

Promotion of the Marketization of Cultural Content in Accordance With Local Conditions

Taking the Status Quo Investigation and Countermeasure Suggestions of Shanghai Cultural Industry Development as an Example

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ABSTRACT

This article first summarizes the two classic models of market-led and government-led management of cultural industries, and distinguishes the different situations of cultural industries in different cities in China. Secondly, this article uses the SWOT (strengths, weaknesses, opportunities and threats) Analysis Model to analyze the advantages, disadvantages, opportunities and challenges of the development of Shanghai's cultural industry based on the current situation investigation and countermeasures of the development of Shanghai's cultural industry. Finally, this article proposes countermeasures and suggestions for the development of Shanghai's cultural industry in three aspects: clearing positioning, strengthening supervision, and promoting marketization.

Keywords: cultural industry, Shanghai, SWOT (strengths, weaknesses, opportunities and threats) model, status quo investigation, countermeasures and suggestions

I. INTRODUCTION

Culture is a symbol of the country's soft power. The revolutionary culture, excellent traditional culture, and advanced social culture accumulated since the development of the Chinese nation's five thousand years of civilization represent the unique spiritual banner of the Chinese nation. Since the beginning of the new century, the promotion of traditional culture is no longer just to impart knowledge related to traditional culture through books and education. The development of the Internet has made the practice of cultural communication more diversified: we-media such as official accounts, Weibo, Douyin, and Kuaishou have promoted the depth and breadth of cultural communication.

The subject matter of culture is also more diverse. New-age cultures such as animation, e-sports, and virtual reality (VR) experience are being integrated into people's lives. New culture has a large audience among young people. How contemporary China accepts new culture and inherits traditional culture has become an important topic.

Since the 20th century, the process of industrialization and marketization of cultural content has been continuously advancing. Through commercial operations, making good cultural content popular in the

market and realizing the unification of social and commercial values is the current mainstream cultural promotion model. The United States, France, Japan, South Korea and other countries have become more mature in the marketization of cultural content. However, the degree of marketization of China's cultural industry is not enough. For a long time, the cultural industry has overly relied on government support and lacks self-profitability. Against the background of multi-cultural and multi-dissemination content, how to coordinate the relationship between new culture and traditional culture and promote the marketization of cultural content in China is a problem that needs to be solved urgently. Therefore, this article explores the cultural industry management model and takes the development of Shanghai's cultural industry as an example to analyze the path of cultural industry transformation and structural optimization.

II. EXPLORATION OF THE MANAGEMENT MODEL OF CHINESE CULTURAL INDUSTRY

Market and planning are eternal points of contention in economics. The market-led model and the government-led models are two classic cultural industry management models. The United States and Japan are respectively successful representative cases of using the two models.

A. Market-led model

The United States (U.S.) has the most developed cultural industry system in the world. Hollywood, Disney, and jazz cowboys that people are familiar with are all classic cultural content promotion of America. The U.S. government has not set up a department specifically to supervise the cultural industry, and free market principles guide the development of cultural enterprises. Various cultural enterprises are relatively independent and have a high degree of freedom in content creation; they are financially responsible for their own profits and losses, and financial subsidies are less.

Relatively loose policy conditions have given a lot of room for the emergence of emerging cultures, and small companies with precise positioning can enter the market because of a certain audience and achieve profitability. The market-oriented cultural industry management model is conducive to the development of popular culture and promotes the general promotion of new cultural content.

B. Government-led model

Since the beginning of the new century, Japan has implemented its "culture orientated national development" strategy, and the cultural tourism industry has continued to develop in recent years. The Japanese government has set up the Ministry of Economy, Trade and Industry and the Ministry of Education, Culture, Sports, Science and Technology to conduct cultural industry management, and the internal responsibilities of the departments are clear. In order to promote the development of the cultural industry, the Japanese government has given special protection to cultural enterprises from multiple perspectives such as policies and laws.

In terms of policies, cultural enterprises can obtain certain tax reductions, and at the same time, they can apply for different levels of government subsidies according to the types of cultural content. In terms of laws and regulations, Japan has promulgated policies and regulations involving copyright, intellectual property rights, art revival, etc. The laws and regulations are highly time-effective and efficient: After the policies and regulations are issued, local governments at all levels have specific and clear measures to implement various policies and regulations.

III. CHINA'S MAIN CULTURAL INDUSTRY MANAGEMENT CONDITION

A. Cities with strong cultural foundations

The management of the Chinese domestic cultural industry needs to choose the management model of the cultural industry according to the cultural

characteristics and economic conditions of different places. The first type is represented by Beijing, which has more traditional cultural heritage and more diverse traditional cultural content. This type of cities also includes Shenyang, Xi'an, Luoyang, etc. Cities with good cultural foundations of this type should make use of their traditional cultural accumulation, integrate cultural resources, and absorb new cultures on the premise of giving full play to their original comparative advantages.

Beijing actively integrates cultural resources and cultivates brands with market competitiveness. At the same time, Beijing uses its urban resources to provide cultural enterprises with sufficient development opportunities through the hosting of the Beijing Olympics. The Olympics have a significant effect. The combination of traditional Chinese culture and Olympic sports culture is a model of formal acceptance of new culture on the basis of tradition.

B. Cities with rapid economic development

Modern cities represented by cities such as Shanghai, Shenzhen and Chengdu have different cultural industry structures from traditional cultural ancient capitals. New cultural industries such as film and television, animation, e-sports, new media, and rap have gradually become the city's cultural business cards. For this type of city, how to promote the popularization and universalization of emerging culture, expand the audience on the basis of stabilizing the original audience group, and attract the consumption of cultural content is the top priority.

Shanghai has the urban characteristics of being tolerant to diversity, and the relaxed talent policies allow cultural talents from all aspects to cross and collide, providing ample space for the creation of cultural content. At the same time, as China's financial center, Shanghai's good financing environment has developed rapidly for cultural and creative enterprises with a certain market.

C. Cities where the cultural industry is in its infancy

Compared with ancient capitals with cultural backgrounds and emerging cities with market backgrounds, the cultural development of cities with weaker cultural industry market foundations requires more guidance and intervention by government policies. For example, in Guangzhou, the cultural industry is still in its infancy, and the integration of the cultural industry is not high. There is a significant gap between Guangzhou and Beijing and Shanghai.

Therefore, the Guangzhou Municipal Government has formulated a special support plan for the cultural industry, reorganized capital, and established a cultural industry fund and a special fund management

institution. At the same time, the Guangzhou Municipal Government has stepped up efforts to cultivate the cultural market, regulating the order of the cultural market from three aspects: access mechanism, factor market, and cultural intermediary institutions, so as to provide a fairer market competition environment for cultural and creative enterprises.

IV. SWOT ANALYSIS OF THE DEVELOPMENT MODEL OF SHANGHAI CULTURAL INDUSTRY

The total scale of Shanghai's cultural industry has remained stable, and the "Several Opinions on

Accelerating the Innovative Development of the City's Cultural and Creative Industries" have been continuously implemented, and new development concepts have been implemented. Shanghai is steadily advancing its goal of building a global film and television production center, an art trading center, an Asian capital of performing arts, and a global e-sports capital of "two centers and two capitals". In 2018, the added value of Shanghai's cultural industry was 219.308 billion yuan, accounting for 6.09% of Shanghai's GDP. As one of the pillar industries of Shanghai's economy, the industrial structure is continuously optimized during adjustment.

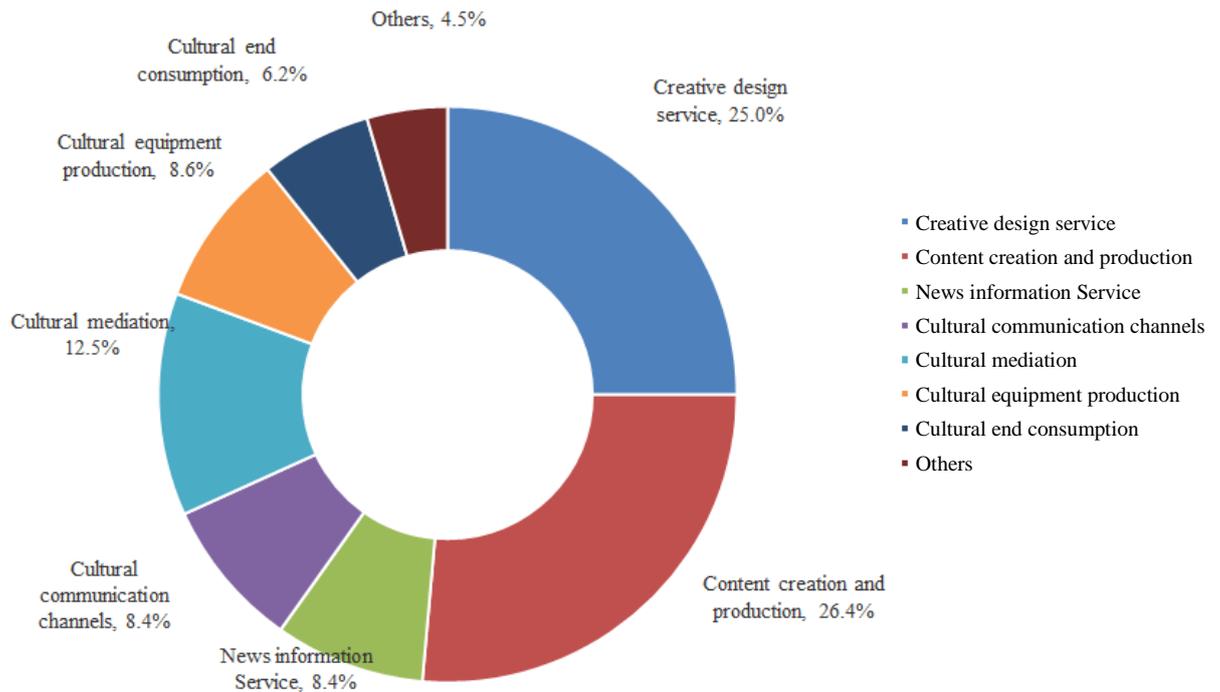


Fig. 1. Proportion of added value of major industries in Shanghai's cultural industry.

As shown in "Fig. 1", the regional characteristics of Shanghai are obvious: cultural content creation and creative design together accounted for more than half of the added value of Shanghai's cultural industry in 2018. The content service industry, which focuses on publishing services, radio and film production, creative performance services, digital content services, and artwork processing, is the main force of Shanghai's cultural industry. The transformation and upgrading of traditional industries such as publishing, film and television, and news under the Internet is fast and stable. The construction of the Shanghai International Film and Television Creation Center is progressing in an orderly manner.

The continuous development of creative design focuses on advertising content and design services. Relying on the creative design parks of universities

such as Tongji and Donghua, design talents from all over the world learn from each other and promote the vigorous development of Shanghai's design industry. New communication channels such as Internet cultural entertainment platforms and cultural content platforms also provide important communication carriers for the development of emerging industries.

The new culture wins new audiences, and the new models bring new growth. Focusing on the goal of establishing a global e-sports capital, Shanghai has been deeply involved in the e-sports industry. Up to now, more than 80% of Chinese e-sports companies, clubs, teams and live broadcast platforms have been concentrated in Shanghai. More than 40% of the more than 500 influential e-sports events nationwide are held in Shanghai each year. Supporting policies for the e-sports industry have been continuously improved, and

the "Several Opinions on Promoting the Healthy Development of Shanghai's E-sports Industry" proposes 20 measures in nine sectors to improve research and development capabilities and build a competition system. E-sports industry standards have been strengthened, and the "E-sports Stadium Construction Standards", "E-sports Stadium Operation Service Specifications", "E-sports Web Live Standards" and the e-sports player registration system have been gradually implemented.

A. Strengths (S)

First, Shanghai's core cultural industry has developed steadily and strongly. The film and television performing arts business is bursting with vitality. The film and television industry continues to expand. In 2019, a total of 169 films were filed in Shanghai, and 102 films were produced. Domestically produced films with good social response such as "So Long, My Son", "The Climbers", "Dying to Survive" are all "Made in Shanghai". Shanghai's film industry system has basically been established. Zhejiang Huace Film & Tv Co., Ltd. has joined hands with fund companies to build the Yangtze River Delta Film and Television Industry Fund, and various film and television base projects have made phased progress. The extension business of the film industry, including the construction of film and television parks and film and television museums, is developing well.

Regarding the art industry, Shanghai has actively promoted Sino-Western cooperation with the goal of "Asia's Performing Arts Capital" and used new art forms to tell Chinese stories well. In 2019, 67 playhouses of 49 theaters in Shanghai including Shanghai Grand Theater, SAIC (Shanghai Automotive Industry Corporation) and Shanghai Cultural Plaza completed a total of 8,820 performances, an increase of 12.6% over the previous year. At the same time, the art trading market is mature, and the "Shanghai International Art Trading Center" was established to subsidize and reward art trading institutions and encourage international art exhibitions and transactions.

Second, the emerging cultural industries represented by animation games and online culture are developing vigorously, seeking progress while maintaining stability. In 2019, the operating income of Shanghai's online publishing industry reached 123.75 billion yuan, a year-on-year increase of 13.9%, of which online games were 80.2 billion yuan, a year-on-year increase of 13.2%, accounting for more than 30% of China. The world's top game developer and electronic economy operator Riot Games has decided to locate its Asia-Pacific headquarters in Shanghai to help Shanghai become the capital of e-sports. Internet culture is developing rapidly. Relying on Shanghai's abundant talent pool, industrial technology accumulation, and

cultural accumulation, the market represented by Bilibili and PP video has further expanded. Audio companies such as Himalaya and Dragonfly FM are valued at more than 10 billion yuan, and the original brand Xiaoguo Entertainment has produced "Roast" and other high-quality online programs that are popular among the public.

Third, the unique advantages of the financial environment help the development of cultural industries. For Shanghai's cultural and creative enterprises, cultural and financial cooperation channels are gradually expanding. The "Shanghai Cultural and Creative Financial Service Platform" has gathered a variety of financial institutions to launch cultural and creative financial service products. The staged results of the platform are remarkable: more than 4,700 companies have settled on the platform. At the same time, cultural industry financing has begun to "debubble". Against the background of stricter policy and supervision, capital has further returned to rationality. This means that those good companies with real potential and market will be screened out. Companies that rely on storytelling and have no cultural content will be further eliminated by the capital market.

B. Weaknesses (W)

First, the cultural structure is dominated by emerging cultures, and the profitability of traditional cultural accumulation and traditional cultural content is not as good as Beijing and other places. Therefore, how to establish a "cultural label" that distinguishes Shanghai from other cities is a question that needs to be studied. In the "Outline of the Twelfth Five-Year Plan for Shanghai's National Economic and Social Development", the Shanghai Municipal Government proposed to strengthen the internationalization of Shanghai's cultural industry and develop a variety of new cultures and new business formats. This is a reasonable measure to increase the strengths and reduce the weaknesses based on the characteristics of the city.

Second, there is a significant gap of the cultural market system compared with American cities. The specific manifestation is that the reform of the cultural system still needs to be continued. Shanghai's cultural system reform is at the forefront of China. In the past ten years, the Shanghai Municipal Government has promoted policies to lower the entry barrier of the cultural market, abide by the laws of market operation, and improve the current system to take the road of marketization.

There are credit risks in financial and cultural cooperation, and the cultural industry has a certain Matthew effect. For small companies and small enterprises, its ability to resist risks is low, the initial investment is large, and the capital chain is difficult to turn around. How to promote social capital to enter

advantageous cultural industries, cultivate capital markets, and develop private capital is the main issue that Shanghai's cultural finance department has considered in recent years.

C. Opportunities (O)

First, Shanghai and district governments at all levels actively support the development of cultural industries in policies. Some recent favorable policies and objectives are illustrated in "Table 1" below.

TABLE I. PREFERENTIAL POLICIES FOR PROMOTING THE DEVELOPMENT OF CULTURAL INDUSTRY IN EACH DISTRICT OF SHANGHAI

Policy purpose	Issued organization	Policy name	Details
Policy guidelines	Shanghai City	"Several Opinions on Accelerating the Innovation and Development of the City's Cultural and Creative Industries"	Building "two centers and two capitals"
Maintaining the core industry advantage: film and television industry Developing in differentiated competition in various regions.	Songjiang District	"Implementation Measures on Promoting the Development of Shanghai Film and Television Industry"	Sixteen supporting measures for the film and television industry
	Yangpu District	"E-sports + Film and Television Network Audio-visual Industry Policy"	Relevant enterprises that meet the requirements can receive government subsidies
	Pudong New Area	Hundred-people Forum of China's Film and Television Post-production Industry	Providing enterprises with a business environment of "one enterprise, one policy"
Promoting a new culture: the e-sports industry The completion of the Shanghai "E-Sports Center"	Shanghai City	"Several Opinions on Promoting the Healthy Development of Shanghai's E-sports Industry"	20 initiatives in 9 major sectors.
	Jing'an District	"Strategic Cooperation Framework Agreement on Jointly Promoting the Development of E-sports Industry"	The Jing'an District Government signed the agreement with Shanghai Poster Industry Group
	Xuhui District	"Strategic Cooperation Agreement on Promoting the Construction of Shanghai West Coast E-sports Industry"	Facilitating the landing and development of the e-sports industry on the west coast of Shanghai
Implementing central policies and strengthening the supervision of the cultural industry capital market Strengthening policy support and financing assistance for SMEs (small medium enterprises)	Ministry of Culture and Tourism	"Regulations on the Administration of Comprehensive Law Enforcement in the Cultural Market (Draft for Solicitation of Comments)"	Strengthening the comprehensive law enforcement management of the cultural market and standardizing the market environment
	Shanghai City	"Implementation Plan of the Municipal Financial Work Bureau, the Shanghai Branch of the People's Bank of China, the Shanghai Banking and Insurance Regulatory Bureau, and the Shanghai Securities Regulatory Bureau on the Implementation of the Opinions of the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council on Strengthening Financial Services to Private Enterprises"	Improving the difficult situation of the capital chain of small and medium cultural enterprises, and supporting the development and maturity of small and medium enterprises through finance
	Shanghai City	"Guidelines for the Application of Financial Support Fund Projects for Promoting the Development of Cultural and Creative Industries in Shanghai in 2019"	Supporting in the categories of support under construction, industrial research, and achievement funding

Second, technological change empowers the upgrading of industries. The combination of cloud computing, blockchain, AR/VR/MR (Augmented Reality/Virtual Reality/Mixed Reality), artificial intelligence (AI) and other science and technology and cultural industries has created opportunities for the further development of cultural industries. Shanghai's major universities have a strong academic atmosphere, and the city has sufficient talent reserves. The science and technology innovation base built around universities has great potential.

Finally, as an international city, Shanghai has a vast import and export market for cultural content. In recent years, Shanghai's cultural industry has further expanded its opening up to foreign countries, making full use of the hosting of the CIIE (China International Import

Expo), the construction of pilot free trade zones, and the construction of "the Belt and Road" to accelerate the development of the cultural import and export market. In 2018, Shanghai's total import and export of cultural products and services reached 10.17 billion U.S. dollars, an increase of 11.6% year-on-year. The trade surplus continued to be maintained. The export of excellent cultural content may become an opportunity for the further development of Shanghai's cultural industry.

D. Threats (T)

The once-in-a-century novel coronavirus pneumonia epidemic has severely impacted the cultural industry. Due to restrictions on home isolation, the film and cultural tourism industries continue to be at loss. The

cultural industry is dominated by small, medium and micro enterprises, with low employee viscosity. The epidemic has caused many small and medium enterprises to go bankrupt. Film performance is the advantage and core of Shanghai's cultural industry. It is a major challenge for the Shanghai government to know the way to develop digital culture and Internet applications in cultural industries based on the actual situation of the epidemic, and to promote and restore cultural consumption to the level before the epidemic.

V. COUNTERMEASURES AND SUGGESTIONS FOR THE DEVELOPMENT OF SHANGHAI CULTURAL INDUSTRY

A. It is necessary to clear the positioning, and promote strengths and overcome weaknesses

As China's national science and technology center and an important financial and trade center, Shanghai has significant advantages in cultural financial support, internationalization, and the development of new culture. To develop regional cultural industries, it is necessary to develop core industries: performing arts, publishing, movies, etc., based on strengths and avoid weaknesses, and continue to follow up with the development of emerging industries: e-sports, comics, network culture, etc., to build "two centers and two capitals", becoming the vanguard of the development of cultural industry.

B. It is also necessary to integrate cultural industry resources and strengthen institutional supervision of cultural industry

The management system and legal planning of Shanghai's cultural industry are not yet complete. The management of cultural, tourism, publishing, radio and television departments is relatively scattered, and the cultural units for law enforcement are not clear. The development of Shanghai's cultural industry cannot be "developed before governance". It should focus on the simultaneous development of development and system establishment, establish and improve the intellectual property protection system, continuously update and develop relevant systems and regulations in the development of the cultural industry, promote the growth of excellent cultural enterprises, and effectively punish illegal acts such as piracy, infringement, and malicious money pirating.

C. It would be very important to standardize the market order of the cultural industry and promote the marketization of cultural content

With the gradual improvement of the market economy, marketization is the only way for the development of cultural industries. Mature cultural and creative enterprises must pass the test of the "invisible

hand" of the market. In the early stages of enterprise development, since China's cultural enterprises have a weaker foundation than foreign ones, the government should promote the development of small, medium and micro enterprises through preferential policies such as taxation, subsidies, and finance. However, the true growth of cultural enterprises is inseparable from the elimination mechanism of the market. Therefore, in the process of marketization of cultural content, what the government should do to guide it is by no means to help.

As a city at the forefront of Chinese marketization process, Shanghai should shoulder its responsibilities and be a pioneer in the marketization of cultural content. The Shanghai Municipal Government should continue, sustain, and actively promote the reform of the cultural system, and promptly introduce relevant policies to attract foreign companies to promote industrial development. Taking the e-sports industry as an example, the establishment of an Asia-Pacific E-sports Center in Shanghai by Riot is an important step in Shanghai's e-sports marketization.

The sudden epidemic caused a downturn in the consumer market, but it is believed that the epidemic will not fundamentally change the offline mode of the cultural industry. After the epidemic is over, how to restore cultural consumption and promote the online and offline integrated development of the cultural industry will be the focus of the future cultural industry market policy.

VI. CONCLUSION

The management of the cultural industry has government means and market means. Different regions of China should choose specific management methods and development strategies according to local conditions. As the capital of finance and technology, Shanghai has strong financial advantages and a strong reserve of relevant talents. It should give full play to its market-oriented advantages, maximize its strengths and avoid weaknesses, focus on the development of core industries such as film and television, performing arts, and publishing, and promote the vigorous development of emerging cultural industries such as the e-sports industry, comics, and online cultural media.

Combined with the characteristics of Shanghai, its cultural industry management should be market-oriented, improve market mechanisms, and strengthen the supervision of cultural industries. At the same time, the cultural industry is dominated by small, medium and micro enterprises. For small, medium and micro enterprises, the initial government guidance and assistance should be the mainstay, and special subsidies should be provided through fiscal and tax policies. After an enterprise enters a stable period, it should be tested by the market and gradually enter a mature

period. Shanghai is a city at the forefront of my Chinese marketization process. The marketization process of Shanghai's cultural content will give other cities in China a good example.

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