

Exploring the Development of Cultural Industries in the United States and Its Inspiration for China

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Abstract: With the acceleration of globalization, culture, economy, society and politics have developed interactively, while culture has become a strategic point for countries to seize and occupies an important position in the competition for comprehensive national power. The United States is the world's number one developed country, its economy, science and technology and other rapid development, cultural industry is no exception. The study of the development of cultural industries in the United States has become a hot topic nowadays. This article explains the current situation and development model of the cultural industry in the United States, and analyses the inspiration for China.

1. Introduction

Culture is the root and soul of a country and a nation; cultural soft power is an important part of a country's comprehensive national power and international competitiveness; the degree of development of cultural industries directly reflects a country's cultural soft power[1]. The United States is a superpower in the world, leading in both economic, social, political, and cultural fields. Although the United States has only a history of over 300 years and, historically speaking, does not have a deep historical heritage or cultural resources, it has become a leader in the cultural industries of the world[2]. The study of the development of the cultural industry in the United States is of great significance to the cultural construction of China in the new era.

2. The Current State of Cultural Industry Development in the United States

2.1 Film and Television Industry

Hollywood is a term we often hear in our lives about the American film and television industry, and it holds an important place in the American film and television industry, if not in the global film and television industry. Someone once said, "Every movie theatre in the world is an American embassy." From this statement, we can see that the scale of development of the American film and television industry is very large, and cinemas and television stations around the world are screening and broadcasting American films and television series, which have become a way to promote the image of the United States as a nation. In American films and TV series, American landmarks, such as the Pentagon and the White House, are often shown, which has done a very good job of promoting the national image of the United States. Moreover, most of the contents of films and TV

series can again reflect heroism, which has played a very crucial role in establishing the image of the United States. According to relevant data, the global box office reached US\$42 billion in 2019, and the Hollywood studios accounted for 70% of the total. The annual North American box office total of \$11.4 billion was down 4% from 2018, although it was still the second highest annual North American box office in film history after 18 years. One of the studios, Disney's films, grossed \$11.1 billion worldwide for the 2019 year, setting a single company annual box office record.

2.2 Radio and Television Industry

The radio and television industry has had a rocky start in the United States, but it is an important form of entertainment in the lives of the American people. The radio and television industry has developed to serve two major groups in the United States, namely television viewers and advertisers. Radio and television stations produce excellent radio and television programmes to attract television viewers, and advertisers use television stations to promote their products to a wide range of television viewers, thus forming a complete industry chain. In recent years, information technology has developed rapidly, and various high-tech means have been applied to radio and television, which has accelerated the development of radio and television as well as the development of the cultural industry in the United States. According to relevant information, the size of the US cable TV market reached US\$53.7 billion in 2019, an increase of 1% over the previous year. Netflix, the global streaming leader, has three monthly subscription fees in the US: \$9.99, \$13.99 and \$17.99. This price is on the expensive side when compared to other streaming platforms side-by-side, while the average monthly fee for a cable package (a one-time package of multiple paid channels) is around \$90. Even if a user will subscribe to multiple streams at the same time, the psychological ceiling for most users is only around \$20. While streaming platforms that were born earlier and already have a certain subscriber base, like Netflix, are also starting to feature non-TV content such as variety shows, most of the existing streaming platforms are still dominated by TV shows, especially TV series.

2.3 Publishing Industry

The publishing industry is one of the largest industries in the United States, and the main forms of publishing are newspapers, books, magazines and so on. In the United States, people's access to information is still relatively traditional, although the Internet is now very developed, but compared to traditional newspapers and magazines, people prefer to choose newspapers, magazines and other traditional ways to obtain information, which has also accelerated the development of the American publishing industry. According to statistics, there are about 1,570 newspapers published every day in the US, counting 52.8 million copies, and more than 33.3% of Americans read newspapers every day. In the US, some major times also draw mainly on the power of the publishing industry for relevant publicity, such as the Trump election. According to statistics, the number of titles published in the US reached 198,000 in 2017, with total sales of approximately US\$26.23 billion. Of the US publishing industry's sales revenue in 2017, 47.98% came from paper books, nearly half.

2.4 Network Industry

The network culture industry, referred to as the network industry, mainly includes information culture, digital content and digital entertainment. In recent years, with the rapid development of the Internet, young people have gradually become the main consumers of the online culture industry. "According to statistics, 78% of consumers believe that "audiobooks" can relax their mood.

3. The Development Model of Cultural Industries in the United States

3.1 Diversification of Investment Entities

In the United States, for the development of cultural industries, the government encourages the diversification of investment bodies, and the amount and scale of government intervention and input is relatively small. There are two main streams of funding that support the development of cultural industries in the US, namely donations from corporate foundations and investment from consortium funds. For the former, the government encourages social funds to be invested in the cultural industry in the US, and some corporate foundations have taken the initiative to donate to the innovation and development of the cultural industry in the US. For example, corporate foundations such as the Express Foundation and the Chase Bank Foundation have made long-term donations to the development of the cultural industries in the US. For the latter, consortia are well-funded and investing their funds in the cultural industry not only makes the consortia profitable for themselves, but also promotes the development of the American cultural industry, achieving a win-win situation. For example, NBC (National Broadcasting Company), a subsidiary of General Electric, operates 13 television stations and is ranked as the leading network in the country in terms of ratings, while General Electric is owned by the conglomerate JPMorgan. The consortium's investment in the cultural industry is the main channel through which the US cultural industry receives significant funding for its development.

3.2 Innovating to Expand Access to Finance

The financial development of the United States is very rapid and its financial system is constantly reformed to promote the development of society. The reform of the financial system has also facilitated the transformation of the cultural industry, broadened the channels for the development of financing for the cultural industry and greatly reduced the investment risks of investors in the cultural industry. Portfolio theory has been widely applied in the US cultural industry with important achievements and results. In the film industry, the four main types of portfolio financing are equity allocation, third-party guarantees, advance distribution fees and bond issuance. Equity allocation mainly refers to the repurchase of the investor's shares by the filmmaker within a mutually agreed period, making the intellectual property rights of the film fully owned by the producer, with the investor recovering costs and receiving a return, allowing the filmmaker to secure the investor's investment. Third party guarantee means that when a producer applies to a bank for a loan, a third party, independent of the bank and the producer, carries out various procedures such as asset appraisal of the producer to determine the final amount of the bank loan, and guarantees the bank to obtain the loan and benefit from it. Distribution fee in advance means that the producer receives a distribution fee in advance from the distributor in the form of a distribution fee write-off prior to production, and after receiving the distribution fee, the producer then uses the distribution fee in advance to carry out the relevant production work, thereby meeting the costs of producing the film. Release bonds refer to the production of a film in which the bank invests in the production and the bank issues securities or film and television products to the investors as investment income certificates or revenue income.

3.3 Market Regulation is Dominant

The development of the cultural industries in the US must meet the cultural needs of consumers, which is the main and primary concern. Consumers are a large group and their needs for culture are varied, so it is important to stratify the consumers of the cultural industry. Cultural products need to

meet different levels of consumers, and only by meeting their cultural needs can they find different outlets and make the cultural industry economically viable. At the same time, the US cultural industry does not only have a presence in the US, but is also actively expanding internationally. The main reason for the global acceptance of American culture is that the cultural industries in the US are targeting international markets and implementing a simultaneous global sales strategy. The sales network of the American cultural industry is spread all over the world, and they promote it in various forms. While reaping the benefits of the world, they also want to promote their image to the world, making an example of freedom, equality and greatness in front of the world and promoting American values. In addition, the development of the American cultural industry is not only limited to the development of this industry, but they also actively develop cultural extension industries, driving the development of other industries. Take the American film and television industry as an example. American films and television productions have not only achieved high ratings and phenomenal box office worldwide, but have also taken advantage of the popularity of film and television dramas to launch peripheral products such as toys, clothing and books at the right time. The diversification of cultural products and expansion of the industry has enhanced the added value of cultural products and promoted the development of extended industries related to the cultural industry.

3.4 Mergers and Acquisitions

The development of market-driven industries is very rapid. As the scale of the US cultural industry continues to expand, the competitiveness of enterprises also continues to increase. In order to take a leading position in the global market and to increase the share of the US cultural industry in the global market, the US cultural government encourages US cultural enterprises to merge and reorganise, continuously expanding the scale of enterprises and continuously upgrading the industry. For example, Warner and America Online underwent restructuring, which led to the effective integration of film and television and promoted the transformation and upgrading of cultural products, making it a distant leader in the global cultural market. Mergers and acquisitions of companies can bring into play each other's resource strengths, break through bottlenecks in the development of cultural industries, and give a double boost to the integration of soft power and high technology. Of the top 400 companies in the US, 72 are engaged in cultural industry operations, accounting for about 18%.

4. The Development of Cultural Industries in the United States is an Inspiration for China

4.1 Getting Cultural Security and Market Regulation Right

Cultural security is an important part of China's national security, and protecting cultural security is protecting national security. Chinese culture is a valuable asset for China. With the export of Chinese culture, China needs to grasp the current new trend and correctly handle the relationship between cultural opening and cultural security. While encouraging the cultural industry to follow the laws of the market, it is also necessary to intervene in the development of the cultural industry accordingly.

4.2 Showing Chinese Characteristics in Market Expansion

In the context of globalization, the development of China's cultural industry should not only actively expand the international market, but also highlight Chinese characteristics. We need to strengthen cultural legislation and regulate market access; we need to invest more in “Chinese

elements”, innovate on outstanding Chinese culture and enhance international competitiveness; we also need to strengthen international exchanges in the cultural field, so that Chinese culture can blossom and bear fruit around the world.

4.3 Increase Own Investment and Actively Expand Financing Channels

The development of China's cultural industry cannot be achieved without the support of the government and capital. We need to diversify the main body of investment in the cultural industry, increase the amount of non-public capital investment, and appropriately lower the threshold of access to the cultural industry; I need to innovate on financing methods, learn from the successful experience of the United States, and adopt venture capital and securitisation of intellectual property rights for financing; we need to introduce foreign capital, accelerate the merger and reorganisation of our cultural industry, and expand the influence of our cultural industry.

4.4 Strengthening the Management of Cultural Industries and Regulating the Mechanisms of Corporate Restructuring

In our country, the management of the cultural industry needs to be further strengthened by increasing administrative efforts, developing a new industry management system suitable for the development of the cultural industry, and providing the right guidance for the construction of associations and chambers of commerce. We need to train professionals in the cultural industry and activate the domestic and international markets. At the same time, the government also needs to strengthen the regulation of cultural industry activities and ensure cultural safety. For public cultural undertakings and cultural products, they should be managed through public-private partnerships; for non-public undertakings and cultural products, competition should be encouraged, regulated through the market, and managed accordingly.

5. Conclusion

The United States is a major economic power in the world, but also a major cultural power in the world, we need to learn from the successful experience of the cultural industry in the United States, combined with China's specific cultural industry development, scientific and reasonable to promote the development of China's cultural industry, to enhance the comprehensive strength of our country. At the same time, we should also see that the national conditions of the United States and our country are different, we should be vigilant and should not pander to foreigners.

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