

# Research on Sino-Indian Co-production Strategy Based on Cultural Diversity

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**Abstract.** China and India are both big countries in population and film industry. Film and Television Cooperation between the two countries can promote economic and cultural development in a better direction. However, the Film and Television Cooperation between the two countries has just started and only a few Co-productions have been made in the past two years. Moreover, due to the Cultural Diversity between the two countries, especially India, it is a typical country that integrates its Cultural Diversity into the film industry. Therefore, the Co-productions of China and India should present the flexible nature of the two-wheel operation. With the policy guidance of "One Belt And One Road" and "Action To The East", China and India carry out cooperation. On the one hand, based on the diversity of cultural resources, extensive cooperative production is carried out to form the economies of scale effect of the film. On the other hand, based on the diversity of market demand, we extend the supply chain of Co-productions and expand the screening channels of the network, TV theater to form the scope of the film's economic effects.

## Introduction

### Status of Chinese Film

The box office of Chinese films has also been booming in recent years with box office figures constantly being updated. In 2017, the total national box office reached 55.91 billion yuan, which is 9 times that of 2009. The 2018 Spring Festival Stalls have set a new box office record of 10.174 billion yuan in a single month. From 2016 to 2018, five domestic films broke through the 3 billion box offices and presented a "Phenomenon-Level" film [1]. However, foreign box office performance remained weak and the trade deficit was severe, refer with Table 1. In 2017, China imported 109 films, almost equal to the number of films exported. China's overseas box office gross was 4.25 billion yuan but the box office of foreign films in China reached 25.81 billion yuan, which is six times that of the former.

Table 1, Comparison of domestic box office and overseas box office of several "Phenometric Level" films

Film	Domestic box office (billion RMB)	Overseasbox office (billion RMB)	The ratio of overseas box office to domestic box office (%)
"Wolf Warrior II"	5.679	0.017	0.3
"The Mermaid"	3.39	0.021	0.62
"Fast and Furious 8"	8.03	2.7	33.75
"Beauty and the Beast"	8.2	0.59	7.2

As for China, the overseas box office of domestic films accounted for less than 1% of the total box office. The reason we find that Cultural Discounts in different cultural contexts are an important reason for restricting China's film exports. China is also trying to solve this problem through Co-production.

## The path of internationalization of Chinese film -- Co-production

International Co-productions refer to joint various resources of multiple countries to participate in the filming, distribution and profit sharing of a film. The Table 2 lists three different types of Co-productions and their comparisons.

Table 2, Comparison of types of international co-productions

Type	Characteristics
Financing-Driven Co-production	Using the financing channels of various countries
	Small and medium-budget film
	Monolithic financing
Capital-Driven Co-production	In order to take advantage of tax benefits
	Medium and high-cost movies, targeting the international market
	Part of a series of films
Innovation-Driven Co-productions	Cross-regional production and leverage innovation input from multiple countries
	Small and medium-budget film and mainly in Europe

In recent years, the number of Co-productions between China and foreign countries has been increasing, refer with: Figure 1. With the implementation of the strategy of "One Belt And One Road", China has signed Co-productions Agreements with 21 countries and regions.

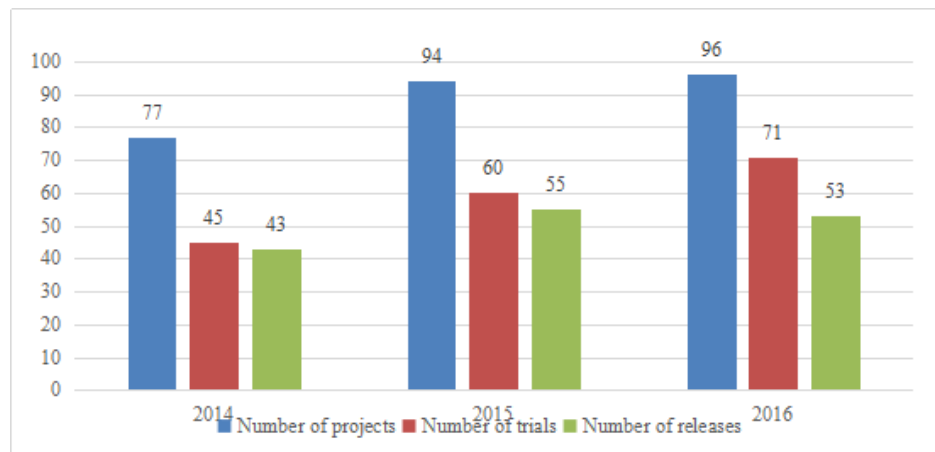


Fig. 1, Output of co-productions from 2013 to 2016

The charm of Co-production lies in its strong cultural integration ability, and the early stage capital co-investment can share the box office pressure. Both parties can reduce Cultural Discounts through complementary resources and Cultural Penetration during the production process [2]. At present, Co-productions in China are mostly Capital-Driven Co-productions and there are many problems in the Co-productions.

As the first strictly Sino-American Co-production, "the Great Wall" has many Chinese elements, such as the use of Chinese wuqin opera to represent the five armies in the film [3]. It also combines the Great Wall, gunpowder and so on. However, this is only a simple series of Chinese element symbols. The lack of cultural commonality hinders the overseas dissemination of the film.

## The Potential of Co-production between China and India

There are many similarities between China and India; both are countries with large populations and both belong to Asia. As an artistic work reflecting the basic life style of a country, the "Cultural Discount" of films is greatly reduced in countries with similar national conditions. Film communication between the two countries has a long history, from the early "Caravan", "Tramp" acclaimed in China to the recent "Three Idiots", "Dangal" gains over hundred million box office in

China, China's "Chinese Zodiac", "Myth" were also released in India, which indicating that the film cooperation has been established [4].

Under the huge differences between the Eastern and Western cultural contexts, both China and India are facing the dilemma of overseas expansion, which also reminds us to focus on the Asian market under the same Asian values. The rise of Asian culture also brings new hope to the layout of the "Pan-Asian" cultural circle. Some scholars have proposed that we should transform to "Asian Films" and enrich the pattern of world films [5]. The "Asian Film" of professor from Peking University also provides new ideas for the Co-production of Chinese and Indian films [6].

## The Theoretical Study

### Literature Review Based on Cultural Diversity

Cultural Diversity refers to the fact that various forms of cultural expression of human society may evolve with time and place [7]. The issue of Cultural Diversity in the era of Economic Globalization is based on how to avoid the destruction of Cultural Hegemony to the unique culture of the country. L. S. Sarrina (2012) believes that the diversity of the film industry can be described from the three dimensions of film, type and origin. To a large extent, the diversity of the film industry is positively related to these three dimensions [8]. Some scholars also pointed out that when a country's cultural products are successfully imported into other countries, the Cultural Diversity between countries is weakened, and the Cultural Diversity within the importing country is improved because of consumers have more choices. However, many scholars have questioned this. Hong-Yan Gao (2012) pointed out that cultural integration is not a simple addition and subtraction, but a more complex integration mechanism [9].

### Analysis of Sino-Indian Co-production based on Diamond Model

Table 3 lists the film industry data of China and India in 2014 and 2015.

Table 3, Industry statistics of China and India in 2014 and 2015

Year	Country	Box office (Billions of dollars)	Overseas box office (Billions of dollars)	Number of feature films	Number of screens	Moviegoers (Billions of people)	Average fare (\$)
2014	India	1.5	0.138	1966	11000	1.9	0.6
	China	4.822	0.3	618	23600	0.83	5.8
2015	India	1.6	0.213	1903	11100	2.016	0.8
	Chin	6.813	0.417	686	31627	1.26	5.4

### Demand Analysis

We can see that China's box office is growing rapidly, with annual growth of more than 40 percent and the number of moviegoers growing by hundreds of millions. As for India, it has about twice as many moviegoers as China, which is closely related to India's large number of overseas compatriots and low ticket prices. The huge film markets of China and India are huge attractions for both sides. From the perspective of film viewing atmosphere, the tradition of family film viewing in China and India is also the demand of Co-production market.

### Resource Analysis

China and India are both ancient civilizations and rich in cultural resources. The subjects of Indian films are involved in sensitive topics such as race and religion. Most of them directly reflect social issues with high-intensity drama conflicts and exaggerated plots. In addition, the unique fusion of Indian singing and dancing, Yoga, religious culture, Chinese food, Architecture and other diverse cultures are the unique charm of Sino-Indian Co-productions. India has won the favor of many

European and American countries with its cheap labor force, english-speaking characteristics and mature technology.

### ***Support Industry Analysis***

A large number of Internet companies have entered the film industry, opening up new channels for the dissemination and distribution of Co-productions. From Internet IP to Internet marketing, China-India Co-productions are growing rapidly with the help of the Internet. Infrastructure has been constantly improved. In 2017, 1,517 cinemas and 9,599 screens were added with an increase rate of 23.2% [10]. In addition, 328 rural cinemas have been built, and the space for the rural screening market has been further explored. These are the direction for the expansion of the China-India film market.

### ***Enterprise Strategic Structure***

Drawing lessons from India's film legislation and censorship classification system, Co-productions can be divided into different levels, so that different films have obvious boundaries and can easily find their own market positioning. Relying on India's three major movie production kingdoms, China relies on strong markets and international influence to conduct film marketing through film festivals or various new media platforms.

### ***Government Policy***

In 2013, President Xi proposed a major initiative of the "Belt and Road" [11]. India also has a plan of "Action to the East". China and India signed a Co-productions Agreement in 2014. In 2015, the BRICS Media Summit was held in Beijing. In addition, BCIM Economic Corridor was also held. The implementation of these policies has opened up new prospects for economic and cultural exchanges between China and India, and pushed forward the film cooperation between the two countries.

### **Questionnaire Analysis of Co-productions between China and India**

In order to understand the Chinese audience's perception of Sino-Indian Co-productions better, a questionnaire was designed. 50 questionnaires were distributed and 38 valid questionnaires were returned with an effective rate of 76%. In the preference analysis of audience's film types, the top three are comedy, love and action. This is more consistent with the China-India Co-productions with more comedy elements. Chinese audiences have some cognition of the identity of the Co-productions, especially "Kung Fu Yoga", 65.71% of the audiences know that it is a Co-production of China and India, and the channels of knowing it are mostly network publicity, posters and advertisements in cinemas. Then we analyze the released three co-productions from different dimensions and find that there are still many problems.

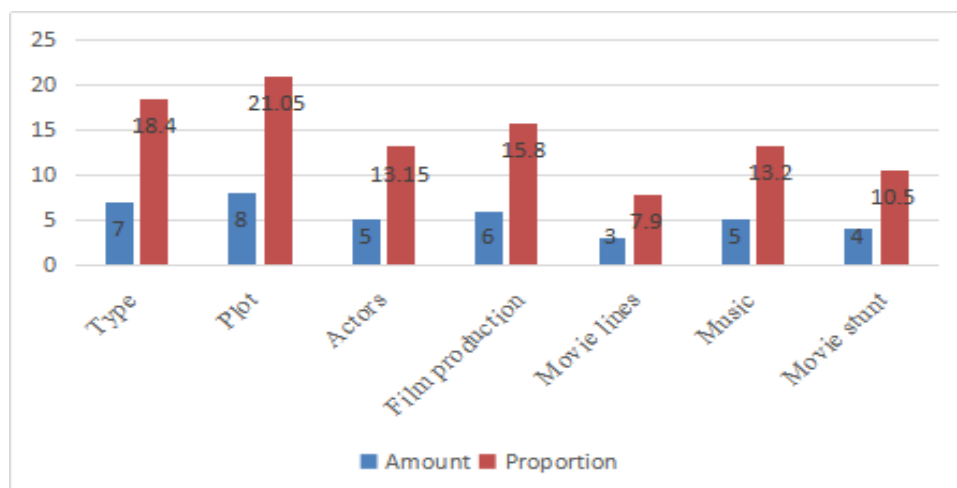


Fig. 2, The most attractive element of the Kung Fu Yoga

Take "Kung Fu Yoga" as an example, refer with Fig. 2. Although there are international superstars, it is not ideal at the box office in India. Therefore, stars are not the determinants of box office success, which is also the result of the complexity of cultural products. About 75 percent of the audience said they were more attracted to novel stories and high-quality productions.

### Research on Sino-Indian Co-production Strategy Based on Cultural Diversity

Based on the above analysis of Sino-Indian Co-productions, this paper believes that the future Co-productions should show the flexibility of two-wheel operation. Figure 3 is the Sino-Indian Co-production Model proposed in this paper.

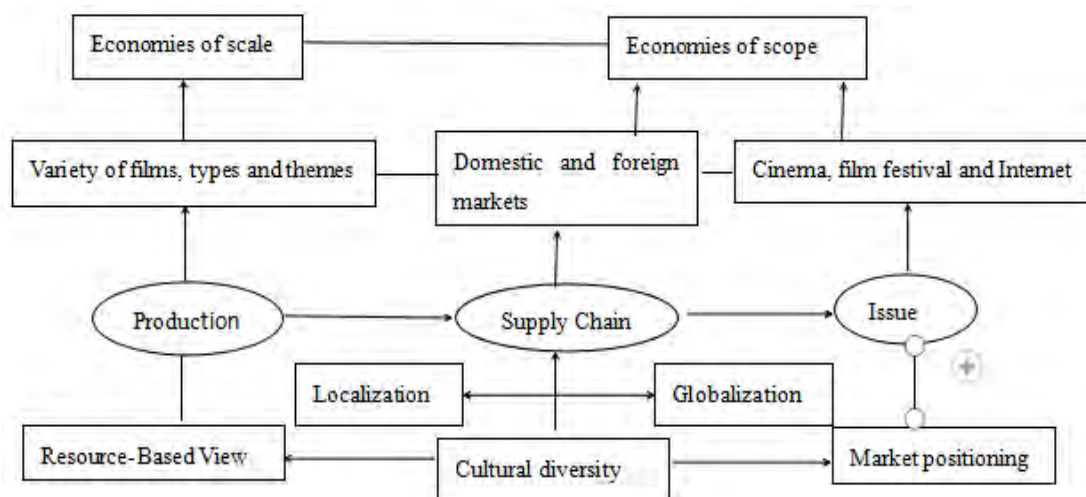


Fig. 3, Sino-Indian Co-production Model

### The Strategy of Sino-Indian Co-production Based on Resource-Based View

#### *Product Portfolio Diversification*

The current Sino-Indian Co-productions are mainly "Road Films" with more comedy elements. Based on the rich cultural resources of the two countries, we can expand the type of Co-productions to open the film market in China and India. The purpose of the China-India Co-production is to integrate the advantages of the two countries to achieve the resource integration effect of  $1+1>2$ . There is still considerable acceptance of Indian culture in the Chinese market. There are also traditional Chinese martial arts films and documentaries about food and architectural culture in recent years. These film materials of different types and themes have given more creative space to China-India Co-productions in the new era. Different film types can be combined with multiple elements to realize the innovation of film products by utilizing the diversity of cultural resources.

#### *Diversity of Creative Subjects*

India has three major movie bases. Bollywood, Kellywood and Tollywood. Bollywood's musical films are aimed at the middle and lower classes. Kellywood locates itself in the intellectuals, and the films are more literary and fashionable. Tollywood is targeted at young and fashionable audiences. The film is full of innovation, enterprising spirit and taking the value of business into account<sup>[12]</sup>. This kind of diversified creative subjects can also be used for reference by Sino-Indian Co-productions.

For Sino-Indian Co-productions, more diversified creative subjects should be incubated through the Internet. Compared with the traditional film era, the company relies on star actors and contracted directors to carry out the financing industry. The "Decentralization" and "Free Connection" attributes of the Internet make it possible to create independently. The freedom of creation will be higher and the acceptance of products will be greater. In addition, the Internet has nurtured many new and



cutting-edge creators. Compared with professional creative teams with a higher threshold for creation, under the Internet economy, they have a better understanding of bottleneck of the industry, and create professional and exquisite online dramas at a small cost. So that there is more space for film creation. Therefore, the government should strengthen the encouragement and support of these diversified subjects.

### **The Strategy of Sino-Indian Co-production Based on Supply Chain Organization**

The Supply Chain network of Co-productions consists of production, distribution and screening. The Supply Chain Organization of Co-productions is reflected in the development and utilization of Cultural Diversity market [13]. The Chinese and Indian Co-productions cover many aspects such as the country, the nation and the industry. Based on this Cultural Diversity, the core of Supply Chain management is to strengthen the core capacity of each link, which is closely related to the expansion of customer relations. Therefore, the proposal put forward in this paper is to extend customer relations from two dimensions of space and industry to enhance the core competitiveness of China-India Co-production and to form a dynamic balance between opportunities and capabilities.

First, expanding from the domestic market to the other market or even overseas market, this is the spatial expansion of customer relations. The main audiences of Sino-Indian Co-productions are billions of people in both countries, so it is necessary to grasp the common topics of the two countries to tell the story. Such as the importance of family concept and the pursuit of education fairness, which are good common values of Sino-Indian Co-productions. Only on the basis of the common feelings of the two countries can the film transcend the limitations of race, country and culture and be recognized by all.

The second is the transition from the film market to other markets, which is the industrial extension of customer relationship. The film industry is not an independent industry. It can drive the development of various related industries and form a cultural industrial chain. Sino-Indian Co-production can greatly promote Tourism and Shopping between China and India. In addition, there are derivatives of films, such as various cultural products, advertisements and so on, which can become value-added points of Sino-Indian Co-production.

### **The Strategy of Sino-Indian Co-production Based on Market Positioning**

#### ***Strengthening the Construction of Co-production Overseas Marketing System***

China and India can set up corresponding film institutions even establish special websites and cooperation funds in the other country, and if necessary, they can set up offices. The United States, for example, has a strong position in the film trade with its overseas offices. In addition, drawing on some practices in South Korea, China and India can introduce filmmakers to areas unfamiliar with Sino-Indian Co-production.

The government should encourage domestic film companies to set up their own overseas marketing teams to promote films overseas. It is also possible to set up marketing and distribution agencies and to construct or rent cinemas overseas. The government should give priority support to the economic system, policy system, and fiscal and taxation system and so on, so as to enable Sino-Indian Co-productions to spread overseas in a good atmosphere. In addition, new media and network platforms should be utilized to develop the corresponding peripheral industrial markets and derivatives of films, so as to promote online film promotion.

#### ***Expand the Exchange of Film Festivals between the Two Sides***

There are about 700 film festivals including about 50 film festivals with great influence in the world. The film festival itself is a good platform for communication and trade. India is the country with the largest number of film festivals in the world. It holds more than 10 international film festivals every year. There are three more influential ones: International Film Festival of India (IFFI), Mumbai International Film Festival, and India International Children's Film Festival. In addition, China also has the Shanghai International Film Festival, the Beijing International Film Festival, Silk Road International Film Festival, the BRICS Film Festival, and so on. Every year during the festival,

a large number of excellent filmmakers and mainstream media will gather. China and India can make use of these festivals, which will not only enhance the international influence of Co-productions, but also help expand overseas markets.

Besides film exhibition, China and India can hold some academic seminars. Many universities in China have corresponding film research centers, whose research direction has gradually shifted from Europe and the United States to many countries in Asia. Three or four research centers for the Asian film industry have been established and developed in Chinese universities. Seminars on Asian film themes can be held, which is also conducive to academic exchanges. In order to cooperate with Chinese and Indian films, theory should come first.

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