

IP Development Strategies for Chinese Theaters in the Context of the Creative Industries

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Abstract: Strong market demand and ever-advancing technology have been promoting mass culture and changing ways of distribution and consumption of entertainment contents. However, the increased availability of diversified entertainment platforms adversely impacted people's enthusiasm for theater, which led to a decrease in the participation of theater audiences. The theater industry is advised to break out of the inherent limitations of the original model and move in the direction of an intellectual property (IP)-based developmental model on an industrial scale, integrating with multi-format communication and distribution channels. Based on the consensus reached in previous studies, this study was able to derive a definition of theater IP in the context of creative industries from the general point of view and the context of the Internet. In addition, the research employs the Chinese theater company Mahua FunAge as an example to explore the evolution of its ecosystem. Furthermore, the study employs critical analysis aims to provide recommendations for Chinese theater and its IP development. In general, the research provided an important opportunity to advance the understanding of theater IP. The wider goal is to promote effective marketization and commercialization processes on an industrial scale in the theater industry.

1. Introduction

Strong market demand and ever-advancing technology have been promoting mass culture and changing ways of distribution and consumption of entertainment contents. However, increased availability of diversified entertainment platforms adversely impacted people's enthusiasm for theatre, which led to a decrease in the participation of theatre audiences. Integration of IP rights with creative industries has brought some rays of hope to Chinese theaters. The theater industry seems to have found a new direction of development and vitality. Many theaters have begun producing entertaining content for their audiences in China and, at the same time, commercializing and popularizing their productions and related activities among a wider target audience. This study aims to explore the definition of Chinese theater IP in the context of the Chinese creative industry. Moreover, the study taking “Mahua FunAge” as a case study to investigate the structure of the internal ecosystem of Chinese theaters and its impact on revenue components and profit. Additionally, the study aims to

provide recommendations for the development of Chinese theater and its intellectual property (IP), covering talent management strategy, IP content management strategy, branding strategy, and marketing strategy.

2. Literature Review

2.1 The Concept of Theater Intellectual Property (IP) and its Evolvement

From the general point of view, IP is a legal concept that includes the ownership of both rights and interests [1-4]. In recent years, with the development of the digital information age, the internet's growth and the advent of new media have significantly impacted academic research on IP. Since the abbreviation IP represents Internet Protocol as well, network marketing companies have mixed these two IP concepts together and proposed the concept of Internet-based intellectual property [5]. While in the context of the internet and the creative industry, IP is the core driving force that can get rid of the shackles of the single expression [6-9], thus transforming into any cultural product that can be disseminated through tangible forms and subsequent IP operations [10](Zhang & Da, 2018). Existing literature has extensively defined the concept of IP from a general perspective and in an internet context. However, based on the background of the continuous development of science and technology, the definition of theater IP has received little attention or merely remains based on the concept of copyright.

To date, several studies have investigated the concept of IP and its influence [11-15], and several authors have considered the effects of the digital information age [5, 16]. In summary, from the general point of view, theater IP is protected by IP law due to their creativity and includes the ownership of both rights and interests [1-4]; while in the context of the Internet and the creative industry, theater IP is a driving force to get rid of the shackles of the single expression, the stage [6-9], thus transforming into any cultural product that can be disseminated through tangible forms and subsequent IP operations in the creative industry [10]. Although, up to now, there appears to be some agreement on IP, however, based on the background of the continuous development of the internet and digital technology, little attention has been paid to the definition of theater IP. Accordingly, based on the derivation of previous literature and theories, this study further defines theater IP in the context of the Chinese digital age and creative industries, and draws the following general conclusions:

- 1) The theater original work, which is protected by IP law for its creativity and originality, where the protected interests include ownership of rights and interests;
- 2) It is having a high degree of market recognition and exhibiting both cultural communication value and commercial worth
- 3) It can be used as a core factor that increases the integration and expansion activity of the theater with other creative industries and media communication channels.

2.2 Theater IP Ecosystem

As regards theater IP ecosystem, IP content is the core driving force, and the theater internal ecosystem structure composed of theater organizational structure are the key to maintaining the continuity and stability of theater development [17, 18]. Some studies have portrayed the internal ecosystem of a theater as a fixed development template [19]. Others, based on the complexity and variability of ecosystems, have highlighted that the structure of the ecosystem within the theater adjusts accordingly as the range of operations and spin-off areas it covers increases or decreases [20-22]. The principal objective of this project was to take Beijing Mahua FunAge as an example to investigate the evolution of its internal ecosystem and further explore its impact on the organization's revenue components and profit in the context of the Chinese creative industry.

2.3 Theater IP Development Strategy

Development strategy has emerged as a powerful tool in organizations to link and develop more channels for their brands and products [23-25]. According to previous studies, the development strategies of theater IP in the context of the Chinese creative industry have mainly emphasized the use of four aspects: the management of the theater for talent; the control of the quality of the IP works; the establishment of the brand; and marketing [26-30]. Taken together, a theater internal ecosystem composed of theater organizational structure is the key to maintaining the continuity and stability of theater development [17, 18]. The theater development strategy provides a way forward for each department to perform its duties [23-25]. Theatre development strategy, as an important guide for the organization to achieve its goals, drives that each unit within the theater fulfills its responsibilities, allocates work in a logical manner, and fosters mutually beneficial relationships through the exchange of resources and creation of value in a specific environment, thus expanding the theater's profit space and supporting its benign development [31].

2.4 Case Study Beijing Mahua FunAge Theater Company

Mahua FunAge is a Chinese comedy film and stage play production company that was founded in 2003. It is based in Beijing and was founded by Zhang Chen and Liu Hongtao. Mahua FunAge was founded and firstly invented the concept of "New Year stage play" and has developed into a new type of entertainment theater company that constantly creates high-quality and original comedy IP contents. Over the years, the company has formed its own system for the creation of comedy content and gradually developed the comedy style of "wonderful stories, touching feelings, sharp wit, hot spots, novelty, and uniqueness", which has become the personality label of Mahua FunAge and has won warm praise from the audience [32].

3. Findings and Analysis

3.1 Impact of Theater Ecosystems on its Revenue Components and Profit

This study employs Mahua FunAge as an example and, through the evolution of its ecosystem from 2014 to 2018, found out that the theater and its IP development ecosystem, which is composed of various symbiotic units, symbiotic environment, and development framework, follow the organization goals in the symbiotic environment to form a dynamic relationship of resource exchange and value creation. In previous studies, He (2011) [19] delineated the theater ecosystem by identifying five key components: theater productions' content, directors and authors, performers, theater and propagation channels, and audience groups. However, based on the findings of this study, it is possible that these conclusions do not provide a comprehensive representation of the Chinese theater and its IP development ecosystem. The organization decision-makers and supporting departments of Mahua FunAge are the key players in the whole IP development ecosystem and are the intermediate links and key elements connecting the development of upstream, expansion of midstream, and extension of downstream, and their roles run through the whole process of the theater IP value realization from its production, circulation, and consumption. Concretely speaking, organizational decision-makers and supporting departments will set organizational goals based on market demand, and each division of labor will generate creative ideas around the goals. The creative ideas will be produced into IP works, which will be followed by tripartite interactive activities in the production, distribution, and consumption segments, and the receiving terminal will be the consumers. Concurrently, the perceptions and sentiments of consumers towards the product will manifest in the financial aspects of the company, specifically in terms of revenue components and profitability. The theater's revenue

components are indicative of the organization's business composition, market demand fluctuations, and operational decisions. Profit serves as a manifestation of the overall business results and value within the ecosystem, while it also plays a crucial role in supporting and maintaining the balanced cycle of the organization's ecosystem. Moreover, the cooperation between individuals and development strategies in the theater ecosystem also forms an organic system that links up and down and connects left and right. This makes the organization no longer a single horizontal or vertical linear chain with an obvious starting point and end point, but an extended and deepened organic system. The relationship between the elements within this symbiotic system is both independent and cooperative, so as to form an industry chain for the purpose of generating value-added. This finding is consistent with that of Lansiti and Leven who noted the business ecosystem is an interconnected network of numerous entities that interact in a complex manner. The theater ecosystem was observed to develop in a closed loop following a fixed context and cycle as shown in figure 1.

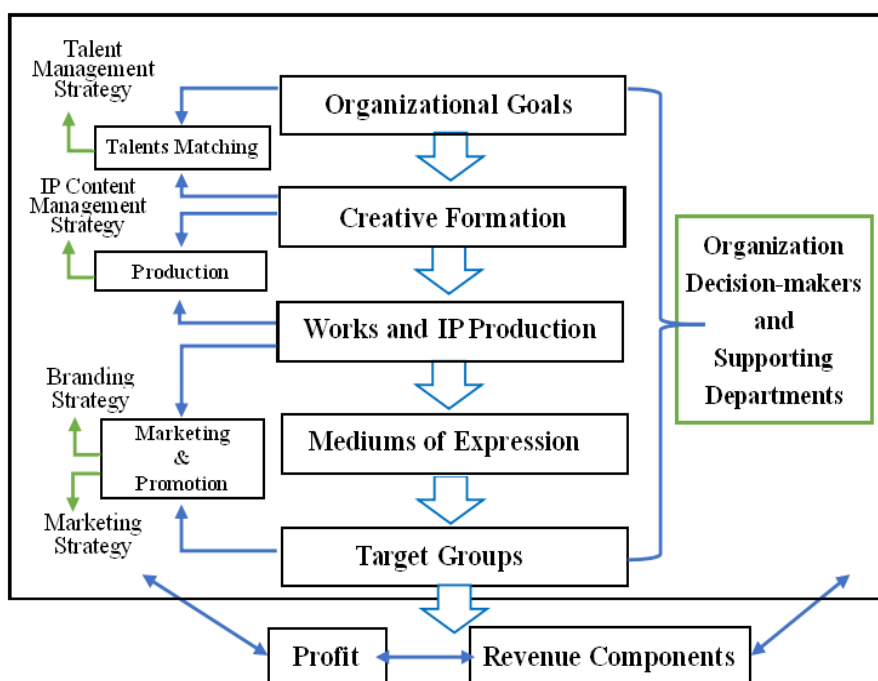


Figure 1: Theatre IP Ecosystem

According to these findings, we can infer that within the theater ecosystem, the high integrity of each symbiotic unit and the organic cycle of symbiotic relationships affect the revenue components and profit of the organization. The symbiotic units of the theater ecosystem mainly include development strategies, organizational decision-makers, and supporting departments. These symbiotic units perform their respective duties and sometimes even need to be able to perform multiple functions. The symbiotic units and links of the ecosystem, as well as the organizational development strategies, are intertwined at multiple levels, thus showing a high degree of integrity. In this section, the theater needs to coordinate the quantity and quality of personnel in the departments of the symbiotic unit, where quantity creates a clustering effect and quality emphasizes the development capacity of the main body of the organization, which in turn affects the achievement of the optimal symbiotic relationship. By aiming to create a sustainable impact for the organization, attention also needs to be paid to the relationship between development strategies and its functions. A symbiotic relationship means the exchange of material information and energy between symbiotic units, which reflects the mode and intensity of interaction between symbiotic units. In the ecosystem centered on the development of theater IP, it is emphasized that all departments need to be closely

connected, collaborate efficiently, and complete production and value creation vigorously, to realize the development of upstream, expansion of midstream, and extension of downstream, ultimately maximizing the growth of added value. Consequently, this leads to a continuous improvement in the overall competitiveness of theaters. For each actor in the ecosystem, this is also a process of improvement and the continuous accumulation of experience. The diversity of market demand and operation direction of the organization determines the revenue components, while the symbiotic units, in the common pursuit of improving profits, achieve efficient integration, coordination, and interaction. Correspondingly, the revenue components and profits are also supporting the closed-loop development of the theater ecosystem. These results draw our attention to the importance of considering the development of the theater's revenue components and profits from the perspective of the ecosystem as a whole. Whether it is revenue components or profits, the result is not reliant on the efforts of any specific sector but on the dynamic interaction of ecosystem links and symbiotic units and the effectiveness of internal mechanisms, and therefore revenue components and profits are able to form an interconnected relationship within the ecosystem, serving as the material foundation for its continuous cycle and evolution. Consequently, the study explored that the theater ecosystem has the characteristics of wholeness, circularity, accretive, and evolvability, which draws our attention to the importance of considering the development of the theater's revenue components and profits from the perspective of oneness.

3.2 Recommendations for Chinese Theater and its IP Development

- *Talent Management Strategy; IP Content Management Strategy; Branding Strategy; Marketing Strategy*

Further analysis reveals that the development of the theater and its IP not only requires the professional reliability, skilled and strength of each team member, but also achieves tacit understanding between the teams in long-term frictional cooperation. Moreover, whether an organization's development strategy can effectively meet its development goals, whether the IP production content meets market demand, and whether branding and marketing reach the designated objectives also have a crucial impact on the profitability of the enterprise. This part of the study aims to reach the third objective of this study, which is to provide recommendations for Chinese theater and its IP development from talent management strategy (Table 1), IP content management strategy (Table 2), branding strategy (Table 3), and marketing strategy (Table 4).

Table 1: Recommendations for Talent Management Strategy

Talent Management Strategy	
Risks	Inadequate talent resources; staff pressure; communication efficiency; management cost
Objective	Determine the vision statement; Define competitive advantage; Motivate employees; Achieve systemic growth; Layout the development plan
Planning & Identifying	Matching organizational goals and traits; Qualities, skills, and characteristics of talent; Development potential assessment
Attracting & Recruiting	Brand reputation; Organizational culture; Work atmosphere; Potential for career growth
Developing & Deploying	Support services; encouragement of innovation; skills training; cultivation of team consciousness; career development guidance
Maintaining & Retinting	Compensation and benefits; development space and opportunities; interest-bundling; attentive team service; talent incentive mechanism

Table 2: Recommendations for IP Content Management Strategy

IP Content Management Strategy	
Risks	Market competition; industry policies; piracy; creation and productions deviating from market recognition
Brand Mission	Communicating the brand's purpose; highlighting organizational values; describing brand identity; shifting as the company grows
Target Market	Share common characteristics such as age, income level, interests, consumer demand, and spending habit
IP Content Design	Originality; creativity; attractiveness; meeting audience demand; expandability; concentrate on specialty field.
Feedback Mechanism	Quality monitoring system; quality supervisor position setting; constructing the consumer feedback platform; member surveys; collect from various social media channels; Strengthening market surveillance and response capacity

Table 3: Recommendations for Branding Strategy

Branding Strategy	
Risks	Specific brand management competence; brand attractiveness; brand competitiveness; input cost
Brand Positioning	Category Position; unique Selling Proposition; brand-binding positioning; target audience classification
Brand Culture	Echo the brand positioning and target audience; highlight the core values; create a brand culture atmosphere; continue to spread and promote the brand spirit.
Brand Image	Logo Design: Harmony of signage style and color scheme; creative shapes; relevance of brand image; avoid the nitty-gritty details; ease of recognition.
	Slogan Design: Accurately expresses brand proposition; clear the brand core belief; cohesive message; KISS principle " <i>Keep it simple, stupid!</i> "
	Brand reputation: Guaranteed production content; reliability of service; social responsibility; establish the brand reputation protection mechanism

Table 4: Recommendations for Marketing Strategy

Marketing Strategy	
Risks	Costly; the market environment & consumer demand change frequently; market competition vehemence; limited market influence and appeal; uncertainty in the promotion effect.
Product	Commercial extension potential; compensating the market vacancy; originality; competitiveness; supporting business outreach; motivation between products to promote industrialization and upgrading of the organization;
Price	Production cost estimation; target audience consumption level prediction; unbundling and flexible pricing
Promotion	High-quality IP to drive word-of-mouth marketing; membership system to cultivate audiences; low-priced promotions to attract traffic; offline interactive communication; online multi-channels promotion; multi-brand cooperation and joint communication.
Place	Direct sales: cooperative theater; distribution channels; online platforms; official website; social media links. Indirect sales: media publicity, online hype, social media precise information transmission; accurately targeted advertising

4. Conclusion and Suggestions

4.1 Conclusion

In summary, the first objective of this study is to explore the definition of Chinese theater IP in the context of the Chinese creative industry, in which has been responded to in the literature review section. Based on the consensus reached in previous studies, this study was able to derive a definition of theater IP in the context of creative industries from the general point of view, theater IP is protected by IP law due to their creativity and includes the ownership of both rights and interests [1-4](Ringer, 1976; Cheng, 1994; Zheng, 1997; Gao, 2004; WIPO, 2016); while in the context of the Internet and the creative industry, theater IP is a driving force to get rid of the shackles of the single expression, the stage [6-9](Flanagan & Maniatis, 2008; Pamela, 2008; Xu, 2019; Chen, 2017), thus transforming into any cultural product that can be disseminated through tangible forms and subsequent IP operations in the creative industry [10](Zhang & Da, 2018). Consequently, this study points to the following general conclusion definitions that might be more appropriate regarding theater IP in the context of the Chinese creative industry: 1) the theater original work, which is protected by IP law for its creativity and originality, where the protected interests include ownership of rights and interests; 2) having a high degree of market recognition and exhibiting both cultural communication value and commercial worth; and 3) as a core factor that increases the integration and expansion activity of the theater with other creative industries and media communication channels.

The second research objective of this study is to take “Mahua FunAge” as a case study to investigate the structure of the internal ecosystem of Chinese theaters and its impact on return component and profit. The study employs Mahua FunAge as an example and, through the evolution of its ecosystem from 2014 to 2018, found out that the theater and its IP development ecosystem, which is composed of various symbiotic units, symbiotic environment, and development framework, follow the organization goals in the symbiotic environment to form a dynamic relationship of resource exchange and value creation. According to the findings, we can infer that the theater ecosystem was observed to develop in a closed loop following a fixed context and cycle. However, the contents of the particular veins, the quantity of personnel within each department, and the associated development strategies contingent upon this framework are consistently adjusted and evolved. The symbiotic units of the theater ecosystem mainly include development strategies, organizational decision-makers, and supporting departments. The symbiotic units and links of the ecosystem, as well as the organizational development strategies, are intertwined at multiple levels, thus showing a high degree of integrity. The high integrity of each symbiotic unit and the organic cycle of symbiotic relationships affect the revenue components and profit of the organization. The diversity of market demand and operation direction of the organization determines the revenue components, while the symbiotic units, in the common pursuit of improving profits, achieve efficient integration, coordination, and interaction. Correspondingly, the revenue components and profits are also supporting the closed-loop development of the theater ecosystem. Consequently, the study explored that the theater ecosystem has the characteristics of wholeness, circularity, accretive, and evolvability, which draws our attention to the importance of considering the development of the theater's revenue components and profits from the perspective of oneness.

Turning now to the third research objective, which is to provide recommendations for Chinese theater IP development from talent management strategy, IP content management strategy, branding strategy, and marketing strategy. On average, a talent management strategy could promote talent enhancement, increase work efficiency, and enhance organizational competitiveness. The strategy emphasizes the interplay between theater objectives and talent development, a process that includes planning and identifying, attracting and recruiting, developing and deploying, maintaining and

retinting. The IP content management strategy requires coordination between the brand mission, its target market, and IP content design, as well as the building of a feedback mechanism to receive suggestions, which can help theaters safeguard the quality of their IP. Additionally, it can aid in the cultivation and enlargement of their patronage base, the augmentation of brand influence and reputation, and the realization of industry expansion. Branding strategy will benefit theater by strengthening its brand characteristics, enhancing its brand competition, capturing brand loyalty, and expanding cooperation opportunities. It is the premise to clearly state the brand position, create an attractive and cohesive brand culture, and design the brand image that catches the consumer's attention. And the 4 Ps marketing strategy aims to involve proactive and dynamic responses to external uncontrollable factors through product, price, place, and promotion.

4.2 Limitation and Suggestions

This dissertation also has limitations, as demonstrated by the limitations of the data and research with limited generalizability. Firstly, the data and materials for this study are secondary and sourced from some of the publicly available information on the official websites of Mahua FunAge and industrial reports. Due to restricted access, comprehensive data, and materials from within Mahua FunAge and industry insiders are not available. Moreover, due to time limitations, it is impossible to track the specific situation of industrial development and ecosystem evolution in Mahua FunAge for a long time, obtain the first-hand data of Mahua FunAge, or obtain the subjective thoughts of industry insiders.

Future research could consider the combination of primary data and secondary data to compensate for the limitation of not being able to obtain information from Mahua FunAge and industry insiders. The specific approaches can be to issue questionnaires to Mahua FunAge audiences who have multiple consumption experiences or to conduct in-depth interviews with the Mahua FunAge staff about the theater ecosystem and its development strategies to obtain subjective and qualitative data, which will help the organization provide service to humanity and effectiveness. In addition, future research could analyze the impact through a comparative analysis of different theater companies, thus further expanding the possibilities and development directions for the theater's IP.

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