The thesis is choosing Wolf Warrior 2 as a case to apply the theories and examine the author’s standpoints at the same time.

The last part is suggestions and conclusion. After sufficient study and analysis, the thesis is expected to attain the research objectives, to summarize the findings from the study and to fulfill the practical significance.
2 LITERATURE REVIEW

2.1 The concept of Chinese Language Cinema

Western scholars started to use “Chinese Cinema” as a phrase in 1990s. Then this phrase was introduced in Greater China Region by Taiwanese and Hong Kong’s academics. Due to historical reasons, Mainland China, Hong Kong, Taiwan and Macau developed independent industrial systems in the 20th century. Different movie production process and concepts were formed in each part of China. Among them, Hong Kong had become the second largest movie export base in the world. Along with more frequent communication of different regions in China, films with a common core of Chinese culture are constantly integrated into each other. Chinese scholars Lu Xiaopeng and Ye Yueyu gave a specific definition of Chinese language cinema in their article published in 2005. They think, Chinese language cinemas refer to films produced in Chinese language in Mainland China, Taiwan, HongKong and overseas Chinese communities, and it also includes films produced in cooperation with other national film companies. (Lu & Ye, 2005)

2.2 The concept of cultural discount

The concept of “cultural discount” was first coined by Seelmann Eggbert to point out minority language and cultural maps. In economics, it refers to the cultural differences that must be considered when determining the economic value of entertainment products.

In 1988, Canadian scholar Colin Hoskins started to use “cultural discount” in the study of cultural trade. As stated by Hoskins, cultural discounts generated after cross-boarder film transactions were due to the fact that audiences in the import market were unable to identify with the lifestyle, values, history, institutions and physical environments described in the movie. Objective factors, such as languages, accents, dubbing, subtitles and so on are impacting on cultural discount. (Hoskins & Finn, 1998)

Hoskins realized that films are not the same as other trading goods. He argues that the extent of cultural discount relies on the difference between each kind of products. Then it is rational that movie trades usually focus on a few product types. For example,
historical film has large discounts while children’s programs and documentaries are affected slightly. (Xue, 2009)

In general, the existence of cultural discount means that when foreign cultural products compete with local products of the same quality and price, local audiences will choose the latter. Hoskins has proved in detail that cultural discounts actually help American media products dominate the world market. If the cultural discount rate of the two market media products is the same, the interaction between market size and cultural discount rate will benefit producers in the big market. They can produce the best budget for huge investment, and small market producers are hard to compete with them in quality and price. The huge scale of the market in the United State has become a key factor in Understanding the US media’s leading role in the world. However, no matter how much the cultural discounts benefit a particular country at the structural level, the producers in any country will still try to reduce the rate of cultural discounts. (Lee, 2006)

2.3 Measurement of cultural discount

It was described in Hoskins’s theory that cultural discount emerges because audiences in different areas are from various cultural background. Films rooting in the certain culture are attractive at home, since the viewers share the same common sense and lifestyle. However, their attractiveness will be reduced in other places, where the audience hardly agrees with their styles, values, beliefs, history, social regimes, and natural environments. The difference in language is also an important reason for cultural discounts. If television programs or movies are produced in other languages, dubbing, letters, or accents, the difficulty of understanding may interfere with appreciation and reduce the attractiveness of the film. (Hoskins & Finn, 1998)

Hoskins came up with a formula to calculate the intensity of cultural discount:

\[
\frac{Domestic\ product\ value - Imported\ value}{Domestic\ product\ value}
\]

As for the factors that affecting the intensity of cultural discount, Hoskins and Mirus summarized several in their study. (Hoskins & Mirus, Global Television and Film: Introduction to Industry Economics, 1988)

a. Product classifications
The degree of cultural discount varies with different product types. This point explains the reason why movie and TV service trade concentrate on several product types. For example, because countries have different tastes for humor, the subtleties of language are lost in the process of translation. This can lead to depression of comedies export. Meanwhile, action movies are slightly affected by language factors, thus become the most popular product type in film export.

b. Media types

The degree of cultural discount varies with different media types. There is evidence that the degree of cultural discount in American movies is less than television programs. For instance, American movies dominate Japan’s screen, but Japanese TV stations rarely broadcast American TV programs. The Japanese broadcaster provided the explanation that going to the cinema is expensive. Movie viewers are to escape from reality and seek fantasy and entertainment, while TV programs are required to meet the needs of daily life. (Xue, 2009)

c. Production and Promotion methods

Film and TV products can adopt some strategies to reduce cultural discounts in the process of production and dissemination.

2.4 Hofstede’s cultural dimensions theory

Geert Hofstede, a famous Dutch social psychologist, summarized culture as two types. One is the refinement of ideology, including education, art and literature; the other type of culture refers to the generalization of social member’s thinking, emotion, and behavior patterns, which is in category of sociology and anthropology. The latter one focuses on the values of social members and is also a concept adopted in Hofstede’s cultural dimension model.

In Hofstede’s cultural dimension model, there are four dimensions to examine values. They are power distance, uncertainty avoidance, individualism versus collectivism, and masculinity versus femininity. (Yu, 2011)

a. Power distance
Power distance refers to the degree of acceptance of the unequal distribution of power in a society or organization by people with low status. Low distance index is most in the developed countries. The political system of these countries is perfect and the political situation of the country is relatively stable. In countries with low power distance, social members emphasize different division of labor, decentralization of power and independent decision in their organizations. The high power distance countries and regions are often poorer, concentrated in power, and has a relatively strict hierarchy. The political power of such a country is usually monopolized by a few social elites.

b. Uncertainty avoidance

Hofstede defines uncertainty avoidance as the degree to which a member of a culture feels threatened in the face of uncertain or unknown circumstances. This feeling is often expressed through nervousness and predictability. In the countries with low uncertainty avoidance index, the laws and regulations are relatively limited and fuzzy, the society advocates autonomy, the government's response to the public opinion is more timely, and the members of the society tend to have higher individual quality, and stronger autonomy. Therefore, for uncertainty and diversity, social members adopt natural and tolerant attitudes. The overall social anxiety level is low. In the countries with high uncertainty avoidance index, the society advocates order, the laws and regulations are more complex, the government is in a stronger position in the society, and tends to control the members of the society so as to avoid accidents. And the members of the society think that the uncertainty in life is a threat and thus produces anxiety, and in particular circumstances even irrational attacks.

c. Individualism versus collectivism

Individualism refers to a loose social organization, in which everyone attaches importance to their own values and needs, and advocates relying on individual efforts to gain their own interests. Collectivism refers to a tight social organization, in which all interests are higher than individual interests, and people expect to be taken care of by "within the group", but at the same time, it is also rewarded to maintain absolute loyalty to the group. In a country with higher individualism, individual interests are given priority to the interests of the group, and the interests of the group are
considered under the premise of the effective maintenance of the individual interests. In a country with a higher collectivism index, the interests of the group are higher than the individual interests.

d. Masculinity versus femininity

Hofstede called the "masculine" tendency based on the division of labor of the gender role as the dimension represented by men or masculinity. The feminization tendency is called the cultural dimension represented by femininity or femininity. In countries with higher masculinity, major decisions are often made by senior management. Because of frequent changes in jobs and posts, employees lack a sense of identity and often do not actively participate in management. In the countries with high femininity, the organization pays more attention to maintaining a harmonious atmosphere, and chooses the humanism policy so that employees are actively participating in the management. The employees attach importance to the cooperation with others, and the quality of life and work guarantee. (Hoskins & Mirus, Media Reasons for the US dominance of the international Trade in Television Programmes, 1988)

2.5 Trompenaars’ theory of seven cultural dimensions

Trompenaars proposed a cultural framework theory including seven cultural dimensions on the basis of Hofstede’s cultural dimension theory. Trompenaars divided seven dimensions into two categories. The first five dimensions explain the relationship with humans, and the latter two dimensions describe the relationship between objective environment and time. (Hofstede, 1996)

The first five dimensions are:

a. Universalism/Particularism

Universalism believes that all things should be treated with an objective attitude, and behaviors should be follow laws and regulations. These guiding principles cannot vary from person to person. On the contrary, specialism believes that it should be decided on the basis of specific circumstances, thinking that everything is relative and more flexible.

b. Individualism/Collectivism
Trompenaars agreed with Hofstede’s cultural dimension theory essentially.

c. Neutral Relationship/Affective Relationship

Neutral relationship/Affective relationship believes that different cultures have different ways of expressing emotions. Members of a neutral cultural society have less emotional exposure in public places, and communication between people is subtler and needs to be carefully understood. Members of emotional culture and society are more open and natural when communicating and body language is also more abundant.

d. Specific Relationship/Diffuse Relationship

This refers to the degree of the associated influence of personal life and work. Specific relationships separate personal life and work, while diffuse relationship does not define personal life and work, whereby does not separate them. In a specific relationship culture, people tend to have a larger public living space and a smaller private closed space. On the contrary, it tends to have a larger private space and smaller public living spaces in the diffuse relationship culture. Specific relationship cultures are characterized by directness, openness, and outward orientation, and diffuse relationship cultures present indirect, closed, and inward features.

e. Achievement/Ascription

This means that different cultures have different methods and values in evaluating a person’s identity or status. In achievement culture, people evaluate the performance of the occupations they are engaged in. In ascription culture, people’s social status is judged on the basis of their qualifications, background, or other natural attributes.

According to Trompenaars’ theory, the latter two dimensions are related to the relationship between objective environment and time. The one is Internal Control/External Control, which defines that whether people’s behavior is decided by internal factors or external factors. The other one is Time Perspective, which means two ways to use time. One way is to finish tasks in order in the shortest possible time, and the other way is to complete tasks synchronously in the shortest possible time. (Trompenaars & Hampden-Turner, 2012)
2.6 Signaling theory

Signaling theory originated from the study of adverse selection problems. There is information asymmetry between buyers and sellers in market transactions. The buyer’s current quality distribution of goods, without knowing its true quality, will eventually lead to the result of poor quality goods expelling high-quality goods, thus providing the basis for adverse selection research. (Akerlof, 1970)

Based on the paradigm of information economics, Spence put forward the concept of market signals. Sellers on the market send signals to buyers to display the quality of products or other trading objects in a trustful manner, thereby to reduce the effects of information asymmetry. Hence, consumers can use market signals to deal with market transaction problems caused by asymmetric information. (Spence, 1973)

Market signals theory holds that in the context of information asymmetry, the party lacking of information will use the signal to infer the authenticity of the information. In the market, manufacturers and consumers have asymmetric information about the quality of products, and consumers have incomplete information about the quality of products. Based on this, the information asymmetry will lead to lower level of consumer effectiveness. Risk aversion will try to avoid this risk, or take measures to obtain more product quality information, and at the same time, speculate on the true product quality through the related signal, though a certain searching cost is paid. (Balachander & Sanjoy, 2003)

In the state of incomplete information, market signals can be used as a manufacturer’s competitive advantage resources to deliver accurate product information to consumers. When product quality is easily observed, the manufacturer communicates a trusted signal to potential customers in the target market in the form of advertising, branding, or any marketing tool, transforming potential consumers of the product or service into actual consumers. (Zhang & Wiersema, 2009)

A rational selection of a combination of multiple quality signals by the manufacturer will benefit the efficient signal transmission and acceptance, thereby increasing the accuracy of the consumer's understanding of the signal. In practice, manufacturers can combine multiple signals in at least two ways to improve the effectiveness of sending product quality information: first, to clearly distinguish the information content of
different signals, to avoid the cost increase caused by redundant signals, and second, to understand each kind of interaction between signals, to grasp the scope and extent of each signal to better use a variety of signal combinations. (Dawar, Parker, & Price, 1996)

Because under the situation of asymmetric information, the utility of market signals depends on whether the signal receiver is eager to find signals, and at the same time, the consumer's reaction to the signal on the implementation of the signal strategy is also particularly critical. (Xu, 2015) Scholars in market signals field, Rao and Monroe pointed out that when consumers need to reduce the perceived risk of transactions, the quality of experiential products can only be assessed after full use, or the products are complex and require special expertise only if they can discern quality. The heuristic form helps consumers to obtain a higher level of utility, allowing them to observe and analyze product-related signals prior to the purchase to speculate about the true quality of the product. (Rao & Monroe, The moderating effect of prior knowledge on cue utilization in product evaluations, 1988)

2.7 Market signals under cross-cultural background

Chinese scholar Xu summed up four kinds of film market signals: sequel film, production cost, celebrity appeal, and word-of-mouth information from previous scholars' literature. Xu analyzed the mechanism of the influence of these four kinds of market signals on the performance of oversea box office. Then he introduced the Hofstede national cultural dimension, and focused on the analysis of the impact of various cultural dimensions on the regulation of market signals and overseas box office performance during the export of movie products. (Xu, 2015)

a. Signal impacts under power distance dimension

Market signals that show social status, wealth, and prestige are important for consumers in high power distance cultures because they are more likely to be motivated by these factors, thus to make purchasing decisions based on these signals. (Erdem, Swait, & Valenzuela, 2006)

The sequel is a success indicator of the previous movie. It is also a sign of having a potential market and is more prestige than a non-sequel movie. According to Erdem’s research, in the high-power distance culture, the sequel signal with brand effect has a
more significant impact on the improvement of perceived quality of consumers and the reduction of perceived risk. It is regarded as a very valuable market signal in the high-power distance culture. (Erdem, Swait, & Valenzuela, 2006)

Meanwhile, stars in the movie can attract more consumers in the high power distance culture because stars stand for power, prestige, wealth, and status. In addition, members of the high power distance culture show stronger motivation for following and emulating the social stratum they crave, and movie stars happen to belong to this class. (Xu, 2015)

Additionally, the cost of production is also a symbol of authority and wealth. The current production costs of film products remain high, mainly due to high star remuneration, increase in the cost of digital high-tech production, and a significant increase in the cost of the distribution and promotion of cinema lines. Only large Hollywood studios, such as Warner, Paramount, Sony, Universal, Walt Disney, 20th Century Fox or other major film companies have the ability to invest heavily in film products. Therefore, members of society in the high power distance culture will also tend to produce high-cost movie products. Thus, it can be concluded that when under the high power distance, (a) the sequel, (b) production costs, and (c) celebrity appeal have a greater impact on box office performance. (Xu, 2015)

b. Signal impacts under uncertainty avoidance dimension

Consumers in the high uncertainty avoidance culture have higher levels of risk aversion and less tolerance for ambiguous situations. They tend to reduce risk and uncertainty by finding and agreeing on trustworthy signals. Besides, they use signals more frequently. Compared to consumers in the culture of uncertainty avoidance, they are more willing to collect information and are less sensitive to search costs. (Roth, 1995)

Regard to the film industry, consumers can use various signals to reduce the risk of uncertainty in the quality of the film. (Basuroy, Desai, & Talukdar, 2006) The degree of signal usage should be positively related to the level of risk aversion, so consumers in a high uncertainty avoidance culture use the market signals more frequently than in a low uncertainty avoidance culture. (Dawar & Parker, Marketing universals: consumers' use of brand name, price, physical appearance and retailer reputation as
At the same time, in a high uncertainty avoidance culture, consumers' greater sensitivity to uncertainty also makes market signals influence heavier on purchasing decisions. Therefore, it can be assumed that when under the high uncertainty avoidance, (a) sequels, (b) production costs, (c) celebrity appeal, and (d) word of mouth, these four market signals have a greater impact on box office performance. (Xu, 2015)

c. Signal impacts under individualism/collectivism dimension

Previous studies have shown that the degree of individualism and collectivism in general contributes to interpreting the differences in cross-cultural consumer behavior, especially the acceptance and processing of signals. For example, in the collectivist culture, consumers' purchase behavior is more affected by social influence. In the partial individualism culture, the consumption pattern is independent of others, and more emphasis is placed on independence and self-satisfaction. (Nicholls, Roslows, & Dublish, 1997)

Similarly, Erdem believes that the collectivist culture is more dependent on the group when assessing the market signals of the brand, and that the collectivist culture increases brand influence. Specifically, the collectivist culture enhances the dependence and importance of group brand selection. The brands that the group values are likely to be favored by individuals during the integration of group cultural values. (Erdem, Swait, & Valenzuela, 2006)

In previous study on the film industry, the "sequel" as one of the signals of the market has a brand extension effect due to the success of the previous film. (Sanjay & Xavier, 2006) Meanwhile, the celebrity appeal of one of the film market signals also has strong social influence, and some directors and actors themselves have become a kind of movie brand (Levin, Levin, & Heath, 1997).

Therefore, the sequel and celebrity appeal will have a stronger influence on the box office performance. In addition, in the culture of collectivism, sequels and celebrity appeals can enhance their collective sense of belonging so that generate positive influences on consumers’ purchasing decisions. Therefore, the sequel and celebrity appeal have a greater impact on consumer preferences in the partial collectivist culture. Based on this, it can be assumed that when the individualism dimension is
low, or when the collectivism dimension is high, (a) the sequel and (b) the star appeal affects the box office performance even more. (Xu, 2015)

Consumers in a collectivistic culture are more dependent on information exchanged by the social networks they are in or through information exchanged within the surrounding groups. In other words, the social network is its main source of information. However, the media is the main source of information for the consumers in individualism culture. When searching for information, they tend to use formal information sources, such as using third-party reviews and professional reviews as their primary resources, rather than relying on intra-group information exchange. (Erdem, Swait, & Valenzuela, 2006) Consumers living in an individualist culture place emphasize more on the advertising content and reputation of new products. (Hofstede & Minkov, Cultures and organizations: software for the mind, 2010) For the movie products in this article, consumer behavior may appear more dependent on word-of-mouth information in the culture of partial individualism. In view of this, it can be assumed that when the individualism dimension is high, or when the collectivism dimension is low, (c) word of mouth has a greater impact on the box office performance. (Xu, 2015)

d. Signal impacts under indulgence/restraint dimension

Members in the indulgence culture tend to be optimistic, extraverted, and easy to be satisfied. They enjoy recreational activities and cherish the friendship between people. Therefore, members of the indulgence culture showed more interests for films, music, and other art works. On the contrary, members in restraint culture tend to have traits that are pessimistic and sensitive and difficult to satisfy. They believe that diligence is a valuable quality and despise leisure and entertainment. If we link the trend of people's preference in this cultural dimension with the purchase of movie products, members in the indulgence culture are more willing to spend time and money to go to the cinema to purchase movie products. (Hofstede & Minkov, Cultures and organizations: software for the mind, 2010)

Because of the constant preference for such feelings, members of an indulgent society have a higher degree of usage of film signals. In contrast to the restraint culture, this trend in the indulgence culture will reduce the consumer's sensitivity to the cost of
collecting movie information and increase the willingness to enjoy film products. Therefore, consumers in the indulgence culture are more likely to search for and deal with the film market signals. This accumulation of information eventually allows members of the indulgent culture to understand more about film products, and they have a higher level of understanding and taste for movie products. Consumers in a culture of indulgence are more demanding and capable to handle signals and judging movie product quality. Hence, it can be assumed that when the indulgence dimension is high, or when the constraint dimension is low, (a) sequel, (b) production cost, (c) celebrity appeal, (d) word of mouth influence the box office performance even more. (Xu, 2015)
3 METHODOLOGY

The thesis tends to adopt method of quantitative research and documentary research method. The author will analyze the North American box office of Chinese films released from 2000 to 2017 and individual movie case, researching the promotion of Chinese language films exported to North America by multidimensional thinking and exploration.

a. Quantitative research

The thesis collects a huge amount of statistics to study on the topic. Through analysis and explanation to statistics, Personal findings in this research would be acquired. Quantitative change to a certain degree will cause qualitative change, so the basic quantitative analysis of things is very necessary. Quantitative research is to understand the prescriptive nature of things by analyzing its prescriptive nature.

b. Documentary Research

By collecting various documentaries, this study will induce and summarize essential information about Chinese films and North American movie market. Referring to gathered data and literature, the author forms individual thoughts and opinions, presents a new argument based on previous study.

3.1 Data collection

Regarding Chinese movie data, State Administration of Publication, Radio, Film and Television of The People’s Republic of China (SARFT) will publicize annual report of film industry. Basic data and regulations can be found on the official website of SARFT.

As for box office, Box Office Mojo will offer almost all box office information of movies that have been shown in North America. Box Office Mojo is a website that systematically calculates box office in real time. It is widely used in North America because of its reliability and giant database.
3.2 Validity

The validity of the research figures into expectations. The statistic and material collection is sufficient. Additionally, most of them are offered by executive departments in charge of film industry in two countries. The data information is reliable and transparent.

The validity of the thesis depends on how it will be used. The thesis suggests research status on Chinese movie export topic, afterwards, there is some personal analysis according to the theoretical framework and adopted methodologies. Especially, this research take Wolf Warrior 2 as a case to study, reveals current problems and come up with suggestions to improve for Chinese film industry. The thesis is written from multiple perspectives, providing comprehensive recommendations and advices.

3.3 Limitation

The biggest limitation for this research is time limitations. Given the limited research time, the author does not have proper conditions to obtain primary data. This situation enhances the studying difficulty to some extent.

In addition, film export belongs to new borderline subjects. Therefore, related documents are restricted. On the one hand, foreign trade mainly focuses on commodities; on the other hand, cultural and art research concerns little about trade and marketing. When the research carries out a study of film export, it can be described as a challenge to develop a complete theoretical framework.
4 EMPIRICAL STUDY

The thesis collected comprehensive material and data to examine Chinese movies in the North American market. The analysis is processed based on data published by film industry associations in two countries. This section of the thesis will focus on elements that are affecting Chinese films export to North American market.

4.1 Background questions

In order to meet the market demand for higher freedom of accession to the WTO, the Chinese film industry authority began to issue a series of policies in 2000. Facing the competition of imported Hollywood films, in 2001, China’s State Administration of Radio, Film, and Television (SARFT) implemented the “Project for Broadcasting, Film and Television Going Out”, and promoted the film’s external communication.

The total amount in the domestic market rose year by year, while the overseas influence is not commensurate with the status of a big movie country.

Every year, China’s domestic film industry produces a large number of films. Although not all films can be shown on the cinema, the domestic film market has always been on the rise. In the five years from 2011 to 2015, the box office has maintained a high growth rate of more than 30%.

Recently, Chinese films have also been trying to “Go Global” and have been shown online in theaters around the world, especially in North America, Europe, Australia and New Zealand. From 2003 to 2010, the overseas income of domestic movies has gradually increased. During this period, films such as “Hero” (2004) and “Lust and Caution” (2007) were popular in the North American market.

However, the rapid rise of domestic market has not brought about a positive growth in the overseas box office. After reaching a peak in 2010, overseas revenues fell and it took five years to slowly recover and exceed 2010 income levels. In 17 years, overseas income reached the highest level in history, 4.253 billion Yuan, but the gap between oversea income and the domestic market is widening.
Although the domestic market has shown a rapid growth trend, overseas films obtain half of the big cake in the domestic market every year. The number of local movies on the cinema is far more than that of imported movies. The number of imported movies is less than one sixth of the number of domestic movies, but the final scores of imported films and domestic films are not proportional to the number. Domestically produced films account for about 50% of the total market in the domestic market each year, and there are also a large number of co-productions injected by foreign capital.

At present, the share of foreign language films in the North American market is very low, and the North American market is dominated by native Hollywood movies. If Chinese movies want to achieve a place in overseas market, it still relies on the professional film directors, the attractiveness of actors themselves, kung Fu, and other Chinese cultural features to draw more attention. The film “Crouching Tiger, Hidden Dragon” (2000) attained a box office miracle of 128 million US dollar in North American market. There is no Chinese film having broken this record so far.

Table 1. Chinese domestic box office and overseas revenue (billion Yuan)

<table>
<thead>
<tr>
<th>Year</th>
<th>Overseas Revenue</th>
<th>box office of domestic films in China</th>
<th>Total Revenue in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1.01</td>
<td>1.55</td>
<td>2.56</td>
</tr>
<tr>
<td>2004</td>
<td>2.05</td>
<td>2.62</td>
<td>4.67</td>
</tr>
<tr>
<td>2005</td>
<td>2.62</td>
<td>3.33</td>
<td>5.95</td>
</tr>
<tr>
<td>2006</td>
<td>3.33</td>
<td>4.34</td>
<td>7.67</td>
</tr>
<tr>
<td>2007</td>
<td>4.34</td>
<td>6.21</td>
<td>10.55</td>
</tr>
<tr>
<td>2008</td>
<td>6.21</td>
<td>10.17</td>
<td>16.38</td>
</tr>
<tr>
<td>2009</td>
<td>10.17</td>
<td>13.11</td>
<td>23.28</td>
</tr>
<tr>
<td>2010</td>
<td>13.11</td>
<td>17.07</td>
<td>29.18</td>
</tr>
<tr>
<td>2011</td>
<td>17.07</td>
<td>21.77</td>
<td>38.84</td>
</tr>
<tr>
<td>2012</td>
<td>21.77</td>
<td>29.64</td>
<td>51.41</td>
</tr>
<tr>
<td>2013</td>
<td>29.64</td>
<td>44.07</td>
<td>73.71</td>
</tr>
<tr>
<td>2014</td>
<td>44.07</td>
<td>45.71</td>
<td>90.78</td>
</tr>
<tr>
<td>2015</td>
<td>45.71</td>
<td>55.91</td>
<td>101.62</td>
</tr>
</tbody>
</table>

Table 2. Annual box office of Chinese movies in North America (million USD)

1 Source of data: http://www.sapprft.gov.cn
North American films are representative of the world’s top film production technologies and modes. The good reputation of Hollywood draws in a large number of Chinese audiences every year. Imported movies have repeatedly obtained high box office in China. In 2017, the box office of Chinese movies exported to America sums up to USD 9 million, while Hollywood achieved nearly USD 200 million on only one movie, “Speed and Passion 8”, in China.

From the beginning of 2012 to the end of 2017, under the situation that the number of imported films is far lower than the number of Chinese domestic films, at least one of the top three on the box office rank is from Hollywood. Except in 2013, American movies performed slightly disappointing with 11 movies on the top 30 of the rankings, but in other years American movies share on a fifty-fifty basis. Compared to the poor performance of Chinese movies in American market, American movies have shown extremely strong competitiveness in Chinese market.

2 Source of Data: www.boxofficemojo.com
4.2 Audience features

According to the analysis based on the 2014 American Film Industry Annual Report of the American Film Association, there is a difference in the age structures between American audiences and Chinese audiences. The proportion of U.S. audience aged 12 to 24 is only 18% while audience aged 2 to 11 and over 60 are as high as 34%. Among them, audiences who watch at least once every month in the movie theater are mainly aged 25 to 39 and 2 to 11 years old. (Table 3)

Table 3. 2014 Age group share of tickets sold, moviegoers and total population

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Tickets Sold</th>
<th>Moviegoers</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-11</td>
<td>12%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>12-17</td>
<td>14%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>18-24</td>
<td>16%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>25-39</td>
<td>20%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>40-49</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>50-59</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>60+</td>
<td>13%</td>
<td>13%</td>
<td>21%</td>
</tr>
</tbody>
</table>

It can be seen from table 3 that audience aged 25 to 39 is the main consumer group in the US movie market. The group has a high aesthetic standard for Chinese-language films. As a result, some badly made films seldom achieve satisfying box office. The audiences aged 2 to 11 lack an understanding of foreign culture. Therefore, Chinese movies are inevitable encountering cultural discounts.

Table 4. Structure of American film audience gender

---

3 Source of Data: 2014 American Film Industry Annual Report

4 Source of Data: 2014 American Film Industry Annual Report
The gender structure of U.S. movie audiences is evenly distributed. Among them, the number of females in the moviegoers and population is slightly higher than male. (Table 4)

Table 5. Racial structure of American film audience in 2014

---

5 Source of Data: 2014 American Film Industry Annual Report
In the ethnic structure of U.S. audiences, Caucasians make up the majority; Hispanics take the second place, and Asians account for the smallest proportion. The influence of Chinese culture is limited. (Table 5)

### 4.3 Cultural discount analysis

The study found that Kung Fu movies are the most recognized type of Chinese language movies among North American audiences. Chinese Kung Fu movies has been promoted to a higher level after “Crouching Tiger, Hidden Dragon” which was directed by Andy Lee and won a series of international movie awards including Oscar’s Best Foreign Language Film. Meanwhile, the demand of American market for this kind of Chinese movies has increased. As presented in Table 2 before, Chinese Kung Fu movies entered the American market after the trend of “Crouching Tiger, Hidden Dragon” (2000), and achieved approving box office in short terms.

**Table 6. The proportion of box office at home and in North America\(^6\)**

<table>
<thead>
<tr>
<th>Movies</th>
<th>Domestic box office</th>
<th>North American box office</th>
<th>Discount rate</th>
<th>Category</th>
<th>Discount factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wolf Warrior 2</td>
<td>$905,348,745</td>
<td>$2,721,100</td>
<td>0.3006%</td>
<td>Action/War</td>
<td>Cultural conflicts</td>
</tr>
<tr>
<td>Journey to the West: The Demons Strike Back</td>
<td>$263,998,406</td>
<td>$880,346</td>
<td>0.3335%</td>
<td>Kung Fu/Adventure</td>
<td>Cultural barriers</td>
</tr>
<tr>
<td>Finding Mr. Right</td>
<td>$82,928,497</td>
<td>$6,945</td>
<td>0.0084%</td>
<td>Comedy/Love</td>
<td>Sociological facts</td>
</tr>
<tr>
<td>So Young</td>
<td>$114,656,357</td>
<td>$11,186.00</td>
<td>0.0098%</td>
<td>Feature/Comedy</td>
<td>Collective memories</td>
</tr>
<tr>
<td>After Shock</td>
<td>$103,651,973</td>
<td>$62,962.00</td>
<td>0.0607%</td>
<td>Feature/History</td>
<td>Collective memories</td>
</tr>
</tbody>
</table>

\(^6\) Data was collected from [http://www.cbooo.cn/history](http://www.cbooo.cn/history) and Box Office Mojo
Table 3 has shown the proportion of Chinese movies box office at home and in North America. The author chose several movies that were popular in China recently to analyze their revenue data. The discount rate was calculated through Domestic box office divided by North American box office. The smaller the index, the higher the discount rate is. According to table, it is obvious that Kung Fu movies are more welcomed for American audiences. On the contrary, Feature movies and Comedies met cool reception in North America.

During the course of translation of script, Director of “Crouching Tiger, Hidden Dragon” built an international team to reduce the cultural complexity of the movie. The team took multiple aspects of script dialogue into consideration, including tone, pronunciation, grammar, fluency of expression and emotional communication. Other than the theme, the detail of language is one of the factors contributing to film success. American audience can feel to be respected as a consumer.

**Table. 7 Discount rate of Chinese movies in Top 100 of North American market**

<table>
<thead>
<tr>
<th>Year</th>
<th>Comedy</th>
<th>Adventure</th>
<th>Feature</th>
<th>Action</th>
<th>History</th>
<th>Love</th>
<th>Fantasy</th>
<th>War</th>
<th>Biography</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2009</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>2011</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Category Amount</td>
<td>8</td>
<td>6</td>
<td>9</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>38/22</td>
</tr>
<tr>
<td>Proportion</td>
<td>21.1%</td>
<td>15.8%</td>
<td>23.7%</td>
<td>18.4%</td>
<td>5.3%</td>
<td>7.9%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>n/a</td>
</tr>
<tr>
<td>Discount rate</td>
<td>Average</td>
<td>0.0284%</td>
<td>0.0665%</td>
<td>0.2916%</td>
<td>0.7072%</td>
<td>0.0444%</td>
<td>0.0663%</td>
<td>0.0060%</td>
<td>0.0522%</td>
<td>2.2915%</td>
</tr>
<tr>
<td>Rank</td>
<td>6</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Table 8 Category distribution of Chinese movies in Top 100 of North American market**

7 Data was collected from Box Office Mojo.
From Table 7 and Table 8, it is obvious that among Chinese films having entered the North American market, feature films suffer the lowest level of culture discount, while adventure and action movies are experiencing discount by degrees recently. Comedy, historical movies and love movies are in the most discounts.

4.4 Cultural dimension analysis

According to Hofstede’s cultural dimension theory, the author collected related material and data to present different dimensions of culture in China and US respectively.

Table. 9 Hofstede’s culture dimension comparison between China and the U.S.⁸

<table>
<thead>
<tr>
<th>Category</th>
<th>Feature</th>
<th>Crime</th>
<th>Action</th>
<th>Comedy</th>
<th>Biography</th>
<th>History</th>
<th>Fantasy</th>
<th>Adventure</th>
<th>Music</th>
<th>War</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td>18</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td>Amount</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Comed</th>
<th>MD</th>
<th>AD</th>
<th>Dis</th>
<th>Histo</th>
<th>Love</th>
<th>Art</th>
<th>War</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion</td>
<td>41.8%</td>
<td>13.9%</td>
<td>11.6%</td>
<td>9.3%</td>
<td>6.9%</td>
<td>4.6%</td>
<td>2.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Amount</td>
<td>46.1%</td>
<td>15.3%</td>
<td>19.2%</td>
<td>7.6%</td>
<td>3.8%</td>
<td>n/a</td>
<td>3.8%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Rank

<table>
<thead>
<tr>
<th></th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power distance</td>
<td>1</td>
</tr>
<tr>
<td>Individualism</td>
<td>3</td>
</tr>
<tr>
<td>Masculinity</td>
<td>2</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>4</td>
</tr>
<tr>
<td>Long term orientation</td>
<td>6</td>
</tr>
<tr>
<td>Indulgence</td>
<td>n/a</td>
</tr>
</tbody>
</table>

⁸ Data was collected from Box Office Mojo.

⁹ Source of data: https://www.hofstede-insights.com/country-comparison/china,the-usa/
From Table 9, it can be seen that comparing to the US, China has absolutely high power distance index. In the US, people to a certain degree endorse social inequalities, but in China, inequality is more acceptable.

Due to high individualism index, American people tend to be more independent. With a combination of relatively low index of power distance and high individualism, American people pursue liberty and justice for all. At the same time, Chinese society is more collectivist, people being loyal to groups.

The US and China have similar score on masculinity. China has 66 and the US has 62. Under this dimension, both the two societies are driven by competition, achievement and success.

On uncertainty avoidance dimension, the US gets 46 point, 16 point higher than China. American people are more anxious about the future, but since 46 is still under the average level, two countries are tolerant of new opinions and thoughts. However, China attaches more importance on innovation. The rules of Chinese society are more flexible.

With a high score on long-term orientation dimension, China developed a very pragmatic culture, encouraging thrift and efforts in modern educations as a way to prepare for the future. Meanwhile, the US has a low score, 26 point on this dimension.

On indulgence dimension, the US has 68 point while China has 24 point. Comparing to Chinese, American people are weak in controlling their desires and impulses, while Chinese people are more restraint.

Chinese academic, Professor Guan Shijie has researched on cognitive differences between Chinese and American people. He insists that mode of thinking is mainly influenced by social culture. (Guan, 2009)

First, Chinese people prefer image thinking, and American people are good at logical thinking. Ancient Chinese literature is a reflection of this character. Chinese people use a lot of image analogy. Chinese language has developed thousand of years, but its grammar study is far behind Greece and India. That is a proof of the fact that Chinese take good command of image thinking but lack of logical thinking.
Second, Chinese culture emphasize collectivism while American people believe in individualism. Chinese people are philosophically accustomed to think from a unified perspective and embrace the doctrine of the mean culture. Westerners prefer to think on opposite side. Hence American people recognize Chinese as uncertain and inaccurate.

Admittedly, people have profound differences in cognitive styles, so the variance in preferences and values are inevitable. Growing under high context culture, Chinese usually does not explain too much since they think people have understood the meaning through the word. Westerns are more likely to add explanations after their opinions based on their logical thoughts. Therefore, the expression of Chinese people is often realized as hazy and hollow for westerners.

4.5 Research findings

In recent years, China's film industry has developed rapidly, but the status of China's movie trade exports is not satisfactory. On the one hand, there are few Chinese films exported to overseas. On the other hand, Chinese film trade has harvested relatively few box offices. Obviously, the export of Chinese movie products is still in its infancy, the scale of movie exports is small, and film production and marketing methods remain to be improved.

Compared with the 1990s, both the Chinese film market and the North American market have changed. Commercial movies have become a new star in the market. Market segmentation and diversification reflect the development of the Chinese film industry. On the one hand, the Chinese film market continues to develop; on the other hand, the cultural discount phenomenon in the North American market has become increasingly prominent. Among the top five films with the highest discount rates, 4 were occupied in 2014 and 2013, and 1 in 2012. In three years, there have been obvious cultural discounts in Chinese films.

From the data analysis, there is no obvious difference between the types of consumption in the Chinese market and the North American market. Features, comedies, and action films have become the focus of the domestic market, while the main types of consumption in North America are feature films, action films, and crime films. Among Chinese movies having entered the North American market, feature films are the most undisclosed movies. Comedy, history and romance suffer the highest discounts. The
biggest difference between the two types of market consumption is the feature film. The data shows that features is not only the largest consuming type in the North American market, but has also spread to other types. The North American market is increasingly demanding on the aesthetic experience and the depth of emotional intensity.

The United States belongs to an individualistic culture, a country with low power distance and indulged culture. According to the analysis of the thesis, in the individualistic culture, the influence of sequel movies on the box office is not obvious, and the word-of-mouth score has a prominent influence. In the low power distance from the elegant, sequel movies, high production costs and celebrity appeal have little impact on the box office. In the culture of indulgence, the impact of sequel and production costs on box office performance is significant, and the star appeals’ impact on box office performance is small. Based on this, the influence of the star celebrity appeal of the import film on the US box office is smaller and the word-of-mouth signal is more significant.
5 SUGGESTIONS FOR CHINESE MOVIE EXPORT

This article provides a new way to promote the development of Chinese movie trade from the perspective of the film market signals affecting overseas box office performance under the cross-cultural background. Essentially speaking, the quality of film products is the key to gaining international competitive advantage, and the four market signals that this article researches can all reflect the quality of movie products. For example, sequels are often re-created based on high-quality parent movies, and usually require high levels of creative content and quality original scripts. High production costs require the integration of resources, widening the investment channel, and forming large-scale film companies to provide sufficient capital. The actor and director with high box office appeal are scarce human capital. The quality of a movie product depends to a large extent on the director's quality and accomplishment and the actors' acting skills. Word of mouth is the consumer's evaluation of the viewing experience and is closely related to the quality of the movie product.

5.1 Reduction of culture discount

In recent years, although the influence of Chinese culture has continued to expand, Western audiences are still unfamiliar with China’s cultural connotations. In addition to Kung Fu films, overseas audiences are hard to understand films with cultural background. For the issue of "cultural discounts" in the Chinese movie trade, it is necessary to adopt a more internationalized form of expression to increase the universality of the subject matter. Furthermore, aiming at culturally similar markets, adding cultural elements of target country are important methods to reduce cultural discounts.

Hoskins pointed out that to export film products to different countries, we should minimize the components directly related to our culture and use more widely accepted values so that we can minimize consumer cultural awareness in the import market. Differences bring problems. (Hoskins & Finn, 1998) The reason why American movies are popular in the world, humanized thinking and its pursuit and expression of universal values make it acceptable to consumers in all countries. Almost all Hollywood films contain punishing evils, advocating freedom, pursuing dreams, and valuing affection. These popular themes make American movies widely understood and accepted in any
country. Chinese films should avoid the original ecological narrative methods and avoid using the historical elements, geographical elements, and cultural elements that are not easily understood by ordinary foreign audiences as the causal logic link of the story.

5.2 Distinguished cultural dimensions

When Chinese films enter overseas markets, they must take into account factors such as the cultural environment and consumer preferences of various countries and regions, and pay attention to localized marketing. According to the different characteristics of different markets, there are targeted marketing strategies. First of all, we must be familiar with the target market's issuance and censorship system. At the same time, we must increase pre-investment and organize film production units to participate in internationally renowned film festival markets, such as the Cannes Film Festival. It is the largest film trading market in the world. It has set up booths to promote and promote Chinese films and cultivate overseas movie audiences. In addition, it is necessary to pay attention to marketing details, such as funding films with high-quality foreign language subtitles, determining whether the music used in the movie has foreign copyright, etc.

5.3 The grasp of market signals

At present, China mainly relies on intermediary companies that sell Asian films exclusively and film festivals to distribute films abroad. It has not yet built direct overseas distribution channels. This has made it difficult for Chinese films to enter foreign mainstream cinemas and is unable to participate in box-office income. Divide into. Therefore, when Chinese films are oriented to overseas markets, they must attach importance to the commercial nature of film products. In addition to continuing cooperation with foreign publishing companies, screening companies, and media companies, Chinese films should also enter the international market directly by seeking joint ventures or acquisitions. At the same time, film and television companies should also actively seek to establish professional overseas distribution companies. Only by establishing its own global distribution system can Chinese films truly participate in international competition.

Otherwise, it is suggested to speed up the cultivation of talent capital, select and cultivate a group of talents with professional skills, technical skills, and business management. Encouraging collaboration between universities and movie production
companies, providing comprehensive talent pools for the development of China's film industry are effective method to stimulate the development of Chinese film industry. Directors and actors with high celebrity appeals usually have professional skills. Film schools should also pay attention to cultivating industrial talents.
6 CONCLUSION

This thesis studied the current status of Chinese movie export, found key influential factors and come up with practical suggestions for Chinese film industry. It is a market research aiming at promoting Chinese film products to be effectively exported to North America, which is the largest film market in the world. The whole page is based on documentary research and scientific analysis. Afterwards, the author conducted a case study, verifying former study. At the end, the result is presented in the last chapter.

Comparing Chinese film industry to American film industry, China has a long way to go. The production of Chinese language cinema has ranked the second, following the United States as the first, but the global influence of Chinese film is much deficient. On the one hand, Chinese movie has not been mature with relatively short developing history. It is short in experience of expanding into foreign countries. On the other hand, Chinese movies keep growing all the time. More and more domestic films start to step on the international stage. Chinese actors are gradually known in foreign countries. However, there is still much room for improvement.

Through the research, it is obvious that the cultural barriers are important factors to prevent movie exports. China and North America are not geographically close to each other, and there exists cultural discount when implementing film trade. Otherwise, American invisible Film Protection refuses movies without support of six top distribution companies in the US. If the movie is not distributed by six distributors, it will not be able to show on a large number of theaters.

Under the globalization, Chinese movie industry is suggested to seek opportunities to cooperate with international film producers and distributors. This can help to expand distribution channels. Meanwhile, frequently cultural communication facilitates win-win results. Each party gets access to open up international markets and promote the integration of global film industry. Along with the development of production, film industry is facing diversified industrial upgrading.
REFERENCES


**APPENDIX 1**

**Thesis passport** (to be given to the supervisor for filing after the thesis is finished).

Name of student ________________________________

Group ____________________

Contact information __________________________________________________________

Topic of thesis ________________________________________________________________

Client __________________________________________________________________________

<table>
<thead>
<tr>
<th></th>
<th>At latest</th>
<th>Date</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introduction to thesis and related assignments completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Approval of topic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Thesis plan approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Interim seminar presentation held</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Contents of thesis approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Layout and language approved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Abstract in foreign language accepted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Thesis submitted to the opponent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Participation in presentation seminars</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- excluding acting as an opponent and own presentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Presentation of own thesis held</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Acting as an opponent (title/student)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Maturity test accepted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Written version of the thesis submitted to the supervisor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>I hereby assure that I saved my thesis in electronic form into the Theseus at the address</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

_________________________________________  ____________________________
Address                                                      Signature of the student