

China's IP adaptations are diversifying beyond TV shows, movies and games to span online and offline platforms

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In the 10 years since the Outline of the National Intellectual Property Strategy was issued, new economies related to IP, ranging from online literature and animation to games, have developed in leaps and bounds.

In 2017, the value of China's pan-entertainment industry — multilevel creative products developed from IP — exceeded 500 billion yuan (\$72.5 billion), accounting for more than 20 percent of the total digital economy.

The monetization rate of mobile games is the highest among all pan-entertainment industries, surpassing 200 billion yuan, with IP-based mobile games accounting for over 60 percent of the revenue, according to a report by Chinese gaming industry database Gamma Data Corp.

In response to the industry trend, a China Daily Asia Leadership Roundtable event was held on Dec 6 during the first day of the two-day Business of IP Asia Forum (BIP Asia) in Hong Kong.

Co-organized by China Daily Asia Pacific and BIP Asia, the panel discussion brought together industry leaders, content producers and investors under the theme, Era of IP Convergence: Maximizing Benefits of Cross-media Collaboration.

Movies and TV dramas are a major form of IP adaptation in China and this IP mostly comes from online literature, said Leon Gao, president and founder of EntGroup, a provider of information and intelligence for China's entertainment industry.

Data from EntGroup show that about 50 to 70 percent of people of all ages accept IP-based movies and TV dramas, while only 20 percent of people accept IP-based games. In 2017, direct revenue generated by IP-based movies and dramas was about 350 million yuan, with 76 percent of this content adapted from online literature.

Meanwhile, games based on movies, reality shows and dramas tend to be more popular with audiences. "For example, games based on the animation film *Boonie Bears*, the drama *The Journey of Flower* and the reality show *Running Man* have all gained good results in the number of active users, with some of them reaching tens of millions of active users," said Gao.

But a short product life is a shared issue among various IP adaptations, said Gao. He said he would like to see the industry focus more on the characteristics and preferences of young audiences, in particular the post-1995 generation.

"Many people are also rushing to monetize their IP once they have



Some of the panelists of the China Daily Asia Leadership Roundtable event titled Era of IP Convergence: Maximizing Benefits of Cross-media Collaboration pose for a photo. The event was held on Dec 6 during the first day of the two-day Business of IP Asia Forum in Hong Kong.

PHOTOS BY PARKER ZHENG / CHINA DAILY ASIA WEEKLY

## Leaping off the screen



Audience members listen to a panel comprising industry leaders, content producers and investors.

attracted tens of millions of fans ... In Hollywood, it requires 10 years for an IP to grow mature enough," said Gao, hoping the industry can be more patient in producing high-quality IP.

Hendrick Sin, cofounder and vice-chairman of CMGE Technology Group, noted the importance of companies creating their own IP as popular titles can generate huge profits.

"When we tried to get the franchise for our third *One Piece* game from our partners in Japan, the IP price was several times more than that of the first game," said Sin. *One Piece* is a popular Japanese manga series that began in 1997.

As one of China's largest publishers of mobile games based on IP,

CMGE became China's first mobile game company listed on Nasdaq, in 2012. So far, the company has more than 200 million registered users.

IP incubation might not be as difficult as people think, the forum heard. Leo Huang and his team took only 15 minutes to come up with *Pleasant Goat and Big Big Wolf*, one of China's most popular children's cartoon shows.

Today the brand spans 2,000 episodes, seven films and five stage plays. Its franchise business covers more than 10,000 products and a new film is being planned for the 2021 Spring Festival.

On the back of the huge success of *Pleasant Goat and Big Big Wolf*, Huang, general manager of Creative Power Entertaining Co, created the

cartoon *Happy Heroes*, which also became a big hit in China.

"We have also combined this IP with the hospitality industry by launching themed hotels in China, bringing the IP to a new business format," said Huang. To him, no matter how the market and times change, content as the core value of IP will never change.

IP promotion needs to be combined with the trendiest things in the market, said Xu Han, founder, board chairman and CEO of Dream Castle. Xu is also the creator of Ali the Fox, a popular cartoon character with over 22 million fans in China.

"Twelve years ago, when I just started to create Ali the Fox, people liked buying picture books, so that was how I promoted the cartoon character," said Xu.

"Today, people like to send emoticons on social networking apps, so we also launched emoticon packs. On WeChat alone, Ali the Fox emoticons have been downloaded over 100 million times and were shared over 1 billion times."

Noting the importance of diversifying the IP, Xu promotes Ali the Fox through a wide range of online and offline platforms, launching spinoff products and even an international collaboration with Kishi Station in western Japan, which became famous for its cat stationmaster.

Sophia Xie, CEO and director of Shanda Games, a domestic gaming industry leader backed by tech giant Tencent, said the adaptation of IP is

no longer limited to pan-entertainment sectors. She cited tourism, hospitality, theme parks and even new retail as other areas that generate huge potential for IP collaboration.

Noting that many people think popularity and monetization are benchmarks to judge the success of IP, Xie said the industry should plan for long-term development to create IP that will resonate with people. "By doing so, we can transform (even) a single hit IP into a classic," said Xie.

"China has a lot of good stories and cultures. We need to figure out how to spread that out by combining them with films, dramas, games and literature," said Xie Guangcai, executive vice-president of ChineseAll Digital Publishing Group, a leading Chinese digital publishing company.

"When developing IP, it is important for us to continue our persistence in creating good stories, using them to show the value and culture of China," he said.

Shanda's Sophia Xie said that technology cannot be neglected as it plays a key role in stimulating development and guiding the direction of the entire industry.

"Whether it is because of the maturity of 5G and cloud-based technologies, or the wide adoption of artificial intelligence and virtual reality, we will see disruptive changes (in the future)," she said, citing the mobile game industry as an example.

Li Yao, news editor of China Daily Hong Kong, moderated the session.