

# Animation Industrial Chain Development in the U.S.A and its Enlightenment to the Animation Industry in China

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**Keywords:** Animation, Industrial Chain, China, U.S.A.

**Abstract:** The further development of the animation industry in China is urgent as the animation market is growing rapidly. To develop the animation industry more efficiently in China, the paper first analyzes the animation industry chain and its features in the U.S.A. Then, by adopting the comparison analysis approach, the paper expounds the problems existing in the animation industry in China. Finally, some correspondent enlightenment in developing the animation industry in China has been proposed.

## 1. Introduction

The animation industrial chain refers to the business process from product development, production, publication, performance, diffusion, and marketing based on the film and television propaganda in the form of cartoon and drawing, of which originality is the core<sup>[1]</sup>. Currently, the animation market is vast in China, which is widely concerned by all walks of life such as governments, industries, communities, etc. But compared with the animation industry abroad, the animation industry in China leaves much room to be improved as soon as possible. So, the paper takes the animation industry chain as an example and makes a study of the animation industry in China.

## 2. Actual Situation of the Animation Industrial Chain in the U.S.A

Hollywood is the symbol of the American culture and also the headquarter of the American film, from which we can deeply recognize the United States as media empire. The American cartoon, mainly based on the film animation, supported by the Hollywood film base, has formed the cartoon that is featured as the American culture and the complete, mature and direct commercial operation chain.

### 2.1. Industrial Model

Industrial model. The digital animation industry in the U.S.A is mainly dominated by the Group with a complete industrial chain such as Walt Disney Company. The business includes several fields like media network, the theme park, animation production, consumption goods and interactive media. It covers all the sections like animation, diffusion, derivative authorization, production and selling, etc. In the structure of income and profit, the media network and the theme park are the most important. The Walt Disney Company has made its brand image deeply impressive shaped by the animated film in the support of its strong media operational competence and comprehensive media channels, and obtained many revenues from the derivative project like tourism, etc.

### 2.2. Production Technique

The U.S.A ranks the top of the world in the animated film. Its complicated technique in this

aspect is mainly embodied in the whole use of the computer technology in the after-effect of the animated film. Its computer animation production started in 1991, when Disney and Pixar animation workshop set up by Steve Jobs united as partnership and signed an agreement to produce the long computer animation. This is a meaningful and deep influence step in the history of the animation in the U.S.A<sup>[2]</sup>.

### 2.3. Innovation

New technology is the engine to further develop the animation in the U.S.A. The animation industry in the U.S.A has taken a full use of the hi-tech to serve its innovation, for example, the virtual reality technology has been widely used in the amusement apparatus of the Disneyland.

## 3. Basic Process of the Animation Industrial Chain in the U.S.A

The animated film in the U.S.A is the most matured outcome of the industry and so has become the origin of the main animation industrial chain. The originality of the animation is shown to the audience in the form of film, from which the derivative outcomes have been sold. In this way, the industrial process based on the animated film and the derivative commodities are generated. The relative process is presented in Figure 1.

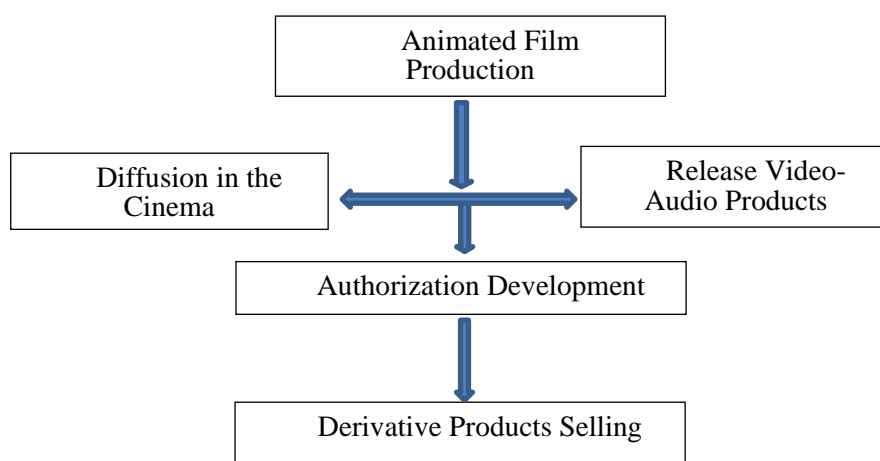


Figure 1 Process of Animation Film Industry

## 4. Components of the Animated Industry in the U.S.A

The animated film industrial chain in the U.S.A is complete, continuous and matured, which has been realized mainly by the capital facilitation of the Group. The typical one is Walt Disney Company in the U.S.A. The various sections of its industrial chain are presented as follows:

### 4.1. Creation and Fabrication of the Animated Film

The image process, music creation, original story and the integration of the story details and the background music of the animated film in the U.S.A have reached a summit. The input of the film funds has become more and more in the direction of the big capital. Since 1995, the Walt Disney Company has fabricated the three dimensional animation by utilizing the computer graphic technology and the digital image, of which the visual effects are more shocking. Finding Nemo, with an investment of \$63 million, is the representative works in this respect. It has pushed the development of the computer animated film in a great degree. Then in 2014, Big Hero 6 consumed \$165 million. Big funds have been leading the computer dimensional animated technology toward the more matured direction and the practical use in the Hollywood film. Today, people can watch the three dimensional special effect film by wearing a pair of three dimensional glass and obtain a more lifelike feeling<sup>[3]</sup>.

## 4.2. Matured Commercialized Operation

The animated film in the U.S.A has a feature of high cost and high revenue, for example, Finding Nemo with a global box office revenue of \$860 million and Big Hero 6 with \$620 million. In the broadcast section, they have recovered the investment costs and got a high market profit. All these outcomes can't be separated from their commercialized operation. The industrial chain-typed marketing model has created a vast commercial space. Besides, the amusement company in the U.S.A has made more profits by authorizing agents and a series of derivative products selling. The animation industry first makes an information communication of trans-media to the target public and an extension industrial chain development: video electronic products, audio and video products, derivative items and theme parks, etc. The three dimensional marketing model has made massive profits for the animation industry in the U.S.A. Then, the other industries have been aroused, such as tourism. The Disneyland of the Disney Company has a revenue of 20% of its total income<sup>[4]</sup>.

## 4.3. Value Creation, Transfer and Realization of the Animation Industry in the U.S.A

The animation industrial chain in the U.S.A evolves in the following direction.

First, the composer creates the animated film, which will be broadcast by diversified, wholly-covered multimedia channels. Then, such products as comics and video and audio. Finally, the agents authorized will develop vast derivative items. All these steps carry out the value creation, transfer and realization of the animated products from the composer to the consumer<sup>[5]</sup>. The detailed process is shown in Figure 2.

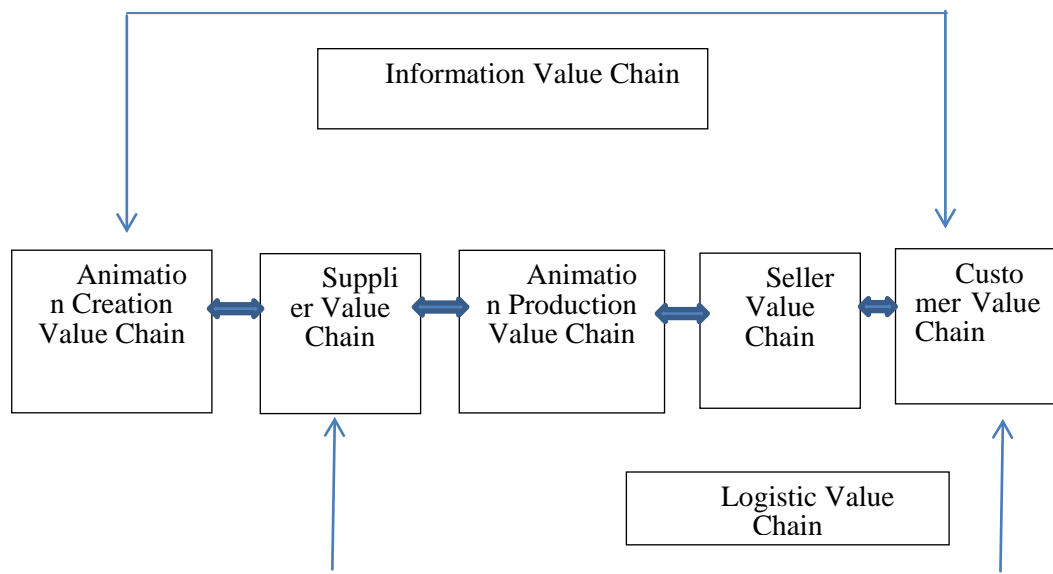


Figure 2 Animation Value Chain

## 5. Actual Situation and Existent Problems of the Animation Industry in China

### 5.1. Actual Situation

The animation market in China is large. Although it has made much progress with the efforts from all walks of society like governments, communities and the concerned practitioners, the animation industry in China still lies in its initial stage and no complete animation industrial chain has been formed. Quite a lot of animation companies are still doing the work of processing and fabricating section from the companies abroad. The oversea companies have deeply dug the massive Chinese animation market and obtained fat profits while the animation firms at home are weak in the competitiveness and can't win the margins because of the insufficiency in the creation and production scale<sup>[6]</sup>. As a result, most of the animation firms at home survive by way of

processing for the big animation company abroad and can't strengthen their creativity. On the other hand, the massive animation market such as animated films, internet animation and the relative derivative commodities, etc has been long occupied by the giants from Japan and the U.S.A. A big gap occurs between the animation industries at home and abroad in the creation idea, stage directions conception, post-production and issuance and sale, etc, which leads to a backward situation in the animation industrial chain in China.

## **5.2. Problems Faced by the Animation Industry in Chain**

### **(1) Works lack of originality**

The animation and cartoon that is lack of originality can't survive in the rival market. The composers in the animation and cartoon in China are prohibited to air their imagination and originality because of lacking objective thinking and exact identification to their living ambience. The original works getting the applause from the market can't be produced. Besides, most of our works focus on young children and ignore the demands of vast teenagers and adults, causing that the target market is quite narrow.

### **(2) Education in animation and cartoon not in line with practice, leading to an insufficiency of the correspondent skilled personnel**

The lack of the compound animation practitioner has prevented the animation industry in China from further growing and the improvement of the works quality has been greatly restricted.

### **(3) Works separated from the audience's psychology causing a narrow target group**

The main forces to watch animation today are the generation that was born after 1980. Most of them have watched the animation and cartoon from the U.S.A and Japan since they were very young. And the animation education model in China has mostly referred to those of the U.S.A and Japan, which leads to that the works are penetrated the trait of the style of the U.S.A and Japan and to the lack of the Chinese culture elements.

## **6. Enlightenment to the Animation Industry by the U.S.A. Animation Industrial Chain**

From the animation industrial chain in the U.S.A. and the concerned problems existing in the animation industry in China, we can conclude the following enlightenment:

(1) Systematic development. The governmental departments at all levels, network media, higher educational institutes ought to join together, integrate the priority resources and expand the animation industrial chain so as to systematically develop the animation industry in China.

(2) Consolidate and optimized the training of the skilled personnel in the animation. The education of the animation skilled personnel is of characteristics as follows: long educational periods, high inputs and high knowledge storage out of the trainee. So, the most needed is the highly integrated skilled personnel that have both had creation technique and precisely mastered the local history and culture. All the relative organizations like governments and colleges and universities should be engaged in the education of the most needed people in the angles of policy innovation, technology innovation and so on.

(3) Foster a better innovation environment. By way of strengthening the protection of the intellectual property rights, good innovation conditions should be formulated and the technique platform set up in order to optimize the animation industry evolution.

## **Acknowledgments**

The paper is funded by Research Center on the Development of the Manufacturing Industry of the Wuhan City Circle, China (wz201607), by Wuhan Studies Institute, Hubei, China (jhunwyy20172001).

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