

The Reference Significance of Hollywood IP Exploration and Transformation

— Taking Harry Potter Series Products as an Example

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ABSTRACT

Hollywood film development and IP exploration have a century of history. Among them, Harry Potter, as a prestigious IP, has gained huge profits worldwide. The success of Harry Potter shows some strategies that can be used for reference in IP exploration, such as, based on powerful text, full platform output and copyright cooperation and protection. These also provide a reference experience for China's IP development. China's IP exploration is currently facing many difficulties. The development of China's IP should also start with strong original content, unique highlights, independence and dependence, copyright protection, etc. to tell the Chinese story well, and promote the development of the cultural industry.

Keywords: IP Industry, Harry Potter, Hollywood's IP Exploration

1. INTRODUCTION

The Hollywood film industry has a history of more than 100 years. During that time, Hollywood has gone through many transformations. Among them, the emergence and development of franchise is leading the integration of the world's film industry amalgamation. Hollywood is a comprehensive entertainment industry with movies as the main body, covering music, fashion and tourism. One of the very first of these media franchises was Felix the Cat, which was created by Oscar Messmer. At that time, the owner of the IP was the owner of the studio. This cat appeared on the drawings, cartoons and the comic books. In 1920s, it also made into toys, postcards and many other things. So that the owner of the IP got a large amount of profits from this cat. Then the Disney started to explore the development which liked today's franchises. That was the Mickey Mouse. In late 1950s and 1960s, franchising won huge popular among Hollywood companies. It also occurred in many other area such as fast food. In 1970s, there were two movies called Jaws and Star Wars. Both films proved that the films' merchandising rights could generate more money than the films themselves. And this pattern to get more profit influenced the following tens of years' development of Hollywood's studios. By now,

Hollywood has developed a complete franchise system and has many IPs with great commercial potential.

The current IP development in China is in a period of exploration. The start time is late and it has rapid development trend. China's film market is huge. Once the accumulated IP potential is released, it is bound to face a blowout development. However, the development of IP in Chinese films still faces many problems, such as excessive entertainment, poor public praise and lack of original motivation. Therefore, when facing Hollywood who has over one hundred years history, the development of Chinese IP films can learn a lot of advanced experience from Hollywood.

As one of the world's most lucrative cultural IP, Harry Potter has generated tens of billions of dollars in economic revenue, including book publishing, film and television productions, theme parks, games and other fields. According to incomplete statistics, the seven Harry Potter novels have sold 450 million copies worldwide over the past 20 years, bringing in a cumulative revenue of nearly \$8 billion. As the most successful spin-off of the Harry Potter series, the eight films produced by Warner Bros. have sold a total of \$7.8 billion at the global box office. [1] "Harry Potter" is a unique commercial miracle in the history of world fiction. "Harry Potter" is also one of the brands with the most commercial potential in the

history of literature and film. It is a model of commercial operation established on the mature mechanism. Harry Potter is not just a simple novel, but a near-perfect marketing model.

Many scholars have done a lot of research on IP exploration in China film industry and the West. They have analyzed the status quo of IP development in China and made reflections and prospects. At present, IP film develops rapidly, but it also faces many problems, especially compared with Hollywood, which has developed for more than one hundred years, Chinese IP film is facing an embarrassing situation. The IP adaptations with great fan base win the box office but lose the public praise, which clearly reflects the commodity attribute of the cultural industry [2]. Some scholars have analyzed and used the Hollywood model for reference. The thinking of IP development is deeply ingrained in the workings of contemporary Hollywood. Hollywood IP development system has a lot to learn from Chinese film IP development which is in the development spurt period. For The Chinese film industry, which is developing from the internal industrial cycle to cross-border IP development and operation by leaps and leaps, the IP thinking and operation mechanism implemented in the whole industrial chain of Hollywood films from creativity, production, distribution, marketing and derivative development is of more important reference value [3]. Some of them further elaborate on Hollywood film marketing and China IP film marketing through case studies. For example, Su Chenglin's *Film IP Re-spawn: The Self-renewal of Hollywood Commercial Films -- A Case study of *Fantastic Beasts and Where to Find Them**; Bai Xinxin's *An Analysis of the Propagation of Chinese IP animated films from the perspective of audiences -- A case study of IMDb's public comment on *White Snake: Origin and Wang Zhe's Rational Thinking of IP Network movies in the New Era -- A case study of *Chen Qingling: Living Soul* and so on.**

Based on above information, this paper chooses the Harry Potter series IP development as an example to explore the Hollywood model and its experience, to make the outlook and think on the development of Chinese IP film.

2. THE NECESSITY OF FILM IP EXPLORATION

IP films are adapted from commercially valuable IP. Through a variety of forms of IP extension, such as animation, music, mobile games and opera, the companies who own these IP will gain huge profits. It's a trend for almost every enterprise to get their own IP and develop franchises.

First, This is the inevitable result of historical development. It's hard for studios to create a popular film. They need to consider a lot of facts to meet the needs of

audience. Throughout the history of Hollywood, although there are many famous movies and brands, only certain ones stand out in each decade. For example, in 1960s, there was *Bonnie and Clyde*, in 1970s, there were *Jaws* and *Star Wars*. Once there is something loved by large amount of people, the studios will maintain this boom. So that they need to take measure to make this film's character or other things into people's daily life, such as toys, food, and masks. For companies, the more money the better. Pushing by profits, one industry gradually merge with other industries. The result is IP. And government makes laws to regulate this situation and protect the legal incoming. That's film franchises.

Second, audience also help this situation form. People prefer to choose the things they already know or like before. And they have an impulse to collect the merchandises which connect to the things they love. Similar to the fan culture economy, audience' love for certain IP creates huge business potential. For example, the Marvel Universe created by Stan Lee. Marvel has a series of films and each film connects with each other. Therefore, this pattern increases the audience loyalty. Due to this kind of loyalty, the by-products of Marvel, such as games, daily necessities and playthings, sell well.

Third, under the influence of the Internet era, IP develops more rapidly. The development of the Internet has spawned the emergence of online literature and new media platforms. The audience is no longer a single receiver, but more users with bidirectional functions. More potential IP emerged, at the same time, the user's requirements for IP development are becoming higher and higher. They want high-quality experiences, such as cultural depth and logical thinking. Therefore, IP development faces more challenges and opportunities in the new era.

It is based on these factors that the exploration of film IP is very necessary. This is conducive to analyzing the development stage of IP use, analyzing its internal and external rules, so that IP can better serve the industry. At the same time, it can observe the industrial disorder and deficiency, and effectively supervise and operate under the guidance of objective laws.

3. TAKING HARRY POTTER AS AN EXAMPLE TO ANALYZE IP TRANSFORMATION

Harry Potter is a massive novel by British author J.K. Rowling, which has been bestselling for more than 20 years. After its publication, the *Harry Potter* books attracted a global audience with their imaginative and creative contains, which are translated into 46 languages, gradually shaping a world-class IP. Hollywood's companies especially Warner Bros play an important role in this process.

Based on the text of the novel, the IP extends to movies, games, spin-off shows, and then to theme parks and spin-off sales in the physical industry. For more than 20 years, it has made huge profits and has great potential commercial value, which has attracted the attention of researchers all over the world. Therefore, in the twenty years of development, the evolution of this IP can provide a lot of research clues and enlightenment.

Here are three strategies about *Harry Potter's* marketing. And these marketing strategies show how to explore the IP effectively.

First, based on powerful text. The great success of the "Harry Potter" series of films is inseparable from the huge audience of the "Harry Potter" series of novels written by its author Catherine Rowling, and it is also inseparable from a certain era. Background and series of film creators' efforts to create a second creation of a new magical world in the film and television version of the text novel, that is, the hardship of the process of converting the "text medium" into the "movie medium" [4]. *Harry Potter* is a series of seven fantasy novels written by British author J.K. Rowling from 1997 to 2007. The first six of them take Hogwarts School of Witchcraft and Wizardry as the main stage, describing the protagonist - young wizard student Harry Potter in Hogwarts six years of learning life and adventure stories; The seventh book describes the story of Harry Potter in the Second Magical World War in search of horcruxes and destroy voldemort. This kind of grand text usually constructs a complete world view, which enables readers to enter a new world completely. And that wholeness makes you want to keep reading. Such text has a strong sense of infiltration, so it can make people "addicted" to the realization. IP development is powerful when there is a strong text behind it. Because the people who worked on the subsequent process were able to find many shining points in the native text. Therefore, the powerful text of Harry Potter gives strong support to the later development.

Second, full platform output. Compared with us film companies, China currently has a short film industry chain and relies on box office for more than 90% of its revenue. Only 30% of Hollywood's domestic and foreign box office revenue comes from TV licenses and Internet royalties [5]. The worldwide release of the film followed the worldwide release of the Harry Potter books. In addition, audiences can enjoy films not only in cinemas, but also on new media platforms such as YouTube, Google Play, Tencent and so on. This makes audience can watch Harry Potter anytime and anywhere. In addition, many Hollywood movies will be released on DVD and VCD after being shown in theaters, and then sold in retail markets such as Wal-mart, and then sold on pay-per-view and licensed to TV channels. Even the background music of many movies will form albums on music platforms. Audiences can recall the content of the whole film as long as they hear the prelude of the music, which greatly

enhances the awareness of IP. Therefore, multi-platform distribution can maximize the value of IP. This allows maximum length of IP value to be utilized.

Third, copyright cooperation and protection. Built around the ideas of the Legal Process School of legal analysis that was deeply influential in the 1950s and 1960s, this approach to copyright law treats it principally as a form of public law, wherein the advancement of the overall public welfare takes normative precedence over—and thereby motivates—the promotion of private interests, i.e., the interests of the author and of the user [6]. *Harry Potter* also relies on the significant improvement of global intellectual property awareness and the gradual improvement of intellectual property system. It is under copyright that the development of Harry Potter's IP can benefit the author and development company under the protection of the law. The norms of the industry can make the business activities orderly under the framework. For example, the *Harry Potter* movies are an Anglo-American co-production produced by Warner Brothers. The Harry Potter game called Harry Potter: Magic Awakened is developed by Chinese company Netease, which acquired the rights. All corporate development needs to be copyrighted.

To sum up, Harry Potter's IP marketing is methodical, thoughtful and protected. With strong text support, audience heat continues to pour into this IP. It is this heat that attracts development companies, sensing the commercial potential hidden beneath the text. Under the restriction of copyright laws and regulations, the company obtains the development qualification through obtaining copyright. At the same time, in order to maximize the commercial potential, multi-platform launches need to be on the agenda. In the Internet era, the sale of new media platforms has also become a key field.

4. REVELATION

With the rapid expansion of China's film market, the demand for content is increasing. In China, many IP movies come from online novels and dramas. With the powerful Internet, IP film has a high level of attention and topic. Therefore, movies already has a high popularity even they are not broadcasted. So that they can get high box office. These IP developments bring authors and investors huge commercial profits. Driven by interest, more and more developers and investors are investing in it. In addition to the film and television market, the development of IP based on the role playing games based on martial arts novels is also in full swing.

However, there are still many deficiencies in the development of IP industry in China. China's IP development started late, development imbalances, serious homogenization. The year 2014 is recognized as the "first year of IP" in China. And the Development of American Hollywood film and IP industry has already

had the embryonic form in the beginning of last century. So, it's a hundred years of experience.

The IP development of many novels appears all-round development, but the quality is uneven. Investors want to use the flow to get money quickly. A large number of products of the same type appear, without highlighting the characteristics between different texts. Fast online in a short time, when they harvest the audience funds, the movies or TV series quickly offline. Some movies or TV dramas even take advantage of the audience's psychology and curiosity to extend the performance into real life in order to continue the popularity. Subsequently, commercial cooperation with various companies to launch co-branded goods. Wait for the heat to dissipate before chasing the next hot IP.

Compared with Hollywood, China need to improve some of their tragedies about exploring IP. So that the whole industry can develop with advanced experiences.

First, based on high quality content or primitive form. Developers need to be good at digging out good original content as "roots". High quality original content can provide powerful support for subsequent spin-offs. For example, *The Wandering Earth*, released in 2019, is based on Liu Cixin's novel of the same name. Liu Cixin, the author of the novel, has published about 4 million words and won several international literary awards. As of October 17, 2021, the *Wandering Earth* is the fifth highest-grossing film of all time in China [7]. When strong text is coupled with good production, an IP spin-off film has the potential to achieve unexpected success.

Second, IP development should have its own unique bright spot. Because each IP has its own distinctive place, the monotonous marketing operation can get the audience to consume for it in a short time. But ultimately what makes IP stand out and reap long-term benefits is high-quality, unique development.

Third, there should be independence and dependence between derivative products. In the transmedia era, media convergence and multi-platform distribution have become the consensus. IP development should also adapt to the changes of the times, enhance user stickiness and obtain economic and social benefits. There should be relative independence between products. Movies, radio dramas, offline stores, theme parks, official websites, apps and mobile games should bring relatively complete experience to the audience. For example: the relative completeness of the story of the film and the creative side story of the mobile game. At the same time, there must be dependence between the products. For example, offline stores can be linked to mobile games' punched address. Hidden videos on the official website need to be shared on social media platforms before they can be viewed. QR codes on certain movie tickets can be scanned to reveal hidden game characters and the peripherals of limited edition characters. Independence can enable the audience

to obtain a relatively complete and complete experience. Dependence makes the audience gradually become sticky to the IP's entire industrial chain products, and even appear in a state of "fanatic", thereby forming a fan cluster. In the process, ordinary users will gradually evolve into regular users or even enthusiastic fans. The purchasing power of a single person is greatly enhanced. In addition, in the Internet age, this kind of linkage activities will form a topic on social media with a huge number of users, thereby attracting ordinary users again, forming a virtuous circle

Then, the construction of copyright protection and related laws. Establish and improve the legal system and issue relevant policies to effectively protect the copyright of creators. Let IP development move forward on a legal road, standardize the entire industry and promote the orderly development of the industry.

5. CONCLUSION

With the rapid development of new media today, China's IP development is facing unlimited opportunities. The IP industry can flourish only if it learns from the former experience and explores a unique path of development. Just like the Harry Potter, it has a wide range of influence and huge commercial value in the world, and it also allows the national culture to spread to the world. This is also an important step to help the development of the cultural industry and tell the Chinese story well. It is important for China to establish Chinese brands in the world's art palace, share the essence of Chinese culture with the people of the world, jointly build a community with a shared future for mankind and move towards a unified society [8].

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