



Mutual Empowerment of Arts and Commerce: A Discussion on Shaanxi Opera House's Cross-sector Collaboration and Its Exploration towards Construction of Urban Public Cultural Spaces

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Abstract. As one of the most important performing arts centers in Northwest China, Shaanxi Opera House has been playing a vibrant role in the way of running unique performances, innovative operation and promotion, as well as systematic management, etc. Thus, it is widely recognized both within and outside the industry since its founding. However, having suffered years of Covid pandemic, despite the operational pressure, Shaanxi Opera House is meanwhile looking for a new development model – Cross-sector Collaboration. It aims to go beyond the boundary of traditional theaters, and extend arts activities to urban public spaces such as commercial compounds and historical relics, so as to realize mutual empowerment of art and commerce to cope with various uncontrolled issues. Therefore, from the perspective of arts management, this article focuses on Shaanxi Opera House and studies the motivations, initiatives, achievements and inspirations of this model. Meanwhile it comes up with its own thoughts and suggestions, and provides practical guidance that can serve as a reference for the transformation and upgrading of similar institutions and the high-quality development of urban public cultural spaces.

Keywords: Shaanxi Opera House, cross-sector collaboration, mutual empowerment, public cultural spaces

1 Introduction

With urbanization advancing quickly, theaters, as cultural carriers, play a vital role in serving public cultures and meeting artistic needs of residents. Shaanxi Opera House (hereinafter referred to as "SOH"), as one of the largest international performing arts centers in Central and Western China, deserves attention for its operational model. Based on the internship experience at the User Operations Center of SOH, the author, from the perspectives of "a participant" and "an observer", studied the logic of cross-sector collaboration. The study shows that SOH's cross-sector collaboration is not only a strategy to deal with operational pressure, but also a valuable exploration

towards participating in construction of urban public cultural spaces, and reshaping the social roles of arts institutions.

2 Dilemma and the Key to Breakthrough: Motivation of SOH's Cross-sector Collaboration

2.1 Survival Challenge - Rational Economic Decision-Making under High Operating Costs

Referred to some financial data of theaters in recent years, it is known that many domestic major theaters lack in innovation and vitality due to relatively high reliance on governmental financial support. Facing this dilemma, Shanghai Oriental Art Center created a management model of separating theater ownership and management rights through initiatives, making it the first revolutionary model in domestic theater industry, which is that the government entrusts the theater management right to a professional management enterprise. According to the contracts agreed by both sides, the government does not directly participate in specific managing activities through the whole process, while the entrusted enterprise makes earnings through the theater's performances, venue leasing and other commercial activities. This is a way of zero subsidies, zero staffing quotas, and fully responsible for its own profits and losses.

^[1]As a non-profit cultural arts opera house, SOH has exactly adopted a similar mode by entrusting its operation and management right to Xi'an Aile Theater Management Co., Ltd. SOH is now having more autonomy while also facing corresponding market pressures. As the largest theater complex in Northwest China, SOH bears very high operational costs, with just annual outsourcing costs for basic services, including property management and security, already exceeding 4 million Yuan, and moreover, the personnel costs exceeding 15 million Yuan. Therefore, exploring extra revenue other than ticketing and venue leasing has become an unavoidable option to maintain SOH's operation where the cross-sector collaboration is exactly the key strategy for increasing its revenue.

2.2 Bottleneck of Development – Ossification of Audience Segments under an Elitist Image

Due to its traditional "elite" label, the audience of SOH is becoming polarized: well-educated visitors aged 40+ on one end, and youngsters under 30 on the other. However, the middle-tier, salaried workers aged 30 to 40, accounts for only a small portion of the audience. This structure has led to a sustainable development crisis and a public crisis. As an institution providing public cultural services, SOH will lose the nature of "being public" if its targeted audience remains only at a specific tier. The motivation of cross-sector collaboration is to break the cultural barriers, implant arts into ordinary people's life, reach and cultivate new audience.

2.3 Upgrading of Thoughts – Role Redefining from Culture Provider to Space Producer

Facing a dilemma, the management department of SOH realized that arts institutions should not only act as a “provider” of stage arts, but also become a “planner” of urban culture and a “producer” of new-type cultural spaces. Based on the principle of “Innovation, Co-creation and Value Sharing”, SOH positions itself as a “cultural knot” linking together every space of a city. By integrating with commerce and tourism sectors, SOH is able to generate revenue on the one hand, and create brand-new public cultural spaces on the other hand. This transformation of role is the fundamental inner drive for cross-sector innovation.

3 Brand Promotion and Innovation: Initiatives and Exploring Paths of SOH’s Cross-sector Collaboration

3.1 Barrier Breaking of Spaces – Cultural Empowerment Initiatives in Commercial Spaces

In May 2021, the 10th Xi'an Theater Festival, presented by SOH, launched the "Let Life Broaden Your Horizon" Art Experience Season in collaboration with Longfor Xi'an Xiangti Paradise Walk. This collaboration no longer used the simple "title sponsorship" model but utilized cultural merchandise and exhibitions to activate commercial spaces. Specifically, drama posters theming "Debut After Work" were exhibited in mall's atrium, launched limited-edition cultural merchandise, set up low-threshold interactive activities like a graffiti wall, and integrated the membership programs of both sides to enable mutual points benefits. To the mall, SOH's co-creation effectively upgraded the cultural image, and helped the mall stand out from the undifferentiated competition. The data showed that during collaboration, the mall's average daily visitor flow increased by around 15%, with a significant rise during weekend peak hours. This truly achieved a dual gain in both "visitor flow" and "visitor retention". To SOH, it was a nearly zero-cost and effective promotion. According to survey feedbacks, although a small portion of visitors rated these activities as “child-oriented”, 22% of general visitors - mainly families – showed interest in dramas. This successfully reached the young family demographic that had previously been difficult to engage.

3.2 Landmark Revitalization - Contemporary Arts Performing of Cultural Heritage

Well known for the rich historical resources in Xi'an, SOH has innovatively launched a "Landmark Revitalization" initiative. First, large-scale outdoor public performances have become regular. For example, free symphony concerts are held at the north square of the Giant Wild Goose Pagoda. In one single show, thousands of audiences were drawn to the site. 90 media outlets simultaneously broadcast the show, with cumulative views exceeding 15.36 million. Free ticketing has made high art more

accessible to the public. Second, it comes to the innovation of online cross-sector concerts, such as “Concert atop Mount Hua: A Sea of Clouds”. By integrating the nature landmark, its cultural connotation, and film-television IP, the first round of live streaming across all platforms achieved over 50 million views, sparking widespread attention. ^[2]This model has revitalized the historical heritage through art, and completely shattered the stereotype image of high art as “inaccessible” in public. It also highly enhanced public sense of gaining and happiness towards art, and revealed to the worlds a new image of Xi'an - integration of the past and the present.

3.3 Brand Co-creation - A Path to Value Enhancement through Deep Collaboration

As early as 2019, SOH launched a 5-year brand partnership with Buick. According to the collaboration, some world-class “Buick Master Series” performances - such as Romeo and Juliet and Rigoletto - are carried to the stage annually. In addition, 10,000 free tickets are provided each year to support the “High Art into Campus” initiative. To Buick, this deep collaboration has effectively enhanced its brand reputation by strongly linking to high art. To SOH, it has not only gained stable financial support, but also reached high-net-worth individuals with brand strength of Buick. SOH also learned precious experience of enterprise management, and completed upgrading from “transaction” to “integration”.

In addition, SOH has developed its own event brand - “Little Pleasures”, and invited enthusiasts from various fields – such as dramas, handicrafts, anime, and food - to act as speakers. Since 2020, more than 200 events have been held with over 30 thousand participants. A recent collaboration with KFC to promote the opera The Marriage of Figaro offered free tastings to attract visitors, effectively facilitating the unpopular opera ticketing, and realizing a healthy interaction of culture and consumption.

4 Outcomes and Insights: How “Mutual Empowerment” Reshape Urban Public Cultural Spaces

4.1 Resource Exchange - Exchange Mechanism for Cultural Capital and Economic Capital

Cross-sector collaboration begins based on the clear logic of resource exchange. ^[3]On one hand, SOH possesses rare cultural capital, including brand credibility, professional ability of arts innovation, artist network, and screened members of strong loyalty. On the other hand, its business partner provides economic capital and traffic entry that SOH needs urgently, including financial support, high-traffic physical spaces located at the city's core commercial area, matured marketing networks and a large database of consumers. This kind of resource exchange does not simply refer to “each takes what he needs”, but generates mutual values through innovative integration. For example, in the collaboration with Longfor Xi'an Xiangti Paradise Walk, through providing exhibiting ability and arts content, SOH transformed the

commercial space, atrium, into a temporary arts exhibition hall, while the mall provided SOH with a precise channel to reach various visitors. This is how the mutual empowerment model helped originally independent resources generate composite values.

4.2 Audience Expansion – Traffic Conversion from "Theatergoers" to "City Residents"

SOH significantly achieved audience expansion by releasing arts experiencing from traditional theaters to the daily routines of city residents. The soft integration into shopping malls helped bridge the psychological gap between high art and the general public. With membership integration, in a single quarter, SOH received more than one thousand new members that differentiate a lot from the existing membership profile, marking a successful audience expansion. Outdoor public performances even maximized the coverage of public cultural services.

4.3 Space Production – Comprehensive Conversion from Geographic Space to Valued Meanings

The cross-sector collaboration initiative launched by SOH redefined urban public cultural spaces at three dimensions. First, at the material dimension, spaces such as the mall atrium and the historical square possess commercial ability, as well as exhibiting and performing ability, which enhanced the utilization rate and the cultural volume. Second, at the symbolic dimension, the continuous enhancement of cultural value has reshaped the meaning of space, transforming the Giant Wild Goose Pagoda from a historic relic into a landmark with integration of tradition and modernity, and upgrading the commercial complex from merely a consumption venue into a space of aesthetic experiencing. At the dimension of social relations, integrating regional cultures helped the audience generate emotional resonance and sense of identity. With thousands of residents audience gathering at the square of the Giant Wild Goose Pagoda, appreciating the symphony, this space became a venue where collective memories and social identity came into being, and where the sense of urban cultural community were strengthened.

5 Replicability of Model and Challenge of Sustainability: Extended Thinking of "Mutual Empowerment"

5.1 The Key Factors of Replicability

From the perspective of replicability, SOH's success based on several replicable factors. The first factor is the ability to self-position clearly and to recognize resources. The management of SOH has a very clear recognition of its cultural capital value. For example, SOH has been working on how to maximize the commercial value and cultural resources of history from the Great Tang All Day Mall. The second

factor is the precise and ground-breaking screening mechanism and service system construction, with a complete service system being an indispensable key factor in launching the next collaboration. ^[4]The third factor is the professional ability of innovation conversion – converting art resource into cultural merchandise of various scenes, in order to adapt the atmosphere of different spaces and the acceptance habits of audience. These three factors are pillars to ensure cross-sector collaboration to be replicable and promotable.

5.2 The Inner Challenge that Sustainability Faced with

Although cross-sector collaboration has made significant achievements, how to keep it sustainable for future still poses a series of challenges. The first challenge is how to balance arts independence and commercial appeals. Theaters should be aware that over commercializing may erode arts quality and brand credibility and should maintain their dominant right of content creation and aesthetic criteria. ^[5]Second, as the public audience have more and more anticipation for innovation, the collaborated content must upgrade as necessary, so as to avoid homogenization and aesthetic fatigue. Besides, evaluation system of collaboration effectiveness is still incomplete, especially when it comes to the soft indicators of cultural programs, such as social benefits, long-term brand influence and cultural identity in public, it is difficult to evaluate these indicators with short-term data. This has increased the difficulties in decision-making and adjustment for the collaboration. Last, cross-sector collaboration has relatively strict requirements for institutions, including organizational resilience, inter-departmental collaborating, and program managing ability. For example, unlike other theaters, SOH recruits program managers who bring their own resources. This kind of collaboration has a relatively high threshold for talent reservation and inter-departmental collaborating, thus, it is important to foster complex talents with both artistic achievement and commercial insight.

6 Conclusion

Through the three models of “Barrier Breaking of Spaces, Landmark Revitalization, Brand Co-creation”, SOH successfully realized the “mutual empowerment” between arts and commerce. This innovative path has not only broadened revenue and audience for SOH, but also proactively participated in the construction of urban public cultural spaces through resource exchange, audience expansion, and space creation, and eventually created richer arts experiencing for public residents. Although SOH still needs to explore in the fields of balancing arts and commerce, innovation management, and establishing a scientific evaluation system, its experiences undoubtedly serve as useful references for similar institutions.

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