

Value Analysis and Comparison of Animation Markets in America, Japan and China

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Abstract. From the invention of the Fenech mirror in 1832 to the release of Humorous Phases of Funny Faces in 1906, from Astro Boy, Space Battleship Yamato, to Neon Genesis Evangelion, from Toy Story to Frozen II, after nearly two centuries of development, The animation industry in various countries has become mature and formed different production technologies and industrial chains: the 3D animation industry led by the United States and the 2D animation industry led by Japan have overwhelming power over the global animation market. With China's active cultural output and capital investment in the world, the animation industry, as one of the best channels, has begun to develop rapidly and become one of the major animation-producing countries. This article will analyze the market value of the above three major animation-producing countries in recent years, elaborate on their respective characteristics and compare them, to try to analyze the trend of the animation market in the future.

Keywords: market analysis; animation.

1. Introduction

Animation, as a formal development from the 20th century, has now been combined from the original pure artistic creation success with business, forming a work that has achieved great success in business every year. The commercial value of the animation market determines that the product content will be targeted at audiences of different ages so that it has a broader market: whether it is for children or young people or adults, it has a large number of works. And a wider audience also means that there will be more types of consumer goods relying on animation IP, such as theme parks, co-branded fashion, model handmade and stationery that can be found in the market. The current animation market and not limited to the animation itself, offline activities, mobile game adaptation and surrounding sales are also beginning to occupy a larger share and are beginning to form a virtuous circle.

2. Animation development in different countries

2.1 Description of animation market in various countries

2.1.1 United States

The US animation industry chain has been formed, mainly focusing on films, mostly 3D, dominated by companies such as Disney, Pixar, DreamWorks and lighting entertainment. The development mode of the United States is to first push cartoons to the market, establish a cartoon star brand and then launch a series of peripheral products. Then the American animation industry uses its large-scale economy to outsource animation manufacturing to animation enterprises in other countries [1]. This will also lead to people becoming more interested in old characters, and it is difficult for the new IP to develop. In recent years, the new popular character image of American animation has begun to be insufficient. How to create a new popular character image and a new popular IP in the 2020s will become a huge topic in American animation [2].

From 2016 to 2019, Disney and Universal Pictures accounted for 67.4% of the box office in the United States in 2015 → 82.7% in 2016 → 62.8% in 2017 → 65.9% in 2018 → 82.0% in 2019, always occupying a high position [2]. Their overseas market share was higher than that in the United

States, which was 78.5% in 2015 → 79.5% in 2016 → 70.4% in 2017 → 58.8% in 2018 → 87.9% in 2019 [2].

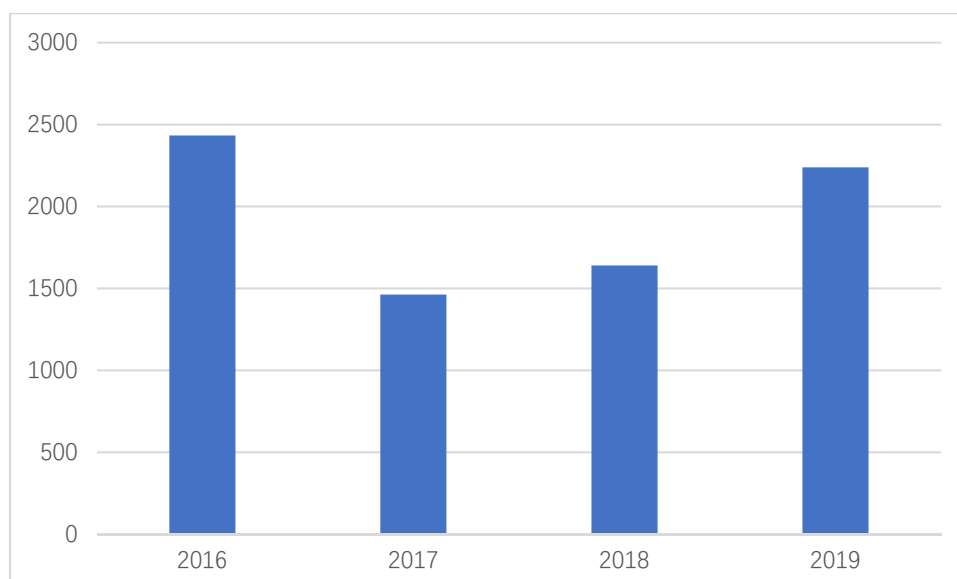


Figure 1. The box office of American animated films from 2016 to 2019(unit: million dollar)

2.1.2 Japan

Japanese animation has formed a complete industrial chain, and there is a mature process from the beginning of planning to the final broadcast. The foundation of Japanese animation started from comics. Since Astro Boy, was released in 1980, the cost of Japanese animation has begun to drop significantly, although most animation studios are still small, it can be industrialized. After years of continuous development and innovation, the images of Japanese animation gradually show a strong stylized feature. In the modelling of the characters, strong decorative techniques are adopted, the depiction of the faces of the characters is similar, and the general pattern has also been formed in the clothing and colour configuration [3]. Neon Genesis Evangelion opened the production committee mode of Japanese animation, sharing the economic risks that may occur in animation production. After that, the independence of Japanese animation has been dramatically strengthened, and investors have more confidence in investing in Japanese animation, which opened a new income mode and investment mode of Japanese animation. Since the COVID-19 epidemic in 2019, the impact on the animation industry has been smaller than expected [2]. In 2016, the broad Japanese animation market was 201 billion yen, 216.4 billion yen in 2017, 2181.4 billion yen in 2018, and 251.12 billion yen in 2019. As of 2019, the market value of the Japanese animation market has increased steadily over four years. Affected by COVID-19, Japan's animation industry declined in 2020. In 2020, the market size of Japan's animation industry will reach 2.4 trillion yen (about 125.7 billion yuan), a decrease of 88.4 billion yen (about 4.58 billion yuan) compared with 2.5 trillion yuan in 2020, a year-on-year decrease of 3.5% [4].

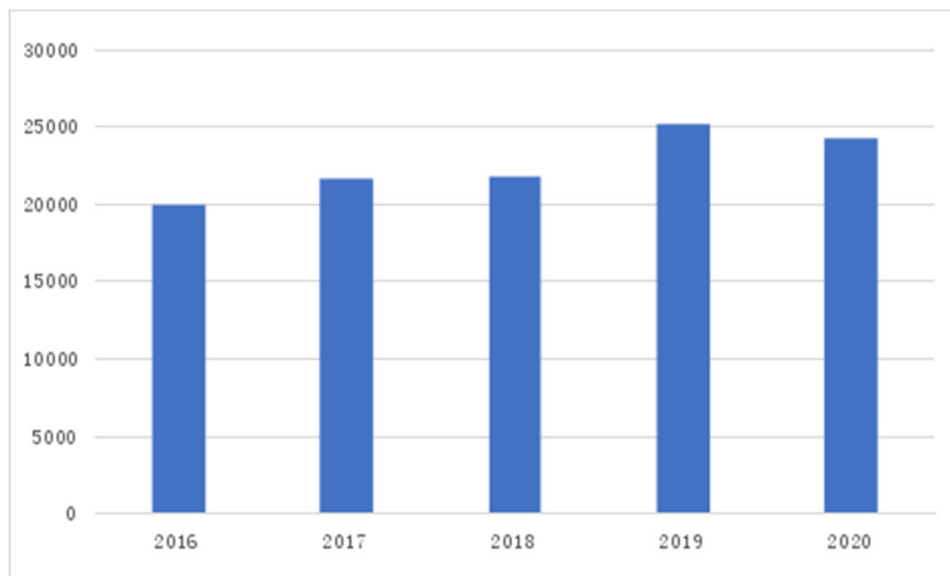


Figure 2. The scale of Japanese animation market value from 2016 to 2020 Unit: million yen

However, with the increase in market value, the duration of animation is gradually decreasing. In 2017, there began to be a decline. After the substantial growth in 2018, the length of Japanese animation decreased from 130347 minutes to 107006 minutes in 2019. This may mean that the focus of Japanese animation is gradually shifting from television animation itself to the network, surrounding and related industries. With the rise of online viewing in Japan, the main income of animation companies has changed from selling blue discs to selling broadcasting rights.

In the overseas market, since 2016, the scale of the Japanese animation market has grown rapidly, reaching 76.77 billion yen in 2016, 99.48 billion yen in 2017, 100.92 billion yen in 2018, 120.9 billion yen in 2019 and 118.67 billion yen in 2020, surpassing the domestic market for the first time [4].

2.1.3 China

China's online animation is now in a stage of rapid development. Since 2016, the size of China's online animation market has steadily increased by 2.84 billion yuan in 2016, 4.57 billion yuan in 2017, 6.11 billion yuan in 2018, 7.37 billion yuan in 2019, 8.99 billion yuan in 2020, an average annual growth of 27.44%.

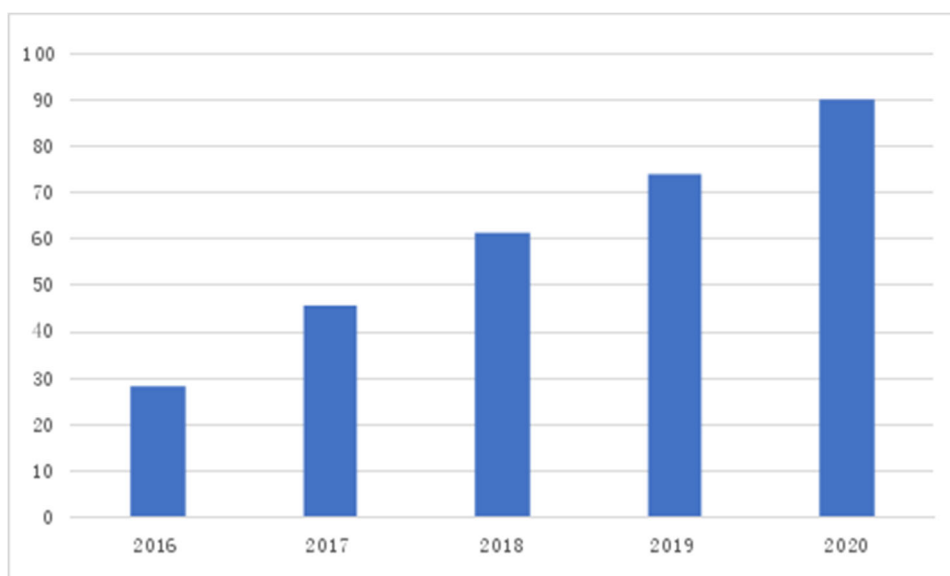


Figure 3. China's online animation market value from 2016 to 2020 Unit: million yuan

Most animation films in China are made in 3D, and the overall market is generally inferior to other major animation production countries in the absence of large IP support. The overall market value of Chinese animation films in 2016 was 7.448 billion yuan, and in 2017 it was 4.829 billion yuan. From 2015 to 2020, there were more than 100 million domestic animated films at the box office, including 6 domestic animated films that exceeded 100 million in 2019, and "Nezha: Birth of the Demon Child" ranked first in domestic animated films in the past five years with a box office of 5.035 billion yuan [5]

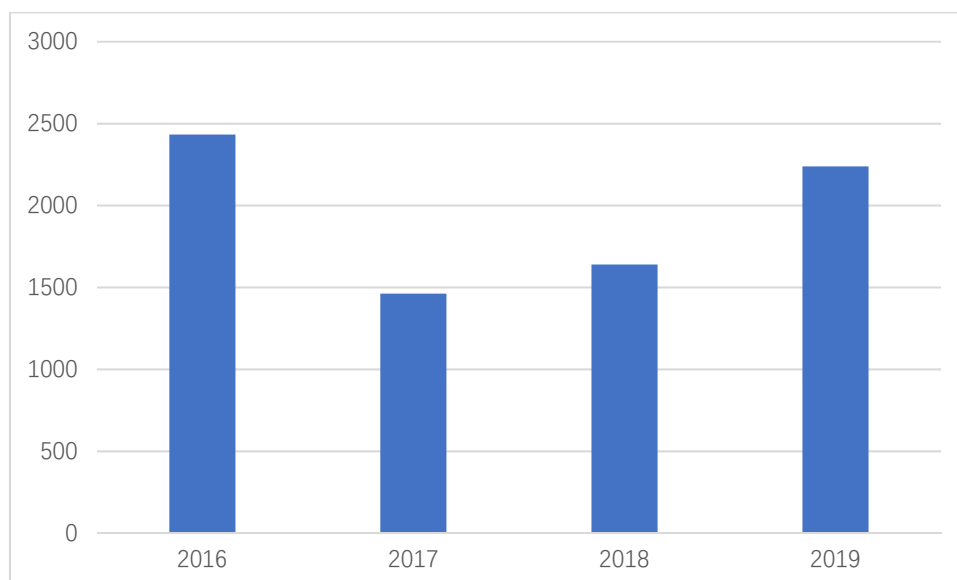


Figure 4. From 2016 to 2019, the box office unit of Chinese animation films unit: 100 million RMB.

Although there is a certain period of blank window in Chinese animation, the rapid development in recent years and the active learning from Japan make Chinese animation fewer detours and quickly become one of the major countries producing animation. Due to the restrictions of policy and ideology, Chinese animation is still poor in subject matter, but the continuous improvement of production level makes it capable of producing excellent works in 2d and 3d, and works that actively cooperate with the United States, Japan and France are gradually emerging in the eyes of the public. The future of Chinese animation may be closer to Japan based on relying on excellent directors, and it will develop evenly in film, sub-supply and adult orientation. How to make excellent animation without constraints in the existing environment full of unknown and prejudice is the main problem for Chinese animation to break stereotypes and enter the public's vision.

2.2 Analysis of characteristics of the animation industry in various countries

American animation films are almost monopolized by Disney, Pixar and DreamWorks. These three enterprises all can produce animation films independently without relying on outsourcing, which enables animation companies to maximize their revenue while ensuring the quality of animation. The subject matter of American animated films is mostly family fun, which makes their audiences more extensive. With this popular subject matter, they can have a huge market overseas.

1980The broadcast of Astro Boy marked the first animation boom, laying the foundation for relatively low cost and high output of Japanese animation. The subsequent second animation boom in the 1970s and 1980s broadened the choice of Japanese animation themes, and gained a wider audience. The broadcast of EVA in 1995 marked the beginning of the third animation boom. Up to now, depending on the animation production committee system, the problem of production funds has been solved, making Japanese animation profitable, which represents that Japanese animation officially has commercial value. Although it will make it necessary to rely on outsourcing pictures to animation studios in China, South Korea and other countries to solve the problem of insufficient

construction period leading to quality decline, it has achieved a stable output of animation every quarter, greatly improving the economic position of the animation industry in Japan. However, with the development over time, the two main bases of Japanese animation - comics and light novels have begun to be homogenized. In addition, the lack of capital investment in experimental animation may lead to the decline of quality, insufficient construction period, serious homogenization and other problems in the Japanese domestic animation market in the future. In recent years, Japanese animation is gradually getting rid of paper painting, using computer painting, and actively using 3D auxiliary pictures, which will continue to reduce the production cycle and difficulty, and obtain higher output, making it more competitive in the international market.

On the whole, Japan's animation industry is a typical model driven by comics, and in the process of its industrial development, it has gradually formed a virtuous circle of industrial models from cartoon creation - animation production - production and sales of successful animation image derivatives (video games, toys, etc.) - in-depth development and authorized expansion of animation products - new animation product development [5-8].

Although Chinese animation started very early, there was a long period of blank windows. The rapid development in recent years and the active learning from Japan made Chinese animation fewer detours and soon became one of the major countries producing animation. Due to the restrictions of policy and ideology, Chinese animation is still poor in subject matter, but the continuous improvement of production level makes it capable of producing excellent works in 2d and 3d, and works that actively cooperate with the United States, Japan and France are gradually emerging in the eyes of the public. The future of Chinese animation may be closer to Japan based on relying on excellent directors, and it will develop evenly in film, sub-supply and adult orientation. How to make excellent animation without constraints in the existing environment full of unknown and prejudice is the main problem for Chinese animation to break stereotypes and enter the public's vision.

2.3 Summary

It can be seen from the data that the global animation market is dominated by Japan and the United States, and China is catching up with the system that can refer to Japan and the United States. In the international market, American animation film has a larger market, but its overall share is declining in recent years. In contrast, the international market for Japanese animation is rising, and its economic value will surpass that of China in 2019. Although China started early in the animation field, the animation market has only started in recent years, and the income generated by the most influential animation film is not stable.

3. Conclusion

3.1 Defects in China's animation market

For Chinese animation, the biggest limitation is the lack of investment. Animation has a clear industrial chain in the United States and Japan from market research to production, distribution and broadcasting, as well as the sale of derivatives. However, there are few examples of a large amount of capital investment in animation in China, which often stagnates after the animation is broadcasted, making domestic animation not get effective monetary returns, thus leading animation companies to rely on other enterprises for investment. This, in turn, makes the content of animation creation subject to the restrictions of the investors. Animation producers cannot produce the works they want to make, which further deepens people's impression that Chinese animation is rising, but not completely rising.

3.2 Chinese animation can learn from

Technically, Chinese animation can learn from Japan in 2D and from the United States in 3D; In terms of content, we can try to make the animation that can "go out of the circle", attracting passers-by's attention and attracting more industries to cooperate with; In terms of system, a grading system should be introduced as soon as possible to determine the content that can be watched by audiences

of different ages, and appropriately relax the restrictions on subject matter to actively cultivate animation talents; In the industry, we can try to learn from Disney's completely independent animation companies from research to distribution to create excellent brands, and then drive the development of animation industry chain based on the influence of brands. On the other hand, Japan's animation production committee system has strong comparability with Japan's animation industry in terms of the investment scale of a single work, most of which are "small and medium-sized production". It is worth learning how to use limited funds to make corresponding investment to make animation that meets the public's taste.

3.3 The future of the animation industry

Looking at the world, the animation market in various countries has formed a pattern of taking the United States and Japan as the mainstream, and other countries catching up and developing 3D and 2D technology. COVID-19 has slowed the development of the global animation industry, but it still cannot make it go downhill. With the development of technology and personnel, the quality of animation will be further improved. To win more markets, there will be benign competition in animation in various countries

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