Research on box office influencing factors and innovation strategies of Disney (Asian market) theme films

Zizhou Fu¹, *, †, Yuhang Qian², *, †, Helin Wang³, *, †, Xiwen Xue⁴, *, †

¹Dulwich International High School, Suzhou, China
²Hongrun boyuan international school, Shanghai, China
³Xi’an Tie Yi High School, Xian, China
⁴Saint Johnsbury Academy, Vermont, United State
*Corresponding author: guanghua.ren@gecacademy.cn
†These authors contributed equally

Abstract. The income of Disney in the Asian region is a very important part because even though they have a great influence in the United States and Canada, it is still not enough because the consumption power of people in the Asian region is still a very large part. Asians still prefer their elements and character traits. This study is related to Disney revenue in Asia in the future and affects Disney income as a whole, as well as the company's position in the field of film and its impact on the film industry. Using secondary data, we have analyzed Disney movie data in Asia from various aspects, how to increase the profitability of Disney movies. From a cultural perspective, we feel that Disney should focus on improving Chinese culture and even Asian culture to increase their ratings. Not only that, Disney should continue to innovate instead of repeatedly using the same means of consumption. Finally, the significance of this paper is that we have provided Disney movies with very good conditions for increasing profits.

Keywords: Asian market, Disney theme films, Box office, Strategies

1. Introduction

1.1 Research background

From 2010 to 2020, Disney movie revenue in Asia was not stable. 2019 was the highest (7796 million dollars), and fluctuated in other years. However, the movie revenue in the United States and Canada continuously increased and reached 50,555 million dollars in 2019, which is 6.48 times that in Asia[1]. Increasing film revenues in Asia has been an important part of boosting the Disney film business. Disney—a diversified business enterprise—has many ways to make profits. Movies, Disney main source of revenue, have not fared well in Asia. Therefore, to make Disney more profitable, Disney first strategy is to make up for its shortcomings. The development of Disney in the Asian film industry can expand Disney audience and stimulate relevant industry chains, thus expanding Disney commercial value. The further development of Disney in the film industry creates happiness and sells happiness, thus greatly improving Disney social value.

1.2 literature review

Comparing media networks, theme parks, and movies as three sources of income for recent years from 2015 to 2019, the rate increased stably without apparent ascendant. Using the park as an example, based on the operation of Shanghai Disneyland opened in 2016, the revenue coming from international markets could increase rapidly like 32% growth in 2016-2017, which only continues for 2 years and fall into the low ascending rate. In addition, the rate of increased total revenue for the park is only similar to 5%, 8%, 13%, 6% for 2016, 2017, 2018, 2019. In short, building a park is consuming much time for construction and earning a short period of money rapidly. For another product, the media network earning-money rate is prolonged, such as 2%, --%, 3%, and 13% for each corresponding year[2]. As a result, achieving sustainable competitive products, innovation could
become extremely significant, but it takes much time. However, making movies takes less time than any of the others.

Charu Uppal [3] proposed that girls living in Indian and Fiji have fastened the visualization of the princess with the comprehension that it is based on a different culture. In addition, having indistinct cultural stimulation towards the multicultural Disney movies comprehend using methods of drawing the comprehensive pictures and interviewing to explore the underlying reasons.

Based on the Jessica Miller [4] analysis and the time-lapse, philosophers explore deeply and differently about the relationship between mortality and soul, promoting and consolidating profound philosophical significance. Moreover, the depiction of diversity in culture movies is only bogged down by superficial differentiation, which differs from some realities of other countries’ situations. Lei Sun, Xin Zhai, and Huiqin Yang [5] proposed that the relationship between event marketing and box office revenue is inverted U-shaped. Different marketing strategies could increase the consumer’s willingness to pay for the movies. Additionally, consumers are the role of mediator.

Most researchers analyze the movies’ content like plots of movies, words that characters said in-depth with the combination of different subjects, whether linguistic, philosophy, photography, etc. Especially, the subject of social science discusses the effect that could occur on different groups of people such as youth and adults after watching lots of Disney movies and getting habituated to buy Disney products. In addition, huge amounts of articles discuss the development of services like ESPN+, Hulu, and some other newly merged companies based on the development of new technology, which reaches the goal of earning more money. For another large percentage of research talking about the design of the Disney park, the scope is wide from the inner development of design with providing the best experience for the consumers to the expansion of the Disney park into the other countries that include much potential for earning money. Finally, the factors that affect the box offices have been researched a lot, which means people deliberate how to attract the consumers to buy more tickets. However, it seems that there is a small number of researchers considering the opportunities that other countries have to expand and combining the strategy of retail into the case of Disney.

1.3 research framework

This paper first analyzes the existing problems in the Disney film industry, exploring the most attractive types of movies, then makes specific strategies for the current situation of Disney with the support of data analysis. They eventually gave an example for the above strategy to explain the operability of the strategy in detail and concluded the whole article from finding out the problem to explore into resolving the issue.

2. Method

2.1 Data used in the study

Data used in the study is about secondary data. The language of the whole paper is rigorous, and relevant materials are marked in detail. This method can bring accurate language to the paper. After one by one screening of materials related to Disney movies, we find the most suitable part. This paper aims to solve the economic instability of Disney films in Asia. After searching relevant literature, it is found that various images depicted by cultural films are not deeply rooted in people’s hearts, and different countries are not taken into account. Cultural films will weaken their connotation largely, and Disney should change its original consumption strategy of the inverted U relationship between event sales and box office income. Therefore, Disney should change its inherent sales model for different films: a new character causes the emergence of various related consumer products. Related literature also mentioned: Disney competitive pressure, and it began to think about how Disney can attract consumers to buy more movie tickets.
2.2 Introduction of the method

The methods of analysis are based on two aspects. Firstly, to investigate what sorts of movies Disney will make in the future, the data collected from the Maoyan (piaofang.maoyan.com) is accurate and mammoth, which includes diverse aspects of the financial situation from the beginning to the release. Using those data, our group could analyze them by comparing the total box office between many movies, inferring the tastes that most Asia people have, and conclude the actions that help Disney revenue increase a lot. Therefore, those data resolve and pinpoint the strategy involving the direction, which is valuable for Disney to develop while aiming for the goal of expanding the movies market in Asia. Secondly, for research, the data can’t be found on Maoyan, using the company reports or other websites that represent the box office or description of the details like potential revenue before movies started, age-range after the movies released, and so on. In this case, those data supplement some losses or indistinct data or increment the accuracy or precision of the research and conclusion.

3. Results

3.1 the effectiveness of producing series of movies

Because of the multiple factors such as types of movies, the date of movie releasing, the reputation of movies production and so on, which might affect the box office in diverse ways, controlling the variable data is very significant. They are considering the modalities of the film, separating into three forms: long series, short series, and individual movies. Long series including movies larger than three differ from short series only have three. So based on the revenue that those series movies earned for several years, the tendency of whether the movies are earning more or not could be the target, which means the types of movies are in the control group. Our group proposes that the box revenue earned from the series is represented as a curve, an inverse “U” shape curve for the long series part. Using famous movies as an example, The Fast and the Furious [6] got extremely high after the first time watching this series from 211% to 486% and fell rapidly about 95% compared to the previous years in China. In addition, box revenue in Japan is also confronting this situation, which is increasing from 6523 thousand to 35613 thousand dollars by the decrease of 24% revenue quickly. However, the box revenue in Korea increased rapidly after the release of these movies and tended to remain constant after that. The Transformers series is another exemplary example, in which box office earnings in China also increased from 37218 thousand in 2007 to 65837 thousand in 2009 to 0.165 billion in 2011.

Nevertheless, the revenue is declining year after year, which is evidence of the inverse “U” shape. Analyzing the revenue in both Korea and Japan, the tendency of revenue is also increasing rapidly and continues to fall without the signal of the stop. Apart from those two apparent examples, our group also researches other famous series like Resident Evil, Mission: Impossible, which are made by some famous industries like Bad Robot Productions. Even if they are slightly different from following the “U” shape tendency in all countries, a maximum of one country will follow this shape, which proves strongly about the occurrence of the economic shape. The movies that are produced by Disney mainly according to this hypothesis in Asia, even if a special situation occurred. The movie series Pirates of the Caribbean is accessible by using this shape with potential uncertainty to overturn the hypothesis. In China, the preference for this series has received an increment of attention with data support, which increased from 29.8 million in 2003 to 0.172 billion in 2017, obtaining the high value of expectation. Using this shape, even if this series seems valuable, the box office might decrease after releasing over the number of 4.

Moreover, the earliest movie is nearly in the 20 century, which led these movies not to consider the real increase of box office in China; instead, symbol as an introduction could be more suitable. However, Japan and Korean markets follow this shape. For example, from 2003 to 2017, the increasing rate of Japan is from 41.2% to 7.81% to 128%, with a decrease of 71% [10].
3.2 Disney Asian box office statistics from 2017 to 2019

The preference of movies that Chinese consumers watch is prone to the films produced by famous directors and stars wherever they come from. In addition, the feature films made in domestic attract more native consumers than those manufactured from foreign. The persuasive example occurred in the December of 2017, which is an intense competition between three movies of the same type on the same release day: The Ex-File 3 with the singer Yu-Wen Wen, Youth directed by the Fen Xiao Gang, Gold Buster, including local actor like Seng Teng, Sandra Ng Kwan Yue and so on. Even if the vast competition began, the box revenue between those movies is similar to having enormous revenue. In 2018, the movie: Detective Chinatown Vol. 2 with the actors: Wang Bao Qiang, Turbo Liu, Monster Hunt 2 with Tony Leung Chiu Wai, and The Monkey King 3 with Zanilia Zhao. The different types of movies: Operation Red Sea earned more than 0.575 billion without influencing those movies mentioned above. In February 2019, the competition among four movies proved feature films’ impact on the whole Chinese market. The film: The Wandering Earth (0.69 billion dollars in China) and Crazy Alien (0.327 billion dollars) are all according to the book written by Cixin Liu and Pegasus(0.255 billion dollars) with the director Han Han and actor SengTeng.

As a consequence, Chinese consumers are willing to watch movies with famous actors and directors. For the import of feature movies from foreign, their numbers are minimal with low box revenue. So the feature movie field is not suitable for Disney to expand, which might confront high competition with domestic movies. In addition, based on the small number of films, including simple love, documentary, and simple crime, the dimension for expansion is not valuable because of low revenue earning. The high-revenue action movies combine stars-oriented films from China domestic with short or long series movies imported from the foreign. The short series of Captain America, Thor, and Ant-Man possess strong competitiveness and attraction, supporting the success of The Avengers’ main series obtaining the box office revenue of nearly 0.4 billion dollars. Therefore the strategy of producing sub-theme movies for the support of the central theme could be a success. In other words, those derivatives accumulate the reputation of main theme movies and fulfill a supplement of the story of Marvel Cinematic Universe, which makes this universe’s own more entitlement. The domestic stars’ action movies also attract Chinese people. For example, in 2017, Jackie Chans’ Kung Fu Yoga, The Foreigner, and Bleeding Steel played a significant role in the native action movies market.

3.3 Adapted film

According to an analysis of movies that recompose other art forms, the reputation of the original arts tends to the core that affects the box office revenue. Like movies: The Devotion of Suspect X based on the book written by a Japanese writer, which obtained enough renown increasing the payment a lot. Youth based on the book Youth to recompose, which gained the box office nearly 0.224 billion dollars. In addition, the movie Wandering Earth in 2019 also broke almost 0.7 billion dollars, which competes with another recomposed film: The village Schoolteacher written by Cixin Liu. For the latter, even if the competitiveness is not as exact as The Wandering Earth, this movie continues to earn an early 0.35 billion. However, some of the recomposed movies are not very successful. For those examples, like the Storm film series or The Devotion of Suspect X. In conclusion, the recommendation of producing adapted films based on other books or movies is not vital for the Disney industry to follow because of the uncertainty of success.

4. Discussion

4.1 Data analysis for Disney movies around the world

According to data from the media research company Comscore, as of last Sunday, December 29, the total box office of the US film industry was about 11.26 billion US dollars, and the “dominant” Disney accounted for 33% of it, becoming the first modern company to occupy the Hollywood box
office. A film company with one-third of its revenue. What’s more, the US and Canadian markets account for the primary source of income in the global Disney film market. Disney movies once relied on the acclaimed and popular animated films characterized by health, fun, and originality to gain many fans. In the 1940s, Disney began to get involved in the field of live-action movies. The science-fiction film “Twenty Thousand Miles Under the Sea” released after World War II, was a huge success.

After the rise of television, Disney did not lose out like other movie giants but was a fish in the water because this company has popular animation images. However, Disney creativity seems to be declining over time, and the company has not solved this. This kind of problem is through constantly buying movies created by other companies. In addition, Disney cultural-themed films are well-received globally, but only in Asia do they not perform well and cause the development of the Asian market to be unstable.

There are currently only a few cultural films in Asia, such as “Aladdin” and “Mulan (1998)”. Although these films have achieved good results, they still cannot support the entire Asian market.

4.2 Disney optimization Strategy

Disney movies should expand the perspectives of themed movies and involve more cultural backgrounds, which will give Disney more benefits, and people worldwide can learn more about culture. For example, Disney can fully integrate with Japanese animation culture: Japanese animation culture, as a world-famous cultural form, has received extensive attention from all over the world. The creation of Japanese animation is rich in national characteristics and appeal. With the help of animation culture, Japan has also become the first cultural export country in Asia. We can trace the development of Japanese animation back to the middle of the 20th century. After exploration, maturity, and improvement, animation has developed into an indispensable industrial chain in Japan. Its development model is full of national characteristics and cultural spirits, making the development of Japanese animation sustainable. If Disney can cooperate with it, it will help the company gain a foothold throughout Asia.

Another example is a movie about faith, such as Buddhism and Taoism, that the Chinese believe in, while Westerners are more familiar with Christianity, but India believes in Hinduism. Hinduism is the state religion of India. Many believers are among Indians in Pakistan in South Asia, Malaysia in Southeast Asia, Singapore, Britain, Canada, and other places. Every culture is respected, and if Disney is willing to pay for such movies, it will bring good results.

4.3 The benefits of optimization strategies

The new theme and cultural understanding can essentially enhance the audience number in Asia. Based on the revenue data of “Mulan” on Yahoo finance, Based on the exclusive data provided by 7 Park Data, an analysis and research company, nearly 29% of US Disney+ users who visited the app from September 1 to September 12 purchased a $30 “Mulan” movie. This One data has far surpassed other popular free and paid videos on the platform. According to this data, up to about 9 million users have bought the “Mulan” movie for 30 US dollars, and the net profit in the US market will reach 261 million US dollars. When showing in theaters, the film studio usually splits 50% of the box office revenue with the exhibitor, but the studio receives 80% of the revenue. For the version released through Disney+ without any third-party platform, Disney will get 100% of the income.

4.4 Existing problems with this strategy

Although the payment is considerable, “Mulan” made a grave mistake in the film: wrong cultural understanding. “Home Guarding” and other ideological concepts. The “Mulan” in Chinese traditional culture is not only a filial daughter who served in the army for her father, but also a heroine who has experienced many battles and established a heroic feat. Her body has always embodied the “loyalty, filial piety,” and “protection” advocated in the traditional Chinese Confucian culture. The cartoon has made considerable changes to this spiritual core. After careful processing and packaging by Hollywood, the cartoon version of Mulan was shaped into a mainstream value of American personal
heroism by Disney Movie. After experiencing a crisis of self-identity, the image of women has finally realized the unique importance and gained growth. The live-action version of “Mulan” has been modified with the times based on cartoons.

For example, Mulan is not only an individualistic hero, but she is also a feminist fighter, fully promoting the value of women. The story of Hua Mulan took place in the Northern Wei Dynasty, but the history of “Mulan” is all messed up. For example, the movie is set in Fujian Tulou. At that time, Fujian belonged to the southern dynasty area, and its historical location was wrong; the harem scenes in the movie were also completely modeled by European aristocrats. Many harem women went to the court with ministers; the makeup and bridge sections of Hua Mulan were too exaggerated during the blind date. And it is not a Chinese style; the most severe problem is the clothing problem. There are even clothing of multiple dynasties in the film at the same time. Disney movies embezzle Chinese stories to let the world understand Chinese culture and realize cultural integration and dissemination. For China and the West, All are good things, but it requires a sufficient understanding of the culture and aesthetics of the origin of the story.

5. Conclusion

5.1 Research significant

The income of Disney movies in Asia is not optimistic. The solution proposed in this paper solves the problem that the income of Disney movies in Asia is much lower than that of the United States and Canada. This problem arises because Disney cultural-themed movies are widely popular worldwide but only have poor performance in Asia, leading to the uneven development of the Asian market. The solution proposed in this paper fundamentally solves the problem that the income of Disney films in Asia is much lower than that of the United States and Canada. This problem arises because those films lack a lot of Asian culture and character styles. In this way, Disney movies can also have particular benefits in Asia, and there are more people in Asia than in the United States and Canada. With this increase in the box office, Disney has solved some problems and increased revenue. They can become more prominent in the film market and can occupy a dominant position in this industry.

5.2 Limitations and future studies

Most of our essays use secondary data. We should change the source of our data. The questions and objectives of the survey are unique, while the secondary data are collected in advance. The data are not relevant or accurate enough. We find some data from the Internet to prove our point of view and change some problems. We should use more primary data to prove our key points. We should do some investigations ourselves and then explore this issue based on this series of investigations. Because the first data is critical, you can better understand the problems caused by this matter. In the future, we can obtain more data through some surveys and interviews. Also, on the issue of our group, we can start this survey from each side, collecting more complete data to know the problem and how to solve the problem effectively. The other side we need to improve is that increase the efficiency of team cooperation.

References


Harris, R. (2001, 11 16). We’re all gonna die! Research Gate[online]. Available at: https://www.researchgate.net/publication/11637570_We're_all_gonna_die (Accessed: 21 September 2021)

Gray, R. (2019, 8 1) There’s a good chance that some of your beliefs have been influenced by decades of animated movies. [online] Available at: https://www.bbc.com/worklife/article/20190724-did-disney-shape-how-you-see-the-world (Accessed: 19 September 2021)

