

An Analysis of the Factors Influencing Chinese Cultural Product Export

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Supported by “Twelfth Five-year” Science and Technology Research Project of the Education Department of Jilin Province “Research on the Competitiveness of Cultural Industry in Jilin Province” (Jilin Education, Science and Culture No. [2014] 307).

Received 19 May 2016; accepted 26 July 2016

Published online 26 August 2016

Abstract

With the acceleration of the process of economic globalization, cultural exchanges among countries have become increasingly frequent, and cultural industry has become one of the main indicators of a country’s comprehensive national strength. In recent years, China’s cultural industry development capacity has been gradually increased, the level of cultural products exports continues to increase. However, compared with developed European countries and the United States, China’s cultural industry development started late and the trade deficit of cultural products has been existing all the time. This paper mainly analyzes the factors influencing Chinese cultural product export and puts forward the measures to promote the export of Chinese cultural products.

Key words: Chinese cultural products; Export; Cultural trade deficit; Measures

Hao, L., & Song, L. Q. (2016). An Analysis of the Factors Influencing Chinese Cultural Product Export. *Studies in Sociology of Science*, 7(4), 61-65. Available from: URL: <http://www.cscanada.net/index.php/sss/article/view/8687> DOI: <http://dx.doi.org/10.3968/8687>

INTRODUCTION

Over the past 30 years of reform and opening up, China has made great progress in political and economic development and has achieved remarkable success. However, in terms of cultural trade, China has always been in the state of deficit, which is extremely inconsistent with the current economic development state.

1. CHINA’S CURRENT CULTURAL PRODUCTS EXPORT SITUATION

1.1 The Scale of Export of Cultural Products

In recent years, the gradual opening up of China’s market environment and the introduction of policies and measures have accelerated the growth of export trades of cultural products and export trades of cultural products continue to expand. In 2011, the export value of China’s core cultural products reached \$18.69 billion, and the export value of cultural products reached \$28.96 billion in 2015, increasing by 54.9% than that in 2011 (as shown in Table 1).

Table 1
The Share of China’s Exports of Cultural Products Accounted for in Total Exports in 2011-2015

Year	Exports of all goods (\$100 million)	Exports of cultural products (\$100 million)	Cultural export share (%)
2011	18,983.9	186.9	0.98
2012	20,498.3	217.3	1.06
2013	22,095.7	251.3	1.13
2014	23,427.5	266.6	1.14
2015	22,765.7	289.6	1.27

Source: Data of exports of cultural goods come from the United Nations Commodity Trade Database, and data of exports of all goods come from data published by the General Administration of Customs of the People’s Republic of China.

However, although in recent years, Chinese exports of cultural products have had a more significant improvement, as an important component of China's foreign trade, there is still a serious deficit of the export of main cultural products and the development pace of China's cultural product export is far behind the overall increase in foreign trade. The trade deficit of periodicals, books, newspapers and electronic publications and audio-visual products has expanded year by year. This is in sharp contrast to China's high trade surplus of general goods, which also indicates that the export competitiveness of China's software cultural goods (including cultural services and content-based cultural commodities) is weak.

1.2 The Export Structure of Cultural Products

In recent years, the trade volume of China's cultural products has increased rapidly, but the exports of products are mainly tools to produce, preserve and disseminate cultural content and a variety of carrier-based hardware cultural goods. There are fewer exports of printed matter, audio and video products, radio broadcast, movies and television programs, exhibitions and multimedia software products (as shown in Table 2). This also makes China's cultural product trade show an obvious dual structure of software and hardware.

Table 2
China's Cultural "Software and Hardware" Export Statistics (Unit: \$100 million)

Product category	Year			
	2011	2012	2013	2014
Television programs	0.34	0.34	0.27	0.41
TV series	0.22	0.22	0.14	0.31
Documentary	0.03	0.05	0.04	0.01
Sporting goods and equipment	6.73	7.86	6.72	8.94
Recreational facilities	7.30	8.48	7.57	9.78
Culture and education	7.49	8.93	7.74	9.94

Source: National Bureau of Statistics of the People's Republic of China.

1.3 The Export Flow of Cultural Products

As the export of cultural products has a higher requirement of cultural identity, Hong Kong, Japan, the United States, the United Kingdom and Germany have become China's major exporters of cultural products, with the distribution of cultural products more concentrated. Take the export of publication copyright as an example, in 2014, China mainly exported publications copyright to Hong Kong, Macao and Taiwan regions, South Korea, Singapore, the United Kingdom and the United States. We had a trade surplus with Hong Kong, Macao and Taiwan and Singapore, which shows that the export of Chinese book copyright is mainly concentrated in Hong Kong, Macao and Taiwan and nearby Asian countries (as shown in Table 3). In view of this, in the current cultural products trade, China's cultural products are circulated mainly in the Chinese cultural circle.

Table 3
Copyright Trade Statistics for Chinese Books in 2014

Item	Exports	Imports	Difference
United States	734	4840	-4106
United Kingdom	410	2655	-2245
Germany	304	807	-503
France	313	754	-441
Russia	177	997	-820
Canada	67	160	-93
Singapore	248	211	37
Japan	346	1736	-1390
Korea	623	1160	-537
Hong Kong	277	181	96
Macao	13	8	5
Taiwan	2284	1171	1113
Other Regions	2292	1762	530

Source: *The Basic Situation of the National Press and Publishing Industry in 2014* published by the General Administration of Press and Publication of the People's Republic of China.

2. THE MAIN FACTORS AFFECTING THE EXPORT OF CHINA'S CULTURAL PRODUCTS

2.1 Cultural Background

The world is diversified. Different nationalities have their own unique cultural background. Different customs, values, languages and religious beliefs will affect the acceptance of other countries towards a native culture and influence the trade of a country's cultural products. According to the theory of demand preference similarity, the closer the demand structure and preference of two countries are, the larger the trade volume between the two countries will be compared with other countries. Thus, if the cultural backgrounds of different countries are relatively close, cultural products trade barriers will be relatively fewer. While for countries with different cultural backgrounds, the barriers for cultural products to enter such countries will be bigger.

Take the TV series *Empresses in the Palace* as an example. *Empresses in the Palace* was not exported in whole with 76 episodes. This show was recut into 6 episodes with the most intense and dramatic plots preserved and exported to the United States. After it was broadcast, the US media reports were all about how it was left out in cold, how poor the translation is and the loss of all the details. The reason behind this is not the drama itself, but different cultural background and language expression between the United States and China. The

director of this series, Zheng Xiaolong, also mentioned that the cultural differences between the two countries were the root cause. Film and television subtitles are very short, and the classical four-word Chinese idioms contain rich content and such content cannot really be fully expressed by the translation. Language is the first obstacle in the process of communication and acceptance of cultural products. Language is also an important factor for which cultural products have had cultural discounts. It is precisely because China uses Chinese rather than the “world language” English, leading to China’s cultural products having no advantages in English-speaking countries.

2.2 Marketing Tools

In order to achieve better marketing results for exported products, export enterprises are supposed to develop targeted marketing measures based on different export markets. Since spirituality and materiality are the unique attributes of cultural products, when we export cultural products, it is important to take effective marketing strategies according to the characteristics of the target market. However, at this stage for the majority of Chinese cultural products, when they are exported, it is difficult to take effective marketing measures for the target market, which restricts the export of cultural products. In addition, in the development process of cultural products, an effective industrial chain has not been formed; market sales channels for cultural products are quite narrow and it is difficult to fully develop downstream products, leading to a shorter life cycle of China’s exported cultural products.

2.3 Cultural Trade Policy

Cultural trade policy uses a number of effective measures and methods to supervise and control the domestic cultural enterprises so as to protect the orderly development of the domestic cultural market. Cultural trade policy mainly includes two categories: one is free cultural trade policy, but completely free of government control is likely to cause trade deficit of cultural products (services). If a country takes free trade policies for cultural products in the long run, this will severely affect the original values and cultural traditions of this country and pose a threat to the culture of the country. The other is protectionist cultural trade policies. It is a series of protective measures a country takes to protect the national security and avoid cultural invasion from other countries. However, overprotection will cause greater restrictions for a country to carry out cultural trade. From this we can see that the development of a country’s cultural trade will be subject to its cultural trade policy. At this stage, the openness of China’s cultural market is very limited. In addition to the advertising industry, foreign investment is also strictly restricted in copyright and film and television and other related fields. Products made

by cultural industries that lack experience of opening up will inevitably lose in the process of “going out” and competing with strong competitive cultural products in the world market. The export-oriented capacity of China’s state-owned cultural enterprises is weak. When the export of other types of cultural enterprises is rising year by year, the export of state-owned cultural enterprises is showing a declining trend. At present, although state-owned cultural enterprises are larger than other types of enterprises in terms of financial strength and the size of enterprises, their ability in the export of cultural products is still weak. To accelerate the development of China’s foreign cultural trade, national cultural policy must respond.

2.4 Cultural Innovation Capacity

Cultural innovation is the decisive factor in whether cultural products can go out of the country and attract consumers’ attention. Due to the lack of innovation in content and form, the international competitiveness of Chinese cultural products is relatively weak. In recent years, China’s exports of cultural products are still musical instruments, brush, rice paper and martial arts and acrobatics related products and other cultural products with traditional Chinese characteristics. It is not closely integrated with contemporary cultural trends. Take the export of domestic animation products as an example. China’s exports of animation products as a whole present the characteristics of immaturity, *Pleasant Goat* and *Boonie Bears* and similar animated products still occupy the leading position of China’s animation export market and the consumer groups are subject to greater restrictions. With the changing of the times, consumers continue to update their aesthetic appreciation of cultural products, but China’s exports of cultural products have not had obvious changes, and thus cannot present the maturity of Japanese animation products. The quality of our cultural products cannot really meet the aesthetic needs of consumers, causing a serious impact on the export of Chinese cultural products.

2.5 Financial Support

Lack of financial support is a common problem in export enterprises of China’s cultural products, so that enterprises are restrained in research and development, production and export sales of cultural products and they even have to struggle to survive. Especially for small and medium-sized cultural enterprises, because of the small scale, combined with their own deficiencies in management and technology, they have a low level of corporate finance, which to a large extent has limited the rapid development of cultural enterprises. Developed countries, relying on their strong financial strength, have cultivated a number of multinational cultural enterprises with international influence and constantly expanded the scale of exports of their cultural products, and in the international market they have occupied the majority of the market share.

3. MEASURES TO PROMOTE THE EXPORT OF CHINA'S CULTURAL PRODUCTS

3.1 Strengthen Government Support

3.1.1 Strengthen Personnel Training

China's cultural industry started late and we don't have compound professionals who have professional cultural expertise but also are proficient in international trade, international finance, international market rules and international cultural differences. In order to enhance the export competitiveness of Chinese cultural products, the government should establish a strategic cooperation relationship with colleges and universities, through short-term training, joint schools and other means as well as directional training, two-way communication and other approaches to cultivate a number of professionals with cultural background knowledge and marketing management experience. On the other hand, the government should develop various policies and implement measures to introduce overseas professionals, making overseas excellent management and marketing personnel serve for the development of China's cultural trade. We should also optimize the structure of talent to provide the talent base for Chinese cultural products to enter the international market.

3.1.2 Increase Financial Support for Cultural Export Enterprises

By summing up the mature experience of the United States, Japan and Korea in developing their cultural industries, we can see that the government plays a vital role in promoting the development of cultural industry. To enhance the market position in the field of cultural trade, China must demonstrate the government's role in regulating and guiding the cultural industry, and actively take various policy and measures to provide all-round financial support for cultural enterprises. On the one hand, banks and cultural products export enterprises can be encouraged to work together to develop cultural products and international markets. We should introduce various venture capital and funds in the process of capital operation of cultural enterprises. In addition, we can establish cultural entrepreneurship fund and use the form of national capital injection to provide financial support for cultural enterprises so as to promote the export of cultural products.

3.1.3 Broaden the Sales Network and Distribution Channels for Cultural Products

To enhance the status of Chinese cultural products in the international market, we need to open up new channels and develop new strategic measures to make China's cultural products enter the international market more smoothly. On the one hand, we can establish agents and other forms to strengthen cooperation with cultural

enterprises and related institutions in the target market to increase the export of Chinese cultural products. On the other hand, we should fully play the role of cultural centers of embassies and consulates and overseas Chinese cultural centers. We can organize to domestic cultural enterprises to participate in overseas cultural exhibitions and other activities to help Chinese cultural enterprises to understand and analyze the overseas cultural market dynamics, establish and expand their overseas marketing network.

3.2 Strengthen the Integration of Cultural Products and High-Tech

Although China has rich cultural resources, compared with developed countries, there is still a big gap both in the production technology of cultural products and the promotion of cultural products. Therefore, in order to further expand the export market of Chinese cultural products, on the one hand, cultural enterprises should integrate advanced science and technology into cultural products in order to enhance the technological content of cultural products and meet the needs of the international market. On the other hand, China should constantly strengthen and improve the construction of network infrastructure and push cultural products manufactured in China to the international market with convenient channels and flexible ways at low prices through the network platform.

3.3 Innovate "Chinese Elements"

3.3.1 Transform Chinese Cultural Products

There are large differences for different countries in terms of the cultural origin and development trajectory, making each country's cultural background vary. Therefore, if China's cultural enterprises want to promote the development of export trade of China's cultural products, we must fully understand the cultural background of different countries. While strengthening protection of intellectual property of cultural products, we should also combine the needs of the target market and take advantage of all kinds of cultural resources to create cultural products with "Chinese characteristics". On the one hand, we should produce cultural products which can not only reflect the oriental charm but also take into account the understanding ability of consumers in other countries; the other hand, we should try to reduce the adverse effects of current cultural products, thereby enhancing their international competitiveness.

3.3.2 Creatively Develop Traditional Cultural Products

"Cultural resources + creativity" is the prerequisite to create cultural products in line with today's market demand. As we all know, China has rich cultural resources, but in the changing background of the times, if we want Chinese cultural products to occupy a certain market share in the international market, we must carry out innovative development of traditional cultural resources. That is to

say, we should effectively combine traditional cultural resources with modern cultural awareness and technical means and reshape the national cultural resources in an “international” approach so as to promote the rapid development of China’s cultural product export trade.

3.4 Enhance the Level of Cultural Marketing

3.4.1 Strengthen the Brand Building of Chinese Cultural Products

Brand is a unique symbol of cultural products. Well-known cultural brands are the guarantee for the long-term development of Chinese cultural products. While the lack of brands is a bottleneck restricting the current development of China’s cultural product export trade. In the process of promoting the export of cultural products, China can learn from the successful experience of American Hollywood and strengthen the brand building of Chinese cultural products. We can use the celebrity effect to promote China’s film and television works and books, pass the values of China to the Western countries and thus effectively promote the export of Chinese cultural products.

3.4.2 Strengthen International Cooperation of Cultural Enterprises

China should strengthen exchanges and cooperation with cultural enterprises in other countries. On the one hand, we should make use of the existing resources and sales network of the local cultural enterprises in the trading partner countries to promote Chinese cultural products, shorten the time to enter the international market and make local consumers fully aware of Chinese culture; on the other hand, we should make China’s cultural products closer to values and psychological expectations of local consumers, so that the high time and transportation costs caused by the geographical distance between different countries can be reduced, the negative impact of cultural product export can be eliminated and China’s cultural products can be more effectively promoted. Take the domestic animation *Pleasant Goat and Big Big Wolf* as an example. Through its full cooperation with Disney and by using Disney’s existing broadcast channels and platforms, *Pleasant Goat and Big Big Wolf* have been broadcast in 52 countries and regions and achieved good results.

3.5 Develop Cultural Derivatives

Derivatives of cultural products are a kind of accessory of the main cultural products. The main role of derivatives

is to supplement or expand cultural products. If the derivatives of cultural products can be presented in the form of independent brands in the market, their value and influence will go beyond the cultural products themselves to a certain extent. While promoting the export of cultural products, China should also strengthen the design and development of cultural derivatives, making consumers think of the cultural image of China through these derivatives. In the process of developing derivatives of cultural products, on the one hand, we must make it clear that successful cultural products are the basis for the existence of derivatives of cultural products, which means Chinese cultural enterprises should first establish the image of cultural products and then plan and design derivatives of culture products to form brand effect; on the other hand, derivatives of cultural products, whether in product development or in the production process, require more complete and mature industrial system to match it. Therefore, while focusing on the development of cultural industries, we should form linkage with other related industries in China and achieve close cooperation among various industries so as to effectively extend the value chain of cultural products and fully expand the export efficiency and overseas influence of Chinese cultural products.

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