Coming Soon to a Chinese Theater Near You: Why China Matters Even to Hollywood

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Coming Soon to a Chinese Theater Near You: Why China Matters Even to Hollywood

Abstract
In recent years, China has engaged in infrastructure projects on a scale and scope without historical precedent. Cinema in China is no exception. For roughly a century Hollywood has managed to dominate the world largely through the control of the largest exhibition market in the developed world, meaning the USA and Canada. Just a couple years ago, however, the Chinese exhibition sector surpassed North America as the world’s largest linguistically unified and developed film exhibition market. Find out why screenwriting classes in the USA now include courses on how to write for the Chinese market. Find out why even you may have unknowingly set foot in a Chinese-owned theater. Find out what are the implications of all this not only for world cinema, including Hollywood, but also for the world’s economic and political future.

Keywords
Chinese cinema, Hollywood, cinema, movie theaters

Disciplines
Chinese Studies | East Asian Languages and Societies | Film and Media Studies

Comments
Presentation given at the Friday Forum on September 28th, 2018. The Friday Forum is a series of lectures given by members of the Gettysburg College community on their personal scholarly research, creative activities, or professional or curricular development activities.

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Coming Soon to a Chinese Theater Near You:
Why China Matters Even to Hollywood
James Udden, Professor of Cinema & Media Studies
American “Soft Power” Through Hollywood
China’s Unprecedented Potential
Scale of China’s Infrastructure Projects Today

Steel Production

Cement

China used more cement in the last three years than the U.S. used in the entire 20th century.
Domestic Infrastructure
Global Infrastructure: “One Belt, One Road”
Are you now, or have you ever been, in a Chinese-owned theater?
What I meant to ask was ...

Are you now, or have you ever been, in an AMC multiplex since 2012?
The World’s Largest Exhibitor: Wanda

2012: US$ 2.6 billion

2016: US$ 3.5 billion
China’s Media Infrastructure
World’s Largest Exhibition Market
Question Many Have Asked:
“What exactly did you do as ‘director’ of the China GPA in 2017?”
Strategies of Chinese Theater Chains:
1) Branding

Jackie Chan Cinema
Beijing, China (Wukesong District)
Strategies of Chinese Theater Chains:
2) Technology & Facilities
Strategies of Chinese Theater Chains:

3) Location, Location!

Beijing’s Sanlitun (三里屯) District

Beijing’s Xidan (西单) District
Strategies of Chinese Theater Chains:
4) Promoting Consumption

Beijing’s Fang Cao Di (芳草地) Shopping Center

Beijing’s Joy City (大悦城)
Strategies of Chinese Theater Chains:
5) Accommodating Different Types of Chinese Consumers

UME 影城海淀区 (人民大学)
UME Theater Near Renmin University in Beijing
Control Over Distribution: China’s Current Two-Tiered Quota System

1. “Revenue Sharing” Distribution (分账片):
   - Since 1999: 20 Imported Films
   - Since 2012: 14 Additional “Special” Films (e.g. 3D films)
   - 25% of Gross to Foreign Distributors
   - Monopoly of China Film Group

2. “Wholesale” Distribution (批发片):
   - Buy distribution rights in China for negotiated flat fee
   - Open to all private companies in China
   - TOTAL ANNUAL IMPORTS: 64 FILMS
Will Infrastructure Lead to Domestic “Soft Power”?

May 2017 Box Office

- **Imports:**
  - 10 Films Distributed
  - RMB 3.1 Billion Box Office
  - (Avg. = RMB 310 million)

- **Domestic Films:**
  - 34 Films Distributed
  - RMB 770 Million Box Office
  - (Avg. = RMB 22.6 million)
Will Infrastructure Lead to Domestic “Soft Power”?

China Box Office Finishes Summer up 16 Percent, but Hollywood Revenue Slips

2017 & 2018 Worldwide Grosses

2017 WORLDWIDE GROSSES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Title (click to view)</th>
<th>Studio*</th>
<th>Worldwide</th>
<th>Domestic /%</th>
<th>Overseas /%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Star Wars: The Last Jedi</td>
<td>BV</td>
<td>$1,332.5</td>
<td>620.2</td>
<td>46.5%</td>
</tr>
<tr>
<td>2</td>
<td>Beauty and the Beast (2017)</td>
<td>BV</td>
<td>$1,263.5</td>
<td>604.0</td>
<td>30.9%</td>
</tr>
<tr>
<td>3</td>
<td>The Fate of the Furious</td>
<td>Unl</td>
<td>$1,293.0</td>
<td>526.0</td>
<td>18.3%</td>
</tr>
<tr>
<td>4</td>
<td>Deepwater Horizon</td>
<td>Unl</td>
<td>$1,034.8</td>
<td>364.6</td>
<td>25.6%</td>
</tr>
<tr>
<td>5</td>
<td>Jumanji: Welcome to the Jungle</td>
<td>Sony</td>
<td>$962.3</td>
<td>404.5</td>
<td>42.0%</td>
</tr>
<tr>
<td>6</td>
<td>Spider-Man: Homecoming</td>
<td>Sony</td>
<td>$882.0</td>
<td>334.2</td>
<td>38.0%</td>
</tr>
<tr>
<td>7</td>
<td>Wolf Warrior 2</td>
<td>Hc</td>
<td>$876.3</td>
<td>82.7</td>
<td>0.3%</td>
</tr>
<tr>
<td>8</td>
<td>Guardians of the Galaxy Vol. 2</td>
<td>BV</td>
<td>$862.8</td>
<td>189.8</td>
<td>45.1%</td>
</tr>
<tr>
<td>9</td>
<td>Thor: Ragnarok</td>
<td>BV</td>
<td>$654.0</td>
<td>315.1</td>
<td>36.9%</td>
</tr>
<tr>
<td>10</td>
<td>Wonder Woman</td>
<td>WB</td>
<td>$621.8</td>
<td>412.6</td>
<td>50.2%</td>
</tr>
</tbody>
</table>

2018 WORLDWIDE GROSSES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Title (click to view)</th>
<th>Studio*</th>
<th>Worldwide</th>
<th>Domestic /%</th>
<th>Overseas /%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Avengers: Infinity War</td>
<td>BV</td>
<td>$2,846.9</td>
<td>678.8</td>
<td>33.1%</td>
</tr>
<tr>
<td>2</td>
<td>Black Panther</td>
<td>BV</td>
<td>$1,346.0</td>
<td>700.1</td>
<td>32.0%</td>
</tr>
<tr>
<td>3</td>
<td>Jurassic World: Fallen Kingdom</td>
<td>Unl</td>
<td>$1,302.7</td>
<td>415.6</td>
<td>32.0%</td>
</tr>
<tr>
<td>4</td>
<td>Incredibles 2</td>
<td>BV</td>
<td>$1,195.4</td>
<td>450.4</td>
<td>37.1%</td>
</tr>
<tr>
<td>5</td>
<td>Mission: Impossible - Fall Out</td>
<td>Pat</td>
<td>$777.9</td>
<td>218.1</td>
<td>28.0%</td>
</tr>
<tr>
<td>6</td>
<td>Deadpool 2</td>
<td>Fox</td>
<td>$734.2</td>
<td>318.8</td>
<td>43.4%</td>
</tr>
<tr>
<td>7</td>
<td>Ant-Man and the Wasp</td>
<td>BV</td>
<td>$620.2</td>
<td>215.8</td>
<td>34.1%</td>
</tr>
<tr>
<td>8</td>
<td>Ready Player One</td>
<td>WB</td>
<td>$582.2</td>
<td>137.0</td>
<td>23.1%</td>
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<tr>
<td>9</td>
<td>Operation Red Sea</td>
<td>WGGSA</td>
<td>$579.2</td>
<td>1.5</td>
<td>0.1%</td>
</tr>
<tr>
<td>10</td>
<td>Detective Chinatown 2</td>
<td>WB</td>
<td>$544.1</td>
<td>2.0</td>
<td>0.4%</td>
</tr>
</tbody>
</table>
I’ll Be Back!