

## Research on Innovation and Development Strategy Based on Animation Derivatives

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**Abstract:** Basing on the creation and development of animation derivatives, this paper analyzes the current marketing situation at home and abroad, it is revealed that the main problem of animation derivative market is lack of original cartoon figure and the uncertain consumers orientation, it is pointed out that we, in time of studying the successful designing and developing mode, should centering on the product design and development and enhance product added value. On this basis, we argue that designing and developing animation derivatives will achieve the virtuous circle of cartoon industry links.

**Keywords:** Cartoon industry; Cartoon figure; Animation derivatives; Product development

### 1 Introduction

Under the multi-polar developing trend, animation derivatives have become a significantly integral part of cartoon industry links. The derivatives is defined as the derivative things coming out of the original things, i.e. the animation derivatives is the derivative things from cartoons books, pictures, games, cartoon movies or TV, which is the extending product of the original cartoon or animation pictures. From the perspective of the function and feature, the animation derivatives can be put into two categories including cultural amusement articles and living articles. Cultural amusement articles are referred to those products intended for ornaments or souvenirs, which completely symbolizes the cartoon figure or the scene in cartoon movie or TV series and triggers the sentiments of consumers. Living articles are comprised of mobile phones, clothing, stationary, cases, bags, or computers, which can not only be used through cartoon figure attracting consumers attention, but also meet the requirement of daily life of consumers so as to promote the purchasing.

Nowadays, the world cartoon industry has developed into industry clusters and gigantic consumers market. The cartoon industry market has been dominated by the US, Japan and Korea and their derivative development have also come off. The reason why the cartoon industry in these countries developed so quickly and remains the sustained expansion is that they have complete circle of industry chain. Statistics report based on IDC (a famous international business data company in the US) has show that the cartoon industry has, in spite of the slowdown of the world economy today, speeded up everyday. In Japan and some European Countries, the broadcasting of cartoon series can only claim the part of the cost or just profit a little. However, their derivatives in huge quantity finally attain the harvest in full. Take Japanese cartoon industry as an example, following its typical mode of animation creation and production, comic with small investment should go first, cartoon making is based on the comic market demand meanwhile animation derivatives also taken into consideration, through selling the derivatives can shorten the investment cycle and gain profits. (figure.1)

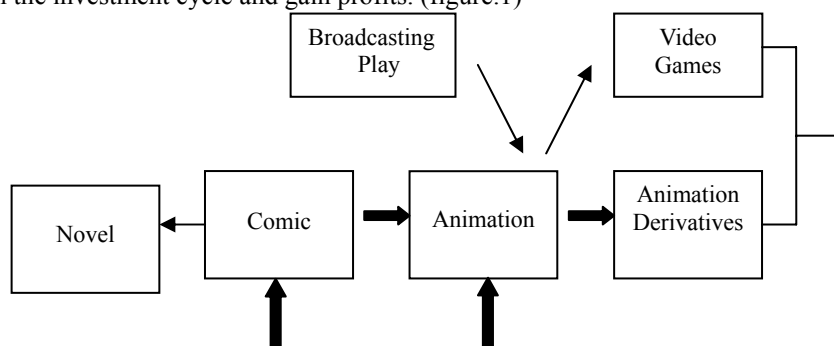


Figure 1 Typical Module of Japanese Cartoon Industry

Cartoon industry in China has a consumer group of nearly 500million people and a market space of

yearly 100 billion RMB. Therefore its development still has huge potential in China. Then its derivatives would have even bigger market space. But 80% of the market value from animation derivatives, due to their weak originality in China, has flowed to those cartoon figures from the US or Japan. A cartoon movie *The Transformers* released in 2007 became instantly popular in the world with its animation derivatives earning about 5 billion RMB simply in China. The Hong Kong Disneyland built five years ago has received visitors of over 25 million from Hong Kong and overseas. All these cases show that the demand in China for animation derivatives is huge but the lack of originated cartoon figures with brand call and market impact cause the incapability of meeting the consumers demand in China.

At present, a lot of books have been published in China to introduce the animation derivatives. These books can be put into two categories. One of them is specialized to exploitation thought and method of animation derivatives from the angle of marketing, the representative books such as *Animation Marketing* author named Qi Ji and *A Study on Animation Industry Mode and its Practice* author named Pan Ruifang.

In the book of *Animation Marketing*, the author discussed the structure of animation marketing system from the dual perspective of both cultural market rule of law and animation creation rule of law for the first time in history. In the book, the marketing mode of animation market in the world has been described from the application viewpoint. The book also put forward the opportunity and base of animation marketing. In addition, the introductory research frame is also given based on the future development of cartoon industry and the future construction of animation market.

While Pan Ruifang, who is the author of the book *A Study of Animation Industry Mode Study and its Practice*, has based on the unique animation and its derivatives to try to comb through the internal logic of cartoon industry development, make attempt to make use of Long Tail Theory to explain the exploitive mode of cartoon industry, discuss its marketing mode. The book has also probed into such contents as cartoon industry development mode and marketing in China and outside China, national brand in China, market analysis of animation derivatives, marketing strategy of Chinese cartoon industry, the training of animation artists, and case study. Therefore the book has been instructive on how to position the marketing of cartoon industry and its animation derivatives.

The second of them discussed the effects and value in cartoon industry from the perspective of designing cartoon figures. Professor Wang Chuandong, in his book *Cartoon Industry Analysis and its Derivatives Development*, has started from the development of cartoon industry and the feature of its animation derivatives and analyzed the existing problems and current status of animation and its derivative market. The book contains the market analysis of animation market in major countries of the world, the basis of developing animation derivatives, the analysis of typical animation derivatives, the derivation of cartoon figure, the classification of cartoon figure and their function, and the characteristic of animation derivatives. In the book, it is proposed that the value of animation derivatives is comprised of both their intrinsic value and the symbol value of cartoon figure, both of which contributed to each other through combination.

Other countries like Japan and American also published lots of books about cartoon industry, differently, they pay more attention on some specifically aspect of animation derivatives creation and production, such as the cartoon figure design and the materials of animation derivatives.

## **2 Existing Problems with Developing Animation Derivatives**

### **2.1 Animation derivatives short of originality**

In recent years, cartoon industry has developed rapidly in China and the people have started to pay much attention to the related links in cartoon industry chain. It happens that the development of animation thought has called for its originality in China but among the cartoon figures in China such as *Havoc in Heaven*, *Cablash Brothers* created many years ago, *Pleasant Goat and Big Big Wolf* a few year ago and *Master Q and Mc dull* developed by Hong Kong company, which are popular among Chinese people, the market see few cartoon originated figures in China. As we are all aware, whether the animation derivatives will win first depends on those cartoon images deep rooted in people's hearts. But We are lack of cartoon talents in China, China is still a beginner, maybe those first class cartoon artists work for foreign company for the moment, or the creator of cartoon is just impulsive, all these factors cause a big gap between demand and supply of cartoon talents.

Plus our cartoon movie contains too much dull cramming and teachings but lack of entertainment. In Chinese cartoon toys makers factory, they only put on a mark on toy for foreign brand of animation figures so that they only play a role of goat.

**2.2 Consumers orientation not accurate**

Making entertainment a medium of education is the education way promoted in China, which promote the way of learning knowledge in time of entertaining art forms or participating in some cultural or physical activities. But many Chinese made cartoon movies focus so much on teaching lessens that the movie become inadequate for young children under age 12. The exploitation of animation derivatives has been in baby cradle for so long. The animation derivatives only center on toys, stationary, bags and stickers without care to market changes. Actually underage children are not consumers groups capable of self-decision but their parents are, which to some extent restrict the sales of animation derivatives for children.

It has long since those recipients of cartoon aged 17-30 are generally ignored by some of cartoon producers, cartoon addicts take less percentage among the people aged 17-30 than aged under 16 children. However 17-30 people consume animation derivatives much more than aged under 16 children. Therefore we must break through the limit of only focusing on young children and we should establish a consumer’s structure with cartoon recipients of different ages focusing on young adults. Young adults are the dominant age group on consumers market because they have their own purchasing power with decision.

**3 Creation and Development Strategy of Animation Derivatives**

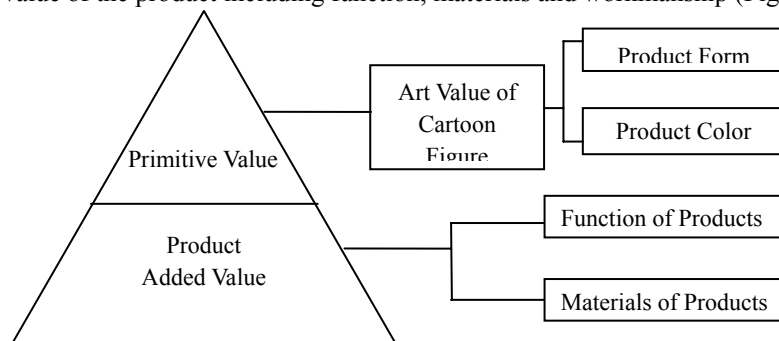
**3.1 Following mature engineering mode**

Chinese made cartoons such as Go Boy, Little Catfish Venture, Pig Bajie from Sky broadcasting on CCTV and other national TV channels between 2004-2006 has only market the affiliated video and audio products and cartoon books as animation derivatives for sales on market at almost same time as the cartoon movie. But other derivatives such as toys, stationary, clothing including caps and shoes, digital electronics and fine arts souvenirs can not enter into the market due to late design and creation, which make the sharp cut down of sales profits of animation derivatives. All of these are caused by the later cartoon derivative production than the cartoon movie.

The mature mode of animation creation and production in other countries is the synchronized design of derivatives with the movie or TV series including cartoon figures. In the mode, cartoon making is based on market demand analysis meanwhile other factors concerning peripheral products such as workmanship, fabrication, assembly, cost and quality are also taken into consideration. In this way, cartoon figure design, movie or TV cartoon production and animation derivative production can be coordinated. At the early stage of design, all factors including quality have been considered to strengthen design and production management and achieve the final synchronic marketing of both cartoon movie and derivatives so that the profits can be raised.

**3.2 Enhancing product added value**

Animation derivative is defined as the relevant product transferred from cartoon movie figures so as to change the intangible art forms into tangible articles. Whether the transference or change can succeed will have a direct effect upon the success of operation of cartoon industry chain. We may divide the animation derivatives value into two parts, one of which is the primitive value attached to cartoon figures, i.e. the art value of intrinsic product including product forms and colors, but the other of which refers to added value of the product including function, materials and workmanship (Figure 2).



**Figure 2 Category of Animation Derivatives Value**

Therefore, if we wish to raise or reinforce the market competitiveness of derivatives, we must be conscious to enhance the added value of the product in addition to raising the art value in time of design

start stage from the angle of forms and color. We should make use of new technology, new procedure and new materials during design stage to raise the market value so that the industrial use of technical study result can be realistic and the objective of beautiful design, practical use and high added value can be turned into reality.

### 3.3 Clarifying target consumers group

Different consumers group will demonstrate the disparity of inclination toward the same product, so the developer of animation derivatives should realize that derivatives has been not only children's toy long before, more and more young adults are fascinated by animation derivatives to satisfy their sentimental demand. These require that the managers should make a careful classification of market at the early stage of product creation that animation derivative market can be classified into many parts according to age, gender, educational background and income.

Ms. Lin Aiwu, the creator of Xiamen Green Bird Animation Company, commented, "The copyright owner of overseas cartoon figures like Mickey Mouse, Snoopy would generally, 12-14 months ahead of real design, make market investigation toward to target consumers including theme, size, package and color of the products. They would design different function and use different materials according to age. Therefore, detailed classification of consumers market may help the enterprises clarify the recipients and make concrete sales strategy for different consumer groups with clear target. In the end, the sales of the product with clear targets can raise the sales volume meanwhile attain the maximum market value.

### 3.4 Intellectual property protection

It has been long since serious piracy in China has troubled the cartoon industry, particularly on the animation derivatives market, the piracy of cartoons has interfered with excellent cartoons, which has not only hindered the normal market order of cartoon derivatives, but also stamped the progress of cartoon industry. An investigation shows that on the franchised market in Asia and other parts of the world, the cartoon figure franchising is the most important category. Although the state government has formulated the policy and rules and regulations to control the outrageous piracy in China, all related enterprise and cultural institutions must also take severe measures to fight against copyright breach by way of using high tech to make anti-piracy stickers at early stage of product research and also using internet to expose the pirated activity. Only through reinforced market supervision and exerting fierce strike toward copyright breach and piracy of original cartoon figures can the creation of cartoon thoughts and development of animation derivatives grow up in a good and legal environment.

## 4 Conclusion

In recent years, Chinese government has been promoting the development of animation industry. The design and exploitation of animation derivatives has become an important integral part of cartoon industry chains, which is not only necessary for industry planning, but also the requirement for consumer centered market. We must classify the detailed market in time of learning from the successful product design and development mode, i.e. centering on product creation, so as to shorten the period from initial design to marketing, improve quality, satisfy the target consumers group to the maximum way. Only in this way can we capture and occupy the market and raise our product competitiveness on international market. We hope that, with the continued attention to design and exploitation of animation derivatives by Chinese animation enterprises, our cartoon industry chains will develop and step into a virtuous circle with continual improvement.

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