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Studying the role of globalization in the American and Chinese film industry: A cross-cultural management perspective

Rola globalizacji w amerykańskim i chińskim przemyśle filmowym. Perspektywa zarządzania międzykulturowego

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Abstract

The main aim of this paper was to compare, analyse and evaluate the globalization process on both film industries by assessing the success of foreign blockbusters, in this case, Marvel films, in the Chinese market in order to check the hypothesis that has been formulated at the beginning. All of the information gathered allowed conclusions to be drawn.

Keywords: globalization, film industry, Marvel movies

Streszczenie

Głównym celem artykułu było porównanie, analiza i ocena procesu globalizacji w obu branżach filmowych poprzez ocenę sukcesu zagranicznych hitów kinowych, w tym przypadku filmów Marvela, na chińskim rynku w celu sprawdzenia hipotezy sformułowanej na początek. Wszystkie zebrane informacje pozwoliły na wyciągnięcie wniosków.

Słowa kluczowe: globalizacja, branża filmowa, filmy Marvela

Introduction

Globalization is a catalyst and a core foundation of the way the world has been shaping since the emergence of the Internet, which propelled the creation of thin invisible and interdependent lines that form a network of connections between the world's most remote places. Owing to globalization, the film market has been reconstructed affecting distribution, production and consumption patterns. It has facilitated international collaborations, maximized revenues, changed the distribution channels to streaming services and reduced theatre tickets sales. Alongside these changes, two most prominent industries have been fighting for dominance in the global film market – Hollywood and 'Chinawood' (Chinese film industry). The relevance of those two industries on the international arena is indisputable. The first one being considered the birthplace of cinema, the latter an ideal business partner with great market potential. However, both industries, despite their participation in the globalized world, have been built with distinctive orientations – America propagating capitalism and Americanization, while China – foregrounding communism, Marxism, Confucianism and collectivism. All these ingredients present a picture of the complex relationships and challenges that both industries must face in order to penetrate markets and maximize revenues.

The Chinese film industry

Right now, China is one of the key economic superpowers in the world. For the second year in a row, it is the leader in the global film industry market with \$7.4 billion in box office revenue.¹ For many years artists have been limited in terms of their self-expression and have been confined to produce products aligned to the canon established by the Chinese Communist Party (CCP). This canon is constituted by adherence to communism, later Maoism – the ideology implemented by Mao Zedong that highlighted anti-western thoughts, and the fight against elite dominance² and Confucianism – the most famous philosophy that propagated social hierarchy which has become a core foundation of East Asian societies³. In addition, collectivism – affects the self-concept of the society, specific forms of relationships – privileging group activity; conformity, and a particular understanding of mental health – a taboo topic⁴ are strongly ingrained within society in China.

These characteristics contribute to China being less concerned about privacy, censorship, and human rights than other countries. The omnipresent invigilation and technology control allows the government to promote conformity, governmental virtues as well as to demonize Western influence on Chinese society. Hence, foreign social media platforms

¹ L.L. Lin, *Film Industry in China – statistics & facts*, <https://www.statista.com/topics/5776/film-industry-in-china/> [access: 11.07.2022].

² *Maoism*, <https://www.britannica.com/topic/Maoism> [access: 11.07.2022].

³ *Confucius*, <https://plato.stanford.edu/entries/confucius/> [access: 10.07.2022].

⁴ C. Nickerson, *Understanding collectivist cultures*, www.simplypsychology.org/what-are-collectivistic-cultures.html [access: 10.07.2022].

are non-existent there. Moreover, these features are present in the way the film industry operates. It is controlled by the State Council, which controls distribution, import and export laws. The special delegated organ the Administrative Department of Radio, Film and Television of the State Council regulates the film-making processes, as well as collaboration with foreign film companies. Unfortunately, it means that foreign entities are required to obey the rules set out by the People's Republic of China. If a movie is a danger to the idea of unity, the security of the state, national unity, and includes violence, obscenity, it can be quickly rejected or banned. That is why, only 34 foreign movies are allowed to be screened in China each year⁵.

On the other hand, scepticism towards western values is deeply rooted in China. Difficulties with market access, including the lack of streaming services, and the constraints placed on storytelling due to several themes such as homosexuality, sexual abuse, violence, drug and human trafficking being closely controlled, limits China's attractiveness to potential collaborators. This cultural side of globalization has been unfortunately omitted despite the young generation wishing to engage with that topic. Moreover, Hollywood's hunger for domination on the Chinese film market pushed them to adhere to Chinese censorship rules – in *Venom* (2018) Tom Hardy uses a Chinese app, or casting Fan Bingbing in *The 355* (2022).

The American film industry

The first thing that comes to mind whenever the word 'Hollywood' is heard is domination, glitter, fame, a mine of money and talent. These are probably the most accurate associations with the American film industry, which is why there is a fierce opposition to the Chinese film industry. Capitalism's main purpose is profitability. This has both positive and negative aspects. The more audiences a film production is able to attract, the more financial gains it is able to generate. Films such as *Fast and Furious*⁶ propagate American values in several ways – through production (shooting takes place at different locations all around the world), employment practices (hiring skilled workers from poorer countries⁷), creating new jobs openings including non-obvious positions such as food stylist, intimacy coordinator, or baby wrangler⁸; and via the existence of competition⁹.

When it comes to the American presence in the Chinese film industry the relationship between those two countries is highly strained. The growing tensions and resentments towards American values correspond to the obstacles that Hollywood encounters while importing its products to China – stricter censorship rules. However, thanks to this Holly-

⁵ R. McCall, *China's Film Industry: Strategic Opportunities*, n.d., <https://www.china-briefing.com/news/chinas-film-industry-strategic-opportunities/> [access: 10.07.2022].

⁶ C. Wedler, *Hollywood's Economics Are Impressively Capitalistic Despite Its Politics*, n.d., <https://fee.org/articles/hollywood-s-economics-are-impressively-capitalistic-despite-its-politics/> [access: 10.07.2022].

⁷ *Ibidem*.

⁸ A. Grauso, *7 Extremely Weird Jobs On Movie Sets (That Are Crazy Important)*, n.d., <https://atomtickets.com/movie-news/weird-jobs-on-movie-sets/> [access: 11.07.2022].

⁹ C. Wedler, *Hollywood's...*, op.cit.

wood gains revenues, while China's soft power is manifested in films such as *The Mummy: Tomb of the Dragon Emperor* (2008), *Iron Man 3* (2013), *Transformers 4* (2014), and *Kung Fu Panda 3* (2016) or *The Great Wall* (2016)¹⁰.

Undoubtedly, the role that globalization has played in Hollywood's expansion is significant. It propelled the processes of denationalization, consumerism and homogenization and has promoted multicultural diversity, self-identification, and economic opportunities for Hollywood's global penetration¹¹. Thanks to globalization, almost every film production process is controlled by the big American studios. Movies are being shot without any national and cultural barriers – creating American productions with international casts. This results in increased revenues and decreased production costs. Capitalist ideology reverberates across most of Hollywood's products. The vertical and horizontal integration of distribution channels and exhibitions is controlled by the American film industry in most of the cases. However, China is resistant to the changes that Hollywood wants to impose¹².

Marvel Cinematic Universe in China

One of the more spectacular universes ever created is the Marvel Cinematic Universe (MCU). So far, 23 movies have been produced. These films have been some of the most lucrative box office hits. Several A-list celebrities have been hired and the franchise has best-selling merchandise. Kevin Feige contributed to the popularity of this immense household name. This company is one of the few that achieved success in China.

Due to the fact that both film industries are based on distinct political, historical and cultural backgrounds, Marvel has to adjust its penetration strategies accordingly. It uses an unknown cast as different spectrums of expertise allows directors to emphasise other ideas, it fosters stability by mixing unknown cast with more established figures; it encourages differentiation by not sticking to previously successful ingredients¹³; licensing. These strategies contributed to the success of Chinese box office hits such as *Avengers: Endgame* which earned 4.3 billion RMB (\$629.1 million)¹⁴. This proves that China has been an overseas partner necessary for MCU's success. The number of moviegoers is still increasing in China. *Avengers: Endgame*, sold the \$82 million worth of tickets in China in the first six hours; while in-home streaming services are mostly chosen by the Americans on their domestic markets¹⁵.

¹⁰ A. Kokas, *Hollywood Made in China*, University of California Press, 2017, pp. 2–3

¹¹ X. Song, *Hollywood movies and China: Analysis of Hollywood globalization and relationship management in China's cinema market*, "Global Media and China" 2018, Vol. 3(3), p. 179.

¹² *Ibidem*.

¹³ S. Harrison, A. Carlsen, M. Škerlavaj, *Marvel's Blockbuster Machine*, n.d., <https://hbr.org/2019/07/marvels-blockbuster-machine> [access: 10.07.2022].

¹⁴ L.L. Lin, *Film Industry in China – statistics & facts*, n.d., <https://www.statista.com/topics/5776/film-industry-in-china/> [access: 11.07.2022].

¹⁵ S. MK, *Avengers: Endgame – Why China is a significant market for Marvel film to unseat Avatar's all-time record*, n.d., <https://www.firstpost.com/entertainment/avengers-endgame-why-china-is-a-significant-market-for-marvel-film-to-unseat-avatars-all-time-record-6505811.html> [access: 10.07.2022].

The reason why Chinese Marvel's fanbase reaches 5.79 million on Weibo¹⁶ is that Marvel makes every effort to attract potential customers by altering their movies so that they appear more attractive for the CCP and Chinese society. In *Iron Man 3* (2013) Wang Xueqi portrays a surgeon that operates on Tony Stark; in *Dr. Strange* (2016) a temple was relocated from Tibet to Nepal, and the origin of the Ancient One was changed to a white person (Tilda Swinton)¹⁷. Additionally, Marvel is organizing its movie premieres in China – in 2016, Chris Evans, Sebastian Stan and Anthony Mackie participated in the Beijing premiere of *Captain America: Civil War*.

However, the backlash of Marvel's dominance appeared with *Shang-Chi: The Legend of the Ten Rings* (2021) that has been accused of ignoring Chinese national pride, and propagating Asian stereotypes¹⁸. At the first glance, the movie has everything – the Asian superhero, the storyline, fully Asian cast. Unfortunately, the weak research and preparation led to an enormous failure. The movie has been compared to the 'Chinese food' served in America. It apparently looks like Chinese but has nothing to do with the true Chinese spirit at all¹⁹. This demonstrates contradictions existing in Marvel – on the one hand, understanding, market penetration, capitalization, and submission associated with lost freedom under censorship, and on the other hand, the excessive capitalism, misinformation and numerous stereotypes²⁰.

Conclusions

As has been presented above, globalization has an impact on the development of today's world, including film industry. It changes film operations by extending them into the global context – international casts, overseas shooting, as well as bigger financial possibilities. The two countries that emerged on the global film arena, apart from Bollywood, have been Hollywood and 'Chinawood'. Different cultural and political backgrounds underpin the distinctive form of running a business and the conditions that both countries have to abide by. The aim of this paper was to compare, analyse and evaluate the globalization process on both film industries by analysing the success of foreign blockbusters in the Chinese market using the example of Marvel films.

¹⁶ R. Davis, *How the Avengers Became Such a Marvel in China*, n.d., <https://variety.com/2019/film/news/avengers-endgame-marvel-universe-china-box-office-1203197686/> [access: 10.07.2022].

¹⁷ R. Fink, *China and the MCU's Long Complicated History*, n.d., <https://movieweb.com/chinese-censorship-in-the-mcu/> [access: 10.07.2022].

¹⁸ J. Bisset, *Marvel is censoring films for China, and you probably didn't even notice*, n.d., <https://www.cnet.com/culture/entertainment/features/marvel-is-censoring-films-for-china-and-you-probably-didnt-even-notice/> [access: 10.07.2022].

¹⁹ W. Yu, *Marvel's first Asian superhero fails to win Chinese audiences' hearts, showing that even kungfu cannot save a movie full of Western stereotypes about China*, n.d., <https://www.globaltimes.cn/page/202111/1239231.shtml> [access: 10.07.2022].

²⁰ Q. Song, *The Failure of Shang-Chi in China: The Role of Politics and Media in Worldwide Film Distribution*, n.d., <https://medium.com/writ-150-at-usc-fall-2020/the-failure-of-shang-chi-in-china-the-role-of-politics-and-media-in-worldwide-film-distribution-4290d3bac6a4> [access: 10.07.2022].

Globalization has been a catalyst for the development of both industries by opening international markets for business. Through cultural and political exchanges, America and China have gained new potential partners and opportunities, including the establishment of Sino-US relationships. Americanization propelled the domination of Hollywood as well as creating the ‘American Dream’ coveted by several communities across the world.

The distinctive foundations of both film industries make them polar opposites, which can sometimes translate to the conflicts that are visible in the case of Marvel, as well. The company is a household name and has been quite successfully breaking the tough code of Chinese censorship. Several Marvel productions’ box office hits exceeded \$1 billion. However, the relationship between the company and China has become strained due to the 2021’s film *Shang Chi The Legend of the Ten Rings* that has been banned not only by Chinese censors but by Chinese audiences as well. The reason for that is that Marvel has been accused of propagating Asian stereotypes and being hurtful towards Chinese national pride. Nevertheless, both parties portray extremes in their activities – Marvel engages in too much capitalistic thinking which sometimes corresponds to the poor research, while Chinese exaggerated resentment towards Western products led to the collapse of the relationship between China and America.

The lesson derived from this is that globalization has been paramount in the development of both film industries, especially in regards to the Sino-US film relationship, which has been confirmed by the Marvel Cinematic Universe. However, in the case of Marvel globalization has not entirely worked in the company’s favour. The question that remains is to which extent *Shang Chi The Legend of the Ten Rings*’s backlash will affect Marvel’s future and whether or not Kevin Feige is going to save the day.

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