

The Inspiration and Path Forward of Pan-Entertainment Industry Research Based on Global Vision for China

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Abstract. In recent years, with the rapid development of the Internet and fan economy, the pan-entertainment industry with IP development as the core (the full name of IP is intellectual property) has become an important way out for the development of the industry. This paper aims to systematically analyze the potential and possibility of the pan-entertainment industry through the study of the whole industrial chain of the upper, middle and lower reaches of the pan-entertainment industry. At present, China is still in the development stage of pan-entertainment industry, but pan-entertainment companies such as Alpha Group, Nanpai Pan-Entertainment and China Literature Group have been developing well in China in recent years, with comprehensive development of high-quality IP, attracting a certain scale of fans across the country and gaining high popularity in China. This paper mainly includes the research on the current situation of China's pan-entertainment industry chain, aiming to achieve the research on the current situation and future development feasibility of the domestic pan-entertainment industry; It also includes the case analysis of Alpha Group Entertainment Company, aiming to draw the experience of the development of domestic pan-entertainment industry through the research of domestic leading enterprises, and provide successful case experience for other pan-entertainment companies in China.

Keywords: Pan-entertainment; industry chain; fans of economics.

1. Introduction

Pan entertainment is mainly based on the Internet and mobile Internet as the main platform, focusing on creating a fan economic chain around the star IP, the full name of IP is intellectual property, the core of pan entertainment is IP, stories, characters or any other large number of users love things can become the core content of IP. [1] As of March 31, 2021, the global Internet penetration rate reached 65.600%, an increase of 40.111 percentage points over 2009 penetration. [2] Due to the convenience of Internet information transmission, the stickiness and interaction between content producers and their fans are greatly increased, thus achieving a state of continuous communication, which to a large extent promotes the development and growth of the fan economy. As an important support for the development of the pan-entertainment industry, the development of the fan economy is currently a key period for the development of China's pan-entertainment industry. What's more, due to the development of the Internet, the connection and integration of cultural products are obvious. IP as the core of games, literature, music, film and television, animation and other pan-entertainment content gradually increased, "star IP" has become the core of the pan-entertainment, industry to connect and aggregate fans' emotions, and the pan-entertainment layout with IP as the core has become the trend of China's cultural industry. Fan economy is a unique phenomenon in the development of the whole entertainment industry chain, because it has a certain number of fans and group viscosity when the work is released, but it is precisely because of this feature that the development and research of each IP has brought double-sided. [3] On the positive side. First, IP products themselves have basic users, to a large extent to save the cost of media exposure and advertising costs; Second, the IP product itself conforms to the law of market development, and the trial-and-error cost is low. Through the analysis of market data, the goods or services sold in the middle and downstream industries can be directly concentrated into the targeted groups for quantitative production, thereby reducing the supply risk of oversupply or short supply. On the negative side. There is a risk of not meeting fans' expectations. For a mature IP product, fans will give their psychological expectations based on the original work. However, after the IP copyright

is sold to the midstream film and TV drama adaptation parties or downstream peripheral manufacturers, the quality of the production is uneven, which will greatly affect the original market reputation of IP. This makes some "original party" based on the quality of the middle and downstream products has not reached their psychological expectations, so as to withdraw from the work, which may shake the stability of the customer group. IP as the core of the pan-entertainment industry has developed lately in China, resulting in the pan-entertainment industry in China has not yet formed a complete upstream, midstream and downstream industry chain, while in foreign countries, such as Harry Potter, Disney, Marvel and other famous licensors, due to their early development, their pan-entertainment industry chain has been perfected, and has brought considerable economic benefits. The above domestic situation has brought development opportunities and practical reference significance to the development of China's pan-entertainment industry.

2. Definition and Analysis of Related Concepts

2.1. Pan-entertainment

The so-called "pan-entertainment" refers to the multi-domain symbiosis based on the Internet and mobile Internet, with IP as the core, to carry out cross-domain, multi-platform derived fan economy.

2.2. The Concept of IP Operation

IP operation is to gather fans through quality content, and on this basis to realize the commercial value of the content. This paper focuses on the horizontal research of the whole industrial chain with high-quality IP as the core. One is the upstream industry responsible for content production, including authors, studios, production companies, etc. The second is the midstream industry responsible for content dissemination, including theaters, comic platforms, long and short video platforms, etc. Finally, responsible for the downstream industry of derivatives realization, including the development and sales of physical derivatives, the secondary linkage sales or self-printing sales of pan-entertainment IP.

2.3. Fans of Economics

Fan economy generally refers to the business income generation behavior based on the relationship between fans and followers. It is a business operation mode that obtains economic benefits and social benefits by enhancing user stickiness and word-of-mouth marketing [4].

3. The Whole Industry Chain Analysis

Pan-entertainment can break the length and depth of the industrial chain that the traditional entertainment industry cannot extend due to content barriers. The pan-entertainment industry has a complete set of upstream, midstream and downstream transmission paths. Wang Xinjuan mentioned in her research on "Full copyright operation of enterprises under Pan-entertainment vision" that the successful operation of pan-entertainment strategy will create a value-added chain for enterprises to achieve industrial expansion and value appreciation [5]. In this paper, the research on the whole industry chain of pan-entertainment industry mainly focuses on horizontal extension, from the upstream content production end, including authors, studios, production companies, etc. The content publicity end of the middle stream mainly includes cinema, TV station, animation platform and long and short video platform. And the downstream derivative realization end, mainly includes self-created or acquired IP, through online or offline channels for sales and continued income generation.

3.1. Pan-entertainment Industry Chain

The emergence of the Internet platform has made many small and micro enterprises with creativity and strength has a convenient and low-cost trading place. In the past, only a few large-scale animation production enterprises could produce cartoons or submit them for publication. [6] The interaction of

network users has been reflected, and users are not only viewers of network content, but also creators of network content. Users can display their original animation or original literature content to other users through the Internet platform, which greatly reduces the barriers to IP development and creation and provides historical opportunities for IP upstream development.

Table 1. China's Top10 online novels on Baidu hot search index

Book name	Author	Baidu hot search index	
I have a sword	Qingluan Fengshang	201869	
The King of looks	Tianchan Tudou	179895	
Kenlai	Fenghuoxi Zhuhou	109744	
Douluo Continent	Tangjia Sanshao	103493	
The peerless doctor	Huyan Luanyu	100360	
On the day of the blind date, the heiress pulled me to get my permit	Gu Lingfei	90949	
The Valkyrie	Kind bee	83831	
Live-in son-in-law	Ye Childe	82207	
The chaotic sword God	Xinxing Xiaoyao	73707	
Nine stars and two swords	Ordinary magician	69653	

Table 1 is based on the search volume of netizens in Baidu, with keywords as the statistical object. The weighted sum of search frequency of each keyword in Baidu web search is analyzed and calculated scientifically. [6] The Baidu Hot Search index can clearly reflect the netizens' tendency to read online novels, Table 1 shows the online novel hot search index as of August 2023. I have a sword. As Baidu's hot search index ranking first, its hot search index as high as 201,869 frequencies; The peerless doctor, as the top work in this list, has a Baidu hot search index of 100360; Nine stars and two swords, the last online game on the list, has a search index of 69,653. As the native end, literary works play an irreplaceable role in cultivating and gathering users and enriching user experience, laying a very important foundation for the development of IP. With the rapid development of the Internet, online literature has become one of the main entertainments in People's Daily life, thus becoming one of the most popular sources of IP development. This paper takes the hot search data of Baidu as the reference basis. The higher the index, the more the number of search users, that is, through the comparison of hot search index, the rank from high to low can reflect the number of fans and the level of fan stickiness. Thus, the IP with commercial value that has the whole industrial chain development can be mined. In this way, the original IP popularity can be used to quickly attract fans and quickly occupy the market with the loyalty of the work.

Table 2. China's Top10 novel websites Ranking.

Ranking	Website name	Baidu weight	Score
1	qidian.com	9	4667
2	jjwxc.net	9	4641
3	hongxiu.com	9	4511
4	jianshu.com	8	4314
5	b.faloo.com	8	4290
6	qianp.com	9	4286
7	book.qq.com	8	4231
8	xxsy.net	8	4150
9	book.douban.com	7	3995
10	zhongheng.com	7	3978

Baidu weight is the webmaster tool through the analysis of the ranking of website keywords, the greater the weight value, the greater the natural traffic of the website; Natural traffic is large, and the corresponding keyword search ranking is relatively high. Table 2 shows keyword search of the top ten websites in Chinese domain names. These websites have a relatively high Baidu weight due to their large user base and high popularity. According to the rules of Baidu weight, the daily estimated traffic of websites with a Baidu weight of more than 7 has reached 50,000 or more, which has a large user base and user stickiness. It provides an effective user market for IP development. Therefore, China IP selects developable websites from the above ten websites, which have high value for the development of the whole industrial chain.

3.2. Pan-entertainment Industry Chain with IP Development Midstream

For the promotion and distribution of IP products, the essence is IP operation. According to YAO's (2016) article, IP operation can be divided into two ways for investigation and research, the first is spontaneous IP operation and the second is planned IP operation.

3.2.1 Spontaneous IP operation

The spontaneous IP operating model is mainly based on the market spontaneous production, screening works, after gaining a certain fan scale and foundation, they were selected by the capital for IP copyright purchase, and then adapted based on it.

Table 3. The top 10 highest-grossing film franchises worldwide

Ranking	Copyright owner	IP name	Box office (Hundreds of millions of dollars)
1	Walt Disney	The Marvel Cinematic Universe	285.6
2	Lucas Film	Star Wars series	103.2
3	Marvel Entertainment & SONY	Spider-man series	98
4	JK Rowling & Warner Bros	Harry Potter and Fantastic Beasts	96.6
5	MGM Mirage and Danjaq LLC	007 series	78.3
6	Walt Disney	The Avengers	77.6
7	DC Entertainment	Batman series	68.4
8	Universal Pictures	Fast and Furious	66.2
9	DC Entertainment	DC Extended Universe series	63.5
10	Marvel Entertainment & Walt Disney	X-men series	60.08

Each copyright owner is committed to investigating the market or user data of each literary work or comic work, so as to develop commercially valuable IP, in which theatrical distribution is the main way of IP publicity and operation. Table 3 shows all copyright owners are committed to serializing the IP they already own, creating phenomenal-level IP brands such as Marvel Universe, DC Universe and 007 Universe, and continuously deepening their brand cognition of IP through multiple rounds of marketing. Make their IP more popular, its long tail effect is obvious, so as to quickly occupy the market share, thus reducing marketing and advertising costs, shorten the production cycle, reduce the production risk.

3.2.2 Planned IP operation

Table 4. China Mobile Internet 2021 half-year report

Ranking	Industry classification	App name	June 2021 MAU (million)
1	Short video	Tiktok	64,485.46
2	Long video	Iqiyi	57,051.29
3	Long video	Tencent video	43,514.79
4	Short video	Kuaishou	41,741.68
5	Long video	Youku	21,568.39
6	Long video	Mgtv	20,910.28
7	Short video	Kuaishou speed version	17,814.87
8	Short video	Titok speed version	17,313.79
9	Long video	Bilibili	15,396.07
10	Short video	Ixigua	11,109.82

Yao pointed out in his research that the planned IP operation model was not the author's main creation, and the entire industrial chain was operated based on IP development. Therefore, the analysis of market data is particularly important. In order to understand the potential user data of IP development, it is necessary to use data survey tools to conduct data survey. Due to the rapid popularity of long and short videos in recent years, the background user data is of great practical significance for the prediction of potential users. Therefore, MAU (MAU is the monthly active user, which is used to calculate the number of users who log in or use a product in a month) is introduced. And the number of device users who launch at least one app per month) as the primary metric for user data surveys, because MAU can monitor user activity in real time, thus ensuring the effectiveness of IP promotion. As shown in Table 4 below, by 2021, the monthly activity of short and long video users in China is very strong. Tiktok with the highest MAU even reaches 64,485.46 million, while Ixigua at the bottom still reaches 11,109.82 million. This proves that the publicity on these platforms can effectively achieve the market publicity effect, so as to quickly enter the public vision and enhance market visibility.

3.3. Derivative Realization

Table 5. 2022 Global licensees TOP40 years of retail sales

Ranking	Brand	Annual retail sales (Hundreds of millions of dollars)
1	Walt Disney	562
2	Dotdash Meredith	359
3	Authentic Brands	217
4	Warner Media	150
5	The Pokemon Company	85
6	Hasbro	84
7	NBC Universal	83
8	MAT.US	74
9	Bluestar Alliance	65
10	Paramount Pictures	60

The downstream industry is mainly an important realization stage of IP, mainly including but not limited to the sale of peripheral derivatives, theme park development, joint development, etc. In the Internet era, cultural and creative products in the field of literature and animation are more in a free state, and to maintain the operation of this large industrial chain, The game and film this kind of easy to realize the reality of the capital change of the ring section has become more and more important. [7] Table 5 shows Global licensees TOP40 years of retail sales. Annual retail sales of the Walt Disney

reach 562 hundreds of millions of dollars, which is nearly 1.5 times that of the second place, and by the end of the fourth place, its annual authorized brand retail sales can reach tens of billions of dollars, but starting at number five is a billion dollars a year in sales. The difference in the order of sales also significantly reflects the impact of IP awareness on business turnover.

4. Performance Analysis of Alpha Entertainment

The adoption of the whole industrial chain operation mode can reduce transaction costs, increase scale, achieve synergies, and then improve the company's business performance, which has a positive impact on the company's performance.[8] This paper will study the development prospect of pan-entertainment industry by analyzing the current situation of the whole industry chain of Alpha Company. The whole IP industry chain development of Alpha Entertainment company is essentially based on the company's self-owned IP as the source, from product development to publication and distribution, to copyright trading, production and distribution of movies and TV dramas, games, animation and other products, and development and marketing of live-action entertainment, toys and other derivatives. The artist agent and fan economy further promote the ecological cycle of the whole IP industry chain.

4.1. Analysis of Core Competence

Alpha is an IP development chain operating company with content as its main profit source. Content is its core competitiveness, so the authors who create content are the key factors affecting the company's core competitiveness. And for Alpha Entertainment Company, as a leading enterprise in China's domestic animation culture industry, as of August 2023, the number of trademarks registered in China has reached 14,410. And its high-quality IP includes but is not limited to "Super Fly", "Pleasant Goat and Big Big Wolf" and "Cute Chicken Small Team "" The little magic fairy" "Armor" "Bacon bear" "Giant war god strike team" " Hurricane "soul" "Fire the young king" "extraordinary little hero"etc. All of them are popular IP with high visibility in China at this period [9]. The midstream industry mainly promotes IP to the public as much as possible, including mainstream social media such as Weibo, Facebook, Twitter, etc. Video theater websites such as Tencent video, Netflix, iQiyi video and so on are mainstream video websites at home and abroad, in these sites with excellent monthly active user data to play can undoubtedly play a good role in IP promotion; And the movie broadcast of the major theaters can also enter the public vision in the form of the audience. For the convenience of parallel comparison, this paper mainly extracts the theatrical play volume of the main IP of the two companies for parallel comparison.

According to the "2022 China Brand Licensing Industry Development White Paper" issued by the China Toys and Baby Products Association. In 2021, China's annual authorized retail sales of goods will reach 137.4 billion yuan, an increase of 24.2%. In 2021, China's annual authorization fund will be 5.32 billion yuan, an increase of 28.2%. [10] From the perspective of IP type distribution in the brand licensing market, entertainment IP (including cartoon and animation, film and television variety, video games, portraits, online literature, and audio-visual books) is still the most important IP type, accounting for 57.5%, of which cartoon and animation accounted for the highest proportion of entertainment IP, reaching 28.2%.

4.2. Analysis of Industrial Chain Operation

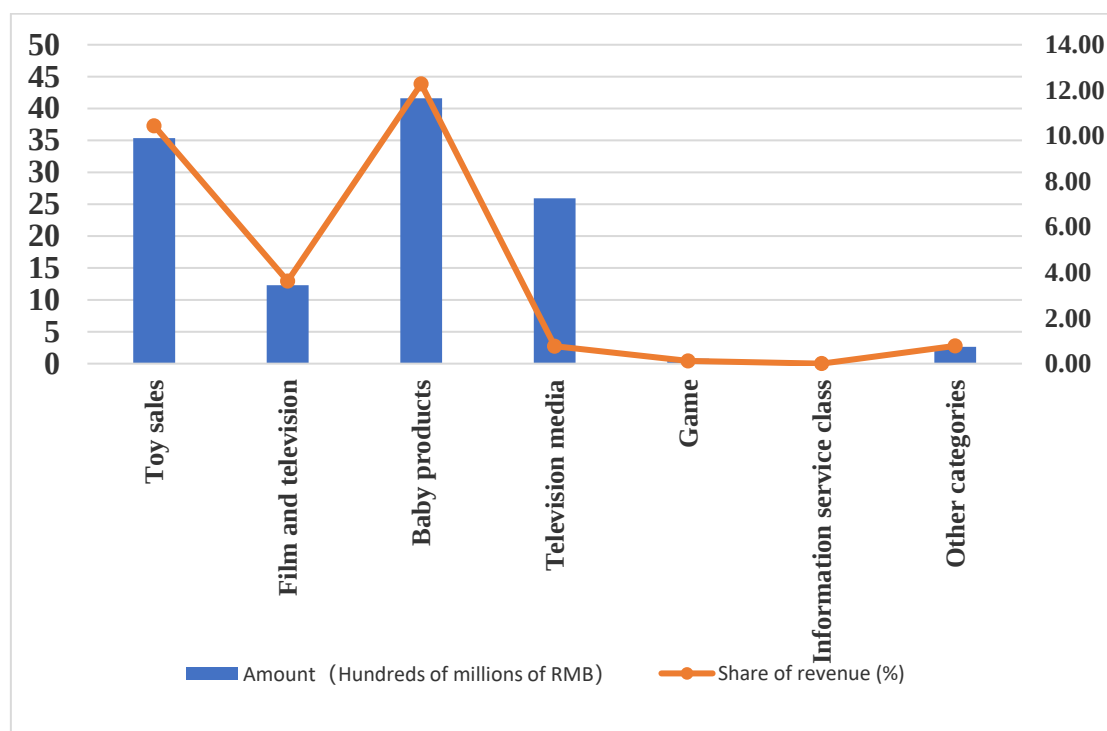


Fig. 1 Revenue structure of Alpha Entertainment in 2022

Photo credit: Original

Figure 1 shows the main derivative revenue channel of domestic entertainment IP licensing companies is maternal and child toys, and the sum of the two categories is even close to 80% of the main business income. Therefore, the future development direction of other IP in China can mainly learn from the successful cases of Alpha Entertainment company and focus on these two aspects.

5. Conclusion

Through a comprehensive investigation into the current development status of China's pan-entertainment industry, with a specific focus on Alpha Entertainment Company as the main case study, it becomes evident that China's pan-entertainment industry is still in its nascent stages compared to globally renowned IP development enterprises like Disney Company and Marvel Company. Building upon the research conducted in the first part of the entire industry chain, Chinese pan-entertainment companies have the capability to not only curate exceptional content from various social network platforms, acquire copyrights, and develop IP-centric projects, but also strategically shape IP that serves the overall growth of the industry chain. These companies then employ mainstream media platforms with substantial monthly engagement to effectively publicize and distribute their offerings. Furthermore, these industry players actively monitor and respond to consumer preferences in real-time, allowing them to adapt and capitalize on market trends. For instance, Alpha Entertainment Company has successfully captured a significant 43% market share in the maternal and infant products segment, demonstrating their proactive approach in developing related products to maximize profitability and attain greater economic rewards. By leveraging their expertise and understanding of the pan-entertainment landscape, Chinese companies like Alpha Entertainment are gradually paving the way for the industry's expansion and maturation. However, it is important to note that there is still ample room for growth and improvement in China's pan-entertainment industry, particularly in terms of reaching the level of global leaders and establishing a robust ecosystem that fosters creativity, innovation, and sustainable success.

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