A Comparative Analysis of

Modern Hollywood Franchises in the Chinese Film Market

Cade A. Thomas

Global Communication (Fall 2018)

Dr. Juliet Evusa

Rogers State University

**Abstract**

The study is a comparative analysis of movie audiences from China and the United States. It looks at the financial and social impact of three major Hollywood franchises in the Chinese market. The three film franchises analyzed are *Transformers*, *Star Wars*, and *The Fast and the Furious*. The study will compare the audience reactions from the United States and China, taking into account the commercial reception of the franchises and studies by other researchers. These sections, paired with an in-depth historical look at Hollywood’s history in China, will attempt to give an encompassing view of the Chinese movie audience as a whole.

*Keywords:* Hollywood, China, movie franchises, film audiences, comparative analysis

**A Comparative Analysis of Modern Hollywood Franchises in the Chinese Film Market**

Many cultural differences separate American and Chinese citizens. However, there is one shared interest that has become more and more apparent over the recent decades. That shared interest is a deep love for going to the cinema. The goal of this research is to find the similarities and differences between these two massive groups of movie-goers, which have become the two largest film audiences in the world. The study is a comparative analysis of American and Chinese audience reaction to major Hollywood films. The main research question is the following: How do Chinese audiences respond to Hollywood franchises? This is a very important question in the modern age because China is now the largest foreign movie market. Furthermore, for nearly a century Hollywood has been the premier source of the world’s motion pictures. Present-day Hollywood sinks most of their money in established IP (intellectual properties) to varying degrees of success domestically and abroad. This study looks at the Hollywood franchises that succeed and fail in America versus in China.

The research begins with an extended overview of the history of Hollywood film distribution in China. Then, it goes into the current state of film distribution there. The study uses three unique Hollywood franchises as case studies, of sorts, and attempts to find distinct parallels and differences. The three movie franchises of the study’s focus are *Transformers*, *Star Wars,* and *The Fast and the Furious*. Each one will focus on an interesting aspect of the major differences between American and Chinese audiences.

**Review of Literature**

**Background**

Prior to the Communist Revolution, early American films were very popular among the Chinese people. However, once the Chinese Communist Party rose to power – creating the People’s Republic of China – in 1949 the import of foreign films immediately ceased (Jihong & Kraus, 2008). Decades later in the 1990s, China moved to a market economy. As researchers Wang Jihong and Richard Kraus stating in this 2002 historical analysis of Hollywood and China’s evolving relationship:

Economic reforms have been slow to reach the film industry … Even after Party supervision began to slacken in areas such as painting exhibitions, book and magazine publishing, drama and music, the film industry remained (along with television) unusual among the arts in being subject to pre-production censorship. (Jihong & Kraus, p. 421, 2002)

For decades in China, movie ticket sales were plunging. That was until 1994. That year, China’s Ministry of Radio, Film and Television made the decision to bring in ten popular, contemporary Hollywood films in an attempt to turn around the record box office lows (Jihong & Kraus, 2008). It was nothing short of a massive success. In November of that year, *The Fugitive* became the highest grossing movie of all-time in China, receiving a box office revenue of 25.8 million yuan, or 3.15 million in U.S. dollars (Papish, 2017a). This massive shift forever changed the course of the globalization of the American film industry and helped paved the way for more Hollywood films being screened in Chinese theaters. The effects, showcased in the box office figures from the following year, speak for themselves:

The nine American films released in 1995 represented but a tiny fraction of the 269 films screened in Beijing [China’s capital city], but accounted for an incredible 40 percent of the city’s box office revenues of $11.4 million. In 1996, foreign films accounted for roughly 40 percent of all movie ticket sales. (Jihong & Kraus, p. 424, 2008)

Over the next five years, the Chinese government moved to open their markets to more foreign trade and, in 2001, the People’s Republic of China joined the World Trade Organization to better integrate themselves in the global economic system. In 2002, the Chinese box office made a total gross of 90 million yuan ($14 million), making up roughly 2 percent of the international box office (Yin, 2016).

Over the next few years, the Chinese people continued to grow as a foreign consumer base for American movies. By 2006, statistics began to suggest “that China had become the world’s second-largest film market” only behind North America (Yin, p. 136, 2016). Flash-forward over a decade later to China today and the market is a huge contender against the American box office. As researcher Xu Song wrote in a 2018 analysis of the Chinese movie market:

China’s cinema market has been growing dramatically in recent years … Compared with the US$11.1 billion box office in North America in 2017, China’s box office reached a record of US$8.6 billion in 2017, an increase of US$2 billion from year 2016. (Song, p. 177, 2018)

Evidence of this colossal entertainment boom is most apparent in the fact that recent estimates say that over 10 new movie screens are built every single day in China (Song, 2018).

Important to understanding the relationship between Hollywood and the Chinese government are the very specific and complex rules in order to get your films shown on Chinese screens. First off, the Chinese government has a quota only permitting a semi-rigid number of foreign films into the country. From 1994 to 2002, the Chinese government limited the number of imported films to 10 per year. After entering the World Trade Organization, they increased the number to 20; then a decade later in 2012, they increased the quota to 34 films – with 14 of those being selected to have additional IMAX 3D screenings (Papish, 2017b).

Furthermore, there are three very specific paths for Hollywood films to find distribution in Chinese theatres. The most popular avenue is revenue-sharing. This means that Hollywood studios get only 25% of their film’s box office gross and, because of low net revenue in the region, many Hollywood studios partner with Chinese distribution and exhibition partners to cover the cost of taxes and promotions (Song, 2018). While the revenue studios receive through this method is much lower than virtually any other country, this is the preferred method because there is more money to be made if the film is a financial hit. This differs from the flat-fee model in which movie studios get the same rate no matter how well the film does at the box office (Shira, 2016). Movies studios have actively fought for changes to this system in order to raise their percentage of earnings at the box office, which has been met with small incremental changes over the years.

These limits on the entry of U.S. movies stems from the early criticism of Americanization from many scholars around the world and, in particular, government officials in China. The Chinese government and their ruling Community Party were strongly against the globalization – lead by American corporations with their supposed American interests – and were wary of the influence Hollywood films have had in other formerly Communist countries, however, they relented to the idea of making massive profit of the ticket sales (Jihong & Kraus, 2008). That does not mean that the Chinese government has grown any less suspicious of messages conveyed through American films and the effects they might have on the mass public. As researcher Wendy Su states in the opening of the chapter titled “The Debate about Hollywood” in her 2016 book titled *China’s Encounter with Hollywood*:

The Chinese government and the Chinese nation are always concerned about the possible erosion of national culture and national identity. This central concern is evident in China’s encounter with Hollywood and is typically reflected in the extensive debate over the symbolic meanings of Hollywood cinema. (Song, p. 45, 2016)

Many strict regulations prohibit certain subjects and themes from making their way to Chinese theaters, requiring many films to have a separate cut to pass Chinese censors. The most common reasons for films being turned down are depictions of violence, nudity, profanity, witchcraft, ghosts, homosexuality, gambling, rebellious uprisings, anti-Chinese sentiments, and other forms of general immorality (Shira, 2016). Over the years, China has gotten much more lenient on these regulations, however, some of the rules like the ones against depictions of nudity and homosexuality are still very rigid.

The Chinese government has tried to jumpstart a domestic film industry of their own. Over the past five years, many Chinese productions have done extremely well in the country’s box office, despite taking several decades to launch (Rosen, 2002). The reason for this slow growth was the huge creative and logistical constraints the Chinese Communist Party has put on domestic filmmakers (Jihong & Kraus, 2008). However, the biggest hurdles that Chinese films have in their way are multi-million dollar blockbuster films that American companies import into their theaters. In many cases, American films still manage to perform greater than Chinese domestic films. *Variety Asia* editor Patrick Frater wrote in a 2017 article:

… Chinese regulators usually manage to limit foreign films to 40% of the box office while delivering 60% to domestic titles on an annual basis. But data from Chinese consultancy EntGroup shows that in the first five months of 2017, Hollywood powered to a 51% share, while qualifying Chinese titles tumbled to 43% – even though the 26 imported films were vastly outnumbered by 125 local ones. (Frater, p. 20, 2017)

With all of that in mind, a significant number of American films make their way into Chinese theaters each year. Many of them are very popular, some not as much. As stated before, this study’s purpose is to compare the Chinese and American film audience. Since Chinese productions do not receive wide releases in American theatres, the only basis for comparison is Hollywood films. Furthermore, as the study will show, franchises are the best indicator for these cultural differences because they are the most widely distributed and promoted films that Hollywood currently produces. The study focuses on three distinct Hollywood film franchises that have had varying degrees of success both in China and the United States. Those franchises are Paramount Pictures’ *Transformers*, Walt Disney Studios’ (previously 20th Century Fox’s) *Star Wars*, and Universal Pictures’ *The Fast and the Furious*.

***Transformers***

The *Transformers* franchise is a massive film property, with the five films of the franchise make over $4 billion worldwide (IMDb). Looking at the box office returns in both the United State and China, one can the trend in both countries (Figure 1). In the U.S. domestic box office, the Michael Bay-directed franchise has had diminishing returns every film after the second movie. Meanwhile in China, the series’ box office grew exponentially every sequel until there was a slight drop-off on the fifth film. One could easily extrapolate that T*ransformers* is a franchise that American audiences have seemingly grown tired of, while continuing to be a major hit in China. The reasons behind these trends are the question.

**Figure 1.** *Transformers* Box Office Returns in U.S. & China

Michael Bay – the director of every film of this franchise – litters every film of his with American imagery, hyper-sexuality, and violent explosions, which is seemingly at odds with many of the rules the Chinese censors have in place. However, there are several other factors that make the film much more palpable for the Chinese censors to approve the film. Chiefly, the films have massive appeal in China and many of the later films – because they are co‑financed by Chinese companies – have taken place in China and featured Chinese actors. Many Hollywood franchises have started featuring the Chinese government in a positive light to have better success in the market and the *Transformers* franchise is probably the most famous example of this. In the fourth film, *Age of Extinction*, the Chinese Ministry of Defense is depicted in a good light, while also showing “the good relationship between mainland China and Hong Kong” (Song, p. 184, 2018). *Transformers: Age of Extinction* was also notable for the large amount of Chinese elements in the story. First, much of the supporting cast were notable Chinese actors, including Chinese actress Li Bingbing in a major role. Second, the entire latter half of the film took place in recognizable parts of both the cities of Beijing and Hong Kong. Third, the film contained blatant product placement of many Chinese corporations, including a Chinese bank ATM inexplicably in the middle of rural Texas. Lastly, Paramount Pictures – the film’s distributor – partnered with famous Chinese “production and promotion partners” in order to “smooth the path for the movie into China’s cinema market” (Song, pp. 185-188, 2018). All of this pandering to the Chinese audience ending up paying off for Paramount. In 2014, *Transformers: Age of Extinction* became the highest-grossing film in Chinese box office history (IMDb). This would seem to show that a good marketing campaign and a film that caters to your audience is what makes this franchise successful. However, there is little Chinese representation in any of the other *Transformers* movies and all of the films have well at the Chinese box office. The first *Transformers* was the second-highest grossing film in China – after *Titanic* – at the time of its release (IMDb). There seems to be something about the escapist nature of the *Transformers* franchise that appeals to Chinese audiences, which has inversely worn on American ones. Looking at the drop-off in ticket sales from the last film, maybe the nature of these films are wearing on Chinese audiences too.

***Star Wars***

The *Star Wars* franchise is nearly universally loved in the United States, while in China, the films are financial disasters (Figure 2). The Disney-produced films, starting with 2015’s *Star Wars: The Force Awakens*, all received an extensive promotional push in China. The film had no native Chinese lead actors, nor was the film co‑produced by a Chinese company, however, that did not stop the Walt Disney Company from going to great lengths to market this film to the Chinese public, as Xu Song recounts:

**Figure 2.** *Star Wars* Box Office Returns in U.S. & China

Disney recruited Lu Han, a well-known Chinese pop star, to hype *the Star Wars: The Force Awakens* movie in China … Even though Han did not play a role in the movie, he was hired by Disney to serve as an “honorary Jedi” ambassador to promote the movie at the marketing campaign events in China and perform the movie’s official Chinese theme song. (Song, p. 187, 2018)

In addition to that, Disney also tried to drum up publicity for the film by plastering the Great Wall of China with *Star Wars* advertising and flying 500 men in Stormtrooper costumes to stand shoulder-to-shoulder along the Wall (Song, 2018). All of this hype led to a less than desirable box office outcome, compared to the smash-hit the film was in other countries of the world. In the United States, *Star Wars: The Force Awakens* was – and continues to be – the highest grossing film of all-time and, globally, it is the third highest grossing film in history. For comparison, the film is currently ranked at 68th on China’s highest-grossing films list (IMDb). Disney’s next film – *Rogue One: A Star Wars Story* – contained two well-known Chinese actors in lead roles with Donnie Yen and Jiang Wen. However, after extensive marketing, that film performed worse than *The Force Awakens* (IMDb). Disney’s third film – *Star Wars: The Last Jedi* – continued the trend. Then, when it came to marketing the Han Solo standalone movie – titled *Solo: A Star Wars Story* in the U.S. and around the world – Disney decided to take “Star Wars” out of the title of the film and just call it: *Ranger Solo*. Even that was not enough for Chinese audiences to care about the franchise and the film made less money than any other Disney *Star Wars* movie to date (IMDb). The main reason behind this has been speculated to be a result of the fact that the original *Star Wars* films were not the cultural phenomenon that it was in the United States and other parts of the world. Released in 1977, the first *Star Wars* film landed at a time in which China’s media was closed off from the rest of the world and did not receive widespread foreign film screenings like they do today. Much of the sequel films are based on nostalgia from the past films and, when your audience does not have those memories to draw upon, the feel hallow and do not have the impact that the films have in other parts of the world. It is apparent from all the promotions that Disney’s *Star Wars* films have had in China has made the public aware of the films, however, it is also apparent that the Chinese public does not care about the franchise at all.

***The Fast and the Furious***

Lastly, *The Fast and the Furious* franchise is unique because it is a major hit in China and the United States (Figure 3). For background, *The Fast and the Furious* franchise (colloquially referred to as the *Fast & Furious* or *Fast* franchise) started as a series of films about local street racing – first in Los Angeles in *The Fast and the Furious*, then in Miami in *2 Fast 2 Furious*, and then in Tokyo in *The Fast and the Furious: Tokyo Drift* – before taking a major shift in the fourth outing. In the confusingly titled fourth film *Fast & Furious*, the franchise takes the film into straight action territory. Then, with *Fast Five*, they reinvented once again with an action/heist/globe-trotting/thriller hybrid that turned out to be a global phenomenon (IMDb). The first *Fast & Furious* film to be wide-released in China was the sixth installment, which did not do too great. However, the seventh film in the franchise became the highest-grossing Hollywood film in Chinese history (IMDb). There were several reasons that have been given for this giant leap in popularity. The promotion of the film through the film stars was a major push. The lead cast of the film flew to Beijing for a red carpet premiere to meet with fans of the franchise, which turned out to be a huge marketing success (Song, 2018). In addition, similar to the *Transformers* franchise, Universal Pictures sought out a Chinese company to partner with them to help with the Chinese market, as Xu Song states:

**Figure 3.** *Fast & Furious* Box Office Returns in U.S. & China

China Film Group, the largest state-run movie distributor in China, was a production investment partner of the Universal Pictures’ *Furious 7* and took about 10% of the film’s revenue in China. In return, *Furious 7* played on about 70% of movie screens and had more than 90,000 show times per day in China. (Xu Song, p. 188, 2018)

That record set by *Furious 7* was later broken again by the franchise’s next installment, *The Fate of the Furious*, making that film the current highest grossing Hollywood franchise in China (IMDb). This franchise is viewed by many as the height of popcorn action movies. Most of the movies’ action sequences defy logic and the laws of physics, however, the films seem to realize this and deliver on a heightened experience unlike any other film franchise today. It seems like both American and Chinese audiences have responded very well to these films and show no signs of slowing down.

**Discussion**

**Results**

Reports showed that over 1.45 billion Chinese people went to the cinema in 2017, which was a 15% increase over the previous year (Song, 2018). This is a massive growing audience that is full of active moviegoers. It is important to attempt to understand what this large viewing block wants in their entertainment. Most of Hollywood imports to China are major blockbusters based on existing intellectual properties, which has led to some researchers asking if that is what Chinese audiences demand. The answer seems to be yes. The box office hits seem to suggest the Chinese public enjoys major blockbusters sequels. In addition to this, researchers Fiona Sussan and Ravi Chinta conducted an extensive survey with American and Chinese film consumers and found that both audiences were more satisfied with sequels to blockbusters than blockbusters not part of an existing franchise (2016). Furthermore, the conclusion to their study was as follows:

Stemming from cultural differences, the divergence of satisfaction, with Chinese audiences rating the same movies much higher than audiences in the U.S., while audiences within the U.S. are more varied in their rating than those in China. (Sussan & Chinta, p. 42, 2016)

In short, the Chinese participants generally rated all movies consistently high, while the Americans’ ratings varied heavily apart from each other and from film to film.

Furthermore, the effects of the growing Chinese audience could greatly alter what Hollywood produces. In a capitalist culture that America has, cutting cuts is a high priory. It is quite possible that Hollywood will (arguably that have already) begin to alter their films from the early stages of production to pass Chinese censors in order to have the same cut of the film across the globe. Right now, different countries with different sensibilities receive different cuts of Hollywood films that removes scenes (often violent material). If that were to change, it would render the content of our films to be homogenous and not reflect the differences of cultures.

**Limitations**

There were some limitations in my research that are important to note. I am not the one who conducted the primary research on the subject. For the most part, since this is primarily a literature review with comparative analysis, I compiled information from several different sources. The claims and results found cannot be generalized. Furthermore, there are little to no major “film critics” or critical aggregators – like Metacritic or Rotten Tomatoes - in China, so it is hard to gauge the cultural divide in film criticism between China and Western society. It would have been great to include a consensus of judgments on the quality of the selected film franchises from the perspectives of both cultures and see the differences and similarities there.

**Conclusion**

In short, it is important to take into account the long history of Hollywood film distribution in the People’s Republic of China in order to understand how they both got to the point that they are currently at. As far as the movie franchises discussed in the study, it is this researcher’s opinion that *Transformers* is successful in China due to its incorporation of Chinese culture in one of the most expensive popcorn film franchises, which was new to the people of China. *Star Wars* continues to be a failure in China, because they never had the connection to the original films and, thus, cannot capture the feeling of nostalgia or have the deep knowledge of the fictional world that other parts of the world have. Lastly, the *Fast & Furious* franchise is a global franchise that has success in China, like other parts of the world, because it is inherently the reason why anyone goes to the movies: to escape the world are us.

To answer the research question: Chinese audiences respond to Hollywood franchises very well, as long as they feel – as Americans have always felt since the beginning of cinema – that they are included in the narrative.

**References**

Frater, P. (2017). Hollywood Muscle Props China’s Summer Box Office. *Variety*, *336*(14), 20.

IMDb. (2018, November). Box Office Mojo. Retrieved from https://www.boxofficemojo.com/

Jihong, W., & Kraus, R. (2002). Hollywood and China as Adversaries and Allies. *Pacific Affairs,* *75*(3), 419-434.

Lee, F. L. F. (2008). Hollywood Movies in East Asia: Examining Cultural Discount and Performance Predictability at the Box Office. *Asian Journal of Communication*, *18*(2), 117–136.

Papish, J. (2017a, February 8). China's All-time Highest Grossing Imported Films. Retrieved from http://chinafilminsider.com/chinas-time-highest-grossing-imports/

Papish, J. (2017b, March 7). Foreign Films in China: How Does it Work? Retrieved from http://chinafilminsider.com/foreign-films-in-china-how-does-it-work/

Rosen, S. (2003). China Goes Hollywood. *Foreign Policy,* (134), 94-98.

Shira, D. (2015). Navigating Restriction in China’s Film Industry. Retrieved from http://www.china-briefing.com/news/navigating-restrictions-in-chinas-film-industry/

Song, X. (2018). Hollywood movies and China: Analysis of Hollywood Globalization and Relationship Management in China’s Cinema Market. *Global Media and China*, *3*(3), 177–194.

Su, W. (2016). *China’s Encounter with Global Hollywood : Cultural Policy and the Film Industry, 1994-2013*. Lexington, KY: The University Press of Kentucky.

Sussan, F., & Chinta, R. (2016). Converging and Diverging Forces on Customer Satisfaction: Comparative Empirical Analysis of Hollywood Movies in the U.S. and China. *SAM Advanced Management Journal (07497075)*, *81*(2), 31–44.

Yin, Y. (2016). Cinema, China. In J. A. Murray & K. M. Nadeau (Eds.), *Pop Culture in Asia and Oceania: Entertainment and Society around the World* (pp. 136-138). Santa Barbara, CA: ABC-CLIO.

**Appendix**

List of live-action, theatrical films in the *Transformers* franchise (by release date):

* *Transformers*, dir. Michael Bay (2007)
* *Transformers: Revenge of the Fallen*, dir. Michael Bay(2009)
* *Transformers: Dark of the Moon*, dir. Michael Bay(2011)
* *Transformers: Age of Extinction*, dir. Michael Bay(2014)
* *Transformers: The Last Knight*, dir. Michael Bay(2017)

List of live-action, theatrical films in the *Star Wars* franchise (by release date):

* *Star Wars*, dir. George Lucas(1977)
* *The Empire Strike Back*, dir. Irvin Kershner(1980)
* *Return of the Jedi*, dir. Richard Marquand (1983)
* *Star Wars: Episode I – The Phantom Menace*, dir. George Lucas(1999)
* *Star Wars: Episode II – Attack of the Clones*, dir. George Lucas(2002)
* *Star Wars: Episode III – Revenge of the Sith*, dir. George Lucas(2005)
* *Star Wars: The Force Awakens*, dir. J.J. Abrams(2015)
* *Rogue One: A Star Wars Story*, dir. Gareth Edwards(2016)
* *Star Wars: The Last Jedi*, dir. Rian Johnson(2017)
* *Solo: A Star Wars Story*, dir. Ron Howard(2018)

List of live-action, theatrical films in the *Fast & Furious* franchise (by release date):

* *The Fast and the Furious*, dir. Rob Cohen(2001)
* *2 Fast 2 Furious*, dir. John Singleton (2003)
* *The Fast and the Furious: Tokyo Drift*, dir. Justin Lin(2006)
* *Fast & Furious*, dir. Justin Lin(2009)
* *Fast Five*, dir. Justin Lin(2011)
* *Fast & Furious 6*, dir. Justin Lin(2013)
* *Furious 7*, dir. James Wan(2015)
* *The Fate of the Furious*, dir. F. Gary Gray (2017)