

**Transformation and Modernisation of the Chinese Film Industry under the
background of COVID-19**

(from the Filmmaker's Perspective)

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Abstract

This thesis explores the gaps in research and practice concerning the transformation and modernisation of the Chinese film industry during this particular period of COVID- 19. This report covers a period divided into three periods: before the emergence of COVID- 19, the beginning of COVID- 19, and the middle of COVID- 19's development to the current day. These time segmentations will provide a basis for comparing and explaining the development and transformation of the Chinese cinema scene within the research period. Previous literature research has investigated the fact that the market for the Chinese film industry has reached a stage of saturation, the market development of the Chinese film industry at an academic level, and reasons that justify why the Chinese film industry should be transformed and developed. The research presented as part of this thesis draws on previous market data on the Chinese film industry while expanding the research knowledge in the field by exploring the methodology used to study the market data of the Chinese film annuals in the Lighthouse app. Furthermore, the study reflects on the impact of the film industry's transformative development in China.

This work includes descriptive, inferential, and regression analysis of the Chinese film industry's marketing and distribution data from many specific surveys. In addition to data analysis findings, the thesis explores the impact of COVID- 19 on the film industry in China.

The combination of an in-depth literature review, analysis of findings, and reflection on the impact of changes in practice and application by the Chinese Film Office and the Chinese government produce a set of recommendations and guidelines to improve the bottlenecks in the development of marketing and distribution in the Chinese film industry.

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Declaration

I declare that this thesis is my personal and original work and that I am the sole author. This thesis has not been previously published at this or any other university. All sources are acknowledged as references.

1. Introduction

1.1. Project Outline

Since the early 2020s, the COVID- 19 epidemic has rapidly spread worldwide, causing economic and social distress. The outbreak of this new coronavirus has had a massive impact on the international Chinese film industry and the entire film industry. Many future films were withdrawn from cinemas worldwide, new movies were halted, and cinemas could not open. Although China has managed to keep the epidemic under control, many of its cinemas remain closed as a precautionary and control measure. Due to the epidemic's effects, film and television productions have had to suspend operations, which has caused a halt in pre-production filming and has undoubtedly dealt a severe blow to the Chinese film industry.

Furthermore, as the international epidemic continuously spreads, we should be realistic enough to recognise that the impact of the COVID- 19 epidemic on the film industry is not a temporary event that can be eliminated in a short period of time but rather a continuous and long-term shift in the market environment. On March 2, 7, and 28, 2020, the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China held two meetings. Chinese President Xi Jinping emphasised the need to accelerate the restoration of production and living order under normal conditions of epidemic prevention and control, and promote epidemic prevention and control work and economic and social development in an integrated manner” in April 2020, implying that China will be in a long-term situation

(Zhu, 2020). In this context, the future strategy for the survival and development of China's film industry should be based on the normalisation of epidemic prevention and control (Xie, 2021) while looking for opportunities for the industry to take off during times of crisis through transformation and modernisation. Transformation signifies an identifiable transition in form, impression, and nature, whereas modernisation is a process used to imply the adoption of newer ways of recent times (King, 2018). In this study, modernisation and transformation of the Chinese film industry refer to the use of new technology to improve the quality of films and revenue.

The global film industry underwent significant transformations in 2020 that significantly impacted its survival. The epidemic has brought not only a long-term existential crisis to the Chinese film industry but also an opportunity to revitalise the film industry's economy. To seize this opportunity, Chinese filmmakers must face the irreversible virus-influenced decline in the development of China's film industry, the COVID-19 era of film culture, and the consumer characteristics of China's entertainment industry. At this critical time, the spirit of Chinese culture is to find a way to change and modernise the Chinese film industry so that it can help build a solid film country and help the Chinese film industry grow.

1.2. Project Objectives

This thesis investigates the transformation and modernisation changes that occurred during the pre, start, and the COVID- 19 pandemic. The specific objectives included:

Identify and describe the transformations in the Chinese film industry over the research period.

Evaluate the effect of COVID- 19 on the Chinese film industry's modernisation.

Investigate the changes over the three research stages (periods).

1.3. Justification

The road to transforming and modernising China's film industry currently relies on the central government, local governments, film enterprises, and film practitioners. In addition, promoting the transformation and modernisation of China's film industry in the context of the COVID- 19 epidemic necessitates their close collaboration.

Chinese cinema has witnessed a century of ups and downs, and the journey has not been without its difficulties and dangers. Nonetheless, whether faced with war, poverty, international industry blockades, market changes, or industry development challenges, Chinese filmmakers have overcome all obstacles to achieve the outstanding results they have today. The Chinese film industry will undoubtedly be

reborn in COVID- 19. This is the ideal opportunity to transform and modernise the industry while trying to build a strong film nation.

I looked into the pattern of the Chinese film industry before COVID- 19, as well as the number and layout of the box office before 2019. This was done to make comparisons with the Chinese film market. Film markets are trade events where business is conducted, like finding distributors and selling films to different territories which have experienced COVID- 19 and hypothesising whether the Chinese film market needs to transform and develop. What is the future of the Chinese film market?

2. Methodology

This research focuses on the period of the COVID- 19 epidemic in China. It involves a shift in the marketing techniques of the Chinese film market and the box office of Chinese films in three periods: before COVID- 19, at the start of COVID- 19, and from the beginning of COVID- 19 to the present. Adopting a multi-period dialectical view of the changes in the three periods enables us to investigate data sources from various periods. It can analyse why this phenomenon occurs, why the Chinese film industry needs to change, and what the Chinese film market needs to do. In this way, I hope to answer the research questions by better understanding these questions and the concepts involved and providing a richer interpretation of the data. Each component of the methodology will be described at length below.

2.1. Research of theory

Theoretical research starts with reading the annual reports of significant Chinese film distribution companies and the annual and quarterly reports on the Chinese film market, which were obtained primarily from the Lighthouse Pro app from China. Lighthouse Pro is an app developed by Shanghai Taopiaopiao Movie Culture Company. The Lighthouse Pro app is a platform where various stakeholders can obtain information about their products through studies and insights, consequently understanding their markets.

iPhone Screenshots



App Store Preview

This app is available only on the App Store for iPhone.



灯塔专业版 4+

Shanghai Taopiaopiao Yingshi Culture Co., Ltd.

★★★★★ 5.0 • 3 Ratings

Free

It discovered a wealth of research material and data related to the COVID- 19 period, which could also be divided into quarters. The goal was to conduct an iterative, reflective data collection process using COVID- 19 money, data reports on the Chinese film industry at the start of COVID- 19, and data reports on the Chinese film industry after the outbreak of COVID- 19, to construct the premise necessary for the transformation and development of the Chinese film industry. Data was collected from a variety of sources, including the official websites of the State Film Bureau of China, China Film Corporation, and the specialist Chinese film data app Lighthouse;

peer-reviewed journals, books, annual reports, and data tables on the film industry obtained through keyword searches; and literature recommendations from the tutors. We found relevant literature and used cite to build a local research library to keep track of and organise the sources of information.

After that, I used qualitative analysis, took notes, and identified overarching themes and categories from the research. Firstly, the research questions throughout the article were determined; why did the Chinese film industry market need to transform, develop, and upgrade? Secondly, what has changed in the Chinese film industry market during the COVID- 19 period compared to the previous period? Thirdly, how did the Chinese film industry market transform, develop, and upgrade? How did this refinement continue until the key themes and reports were identified and categorised? This refinement process continued until critical articles and reports were identified and classified. With this inductive approach, we were able to: first, summarise and condense the data; second, make explicit connections between the data and the need to transform and develop China's film industry; and third, combine and analyse the data for use in subsequent parts of the research.

After establishing the premise of the transformative development of the Chinese film industry during the COVID- 19 period, I set about collecting a variety of data (again from sources such as journals, books, and the Lighthouse app) to integrate and link with academic research to provide critical data to support the development

and modernisation of the Chinese film industry and to spark insights into the subject. Furthermore, the data for this study were processed and analysed qualitatively.

2.2. Constructing three sections of COVID-19

My next step was to create three sheets: before the COVID- 19 epidemic, during the COVID- 19 outbreak, and after the COVID- 19 epidemic, but this was not possible because the COVID- 19 epidemic did not end globally. I changed the third period from the beginning of the COVID- 19 outbreak to the present (the cut-off date for data collection in China was the Qingming Festival slot, which is the festival of remembering and honouring the deceased), making this report a more detailed and more accessible study that analyses the data according to three different periods. I have separated all three periods in the Word document based on the three-period themes discussed in 1. 1. 1. I identified the data that might apply to the research before, during, and after COVID- 19 with the reports and annual reports that could be referenced for the Chinese film market under each of the three periods. I also took note of how the box office changes during each of the different times of the Chinese film market. This made the data further, allowing me to analyse the subtle changes in the Chinese film market more carefully and in-depth.

Table 1. The COVID-19 period under study

	Pre	During	Post
	COVID-19	COVID-19	COVID-19
	Pandemic	Pandemic	

			Pandemic
Period	2018 to December 2019	December 2019 to April 2020	April 2020 to April 2022

3. The Chinese Film Industry Pre-Covid: before February 2020

3.1. Background

According to public data, China's film market has increased by about 30% per year for more than ten years, peaking at 63.9%. The scale has increased by 60 times in 20 years. After 2015, the rate of growth abruptly slowed. By 2019, the top four films had amassed more than US\$2,313,922,097.95 in box office revenue, accounting for nearly a quarter of the year's total box office (Jiang, 2020).

On the night of December 6, 2019, the box office of Chinese mainland films reached RMB 60 billion, an equivalent of around US\$8.5 billion, more than 20 days earlier than the same period in 2018. In the end, the total box office of 2019 was US\$960 million, a 5.4% increase over 2018 (Guo, 2019). This implies that after 20 years of rapid growth, China's film market has slowed to a steady growth rate over the last three years.

The Chinese film industry performed well in 2019, with the box office revenue exceeding in 2018, totalling RMB 64.27 billion. These findings suggest that while the total box office of Chinese films surpassed 2018, the growth rate of the Chinese film box office has gone downward since 2017. The movie box office is showing a slow-growth trend. This implies that China's film market has slowed to steady growth over the three years.

The graph of the film's annual box office and box office growth ratio can be analysed to show that the difference between the box office of Chinese films in 2011 and that of Chinese mainland films in 2019 is a discrepancy of RMB 50 billion (approximately US\$7.82 billion), which is a significant drop in value and shows that the Chinese box office is generally flourishing. Since 2015, the annual box office has gradually stabilised at RMB 5 billion (approximately US\$0.78 billion) for the following year. And the difference is shrinking all the time. The Chinese box office has reached a plateau and is steadily rising, as illustrated in the figure below.

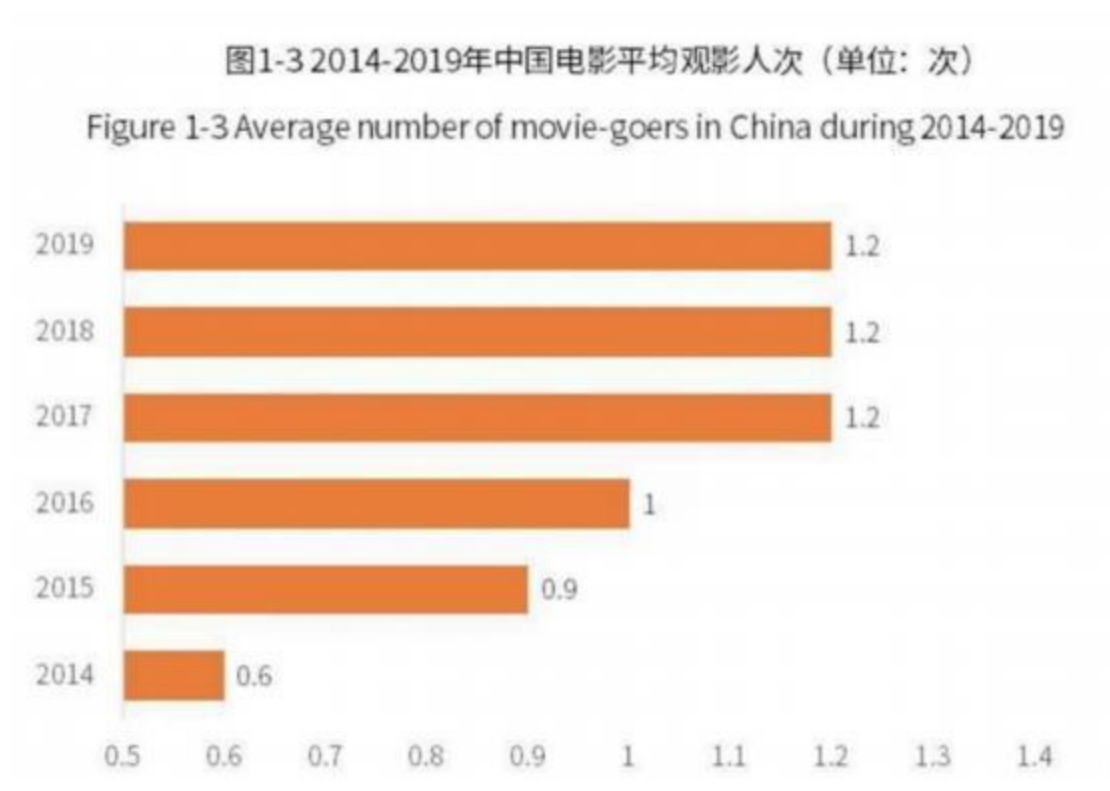


Figure 1 Graph: Average number of movie-goers in China during 2014-2019 (adopted from Average number of movie-goers in China during 2014-2019, 2020)

Since 2014, the average annual cinema attendance in China has been increasing. However, the number of movie viewings in 2019 is the same as in 2018 and has remained constant at 1.2 per person since 2017. It is hypothesised that China's film viewing per capita growth has peaked and essentially stalled at 1.2 times per person. The Chinese film market is saturated and desperately needs new ways to grow.

Impact on film distribution

Since the beginning of 2018, the Chinese domestic film market has already shown problems such as low frequency of movie-going and a decline in movie-going attendance. As the second-highest developing country globally, China has a lower per capita cinema attendance frequency than the other nine countries in the top ten, less than half the average of those nine countries, and only a third of North America and a quarter of that of South Korea. (Pei, 2019)

The industry will use a traditional audience consumption model, which is not conducive to developing the habit of going to the cinema in person.

Throughout COVID- 19, certain production businesses, such as HuanXi Media, elected to distribute their films via streaming for commercial reasons. On the other hand, this case provided considerable benefits regarding Internet traffic. According to Qi (2021), the way people live and consume will not change dramatically in the long run, and the Internet platform will not replace cinemas. As a result, it is vital to assess

the two properly, with a sense of crisis but not despair. The Internet channel is a tremendous instrument for the film business, and the next step is to evaluate how to use it more effectively (Qi, 2021).

Future changes in film scheduling in cinemas may be the industry's most pressing concern. After all, with a backlog of films on COVID-19, new melodramatic projects in the works, and the introduction of imported films, the next film market is confronted with the issue that the supply of content is superior to the demand. Amongst other things, with multiple headliners increasingly competing for the same key slot in recent years, the next headliner blockbusters with few slot options will be looking for ways to gain a distribution advantage in the more intense competition for key slots ahead. This shift will undoubtedly influence how many films consider their slot options.

Demand can only be increased by cultivating the consumption habits of third and fourth-tier markets, particularly movie-going consumption habits, improving the professionalism of practitioners in these cities, and standardising and perfecting the market.

The market has become more saturated along the coast and in first-tier (Shanghai and Beijing) and second-tier (Wuhan and Qingdao) cities. By the end of 2019, Shanghai will have more than 300 cinemas. The regional box office has not changed much due to the increase in cinemas and has reached the market saturation

level of this city. Even though China has such a big market, there is still plenty of room in the west and cities in the middle of the country, so there is a total market.

The Internet distribution is still based on the distribution of local networks for the Internet channel and has not jumped out of the distribution of local networks. As a result, regional network distribution has always been the most crucial distribution method. A local distributor's role is to participate in the local film market, not just execute promotional materials sent out by the company or run to the cinemas to keep an eye on the schedule. An excellent local distributor's role is to promote the growth or regulation of the local film market. The Chinese film industry chain includes product development, distribution, projection, post-production, advertising, and copyright trading. The production industry comprises large state-owned enterprises such as China Film and Huaxia and private enterprises such as Huayi, Bona, and Xiao Ma Penta. As the industry chain continues to integrate, a company will be involved in the industry chain's upper, middle, and lower reaches. Examples include China Film and Huayi, who have their own production companies, distribution companies, and artist agents. It will even open its own company and its own movie theatres to run them. It will do this through capital holding or franchising.

Box office revenues from cinemas dominate the distribution of interests in the industry chain in China (abroad, in addition to the box office, there are audio-visual markets and video-on-demand businesses). Benefits are distributed to the industry's core players (producers, distributors, and projectors) as a share of the box office.

Before the split, a 3.3% business tax and its surcharges (urban construction tax and education surcharge, so this percentage may vary slightly depending on the region) were deducted from the cinema's box office revenues. A special fund of 5% should be removed for the development of the national film industry, and the split should be done according to a ratio of 38%-41% (production), 4%-6% (distribution), 3%-7% (theatres), 50%-52% (cinemas) (Yu and Weng, 2008).

In general, directors establish their studios, sign contracts with companies based on the contractual relationship of the film, or even co-invest in the movie in the form of equity. Given the circumstances, more giant corporations will sign directors who are part of their own companies. The three companies mentioned may be co-producers, with their shares appearing on screen in succession. According to the contract, some companies are only responsible for paying for the film. Some are for production, while others are for distribution (Yu and Weng, 2008).

Bona Film Group Limited is an integrated film group. The company provides film production and distribution, as well as film advertising, and owns movie theatres. The Bona Film Group operates in China. For example, it has many resident distributors in third-tier and fourth-tier cities that cater to the local market and consumption habits, promote more professional and effective local marketing and publicity and collaborate with local media, merchants, and cinemas. All of these forces will eventually come together to facilitate market expansion. Of course, all of these actions are based on the city's development of the cinema industry. Many cinemas in third and fourth-tier

cities have the necessary hardware. Still, they lack knowledge and understanding of film promotion, screening, and distribution, and they have overlooked the importance of marketing and advertising and the aesthetic judgement of films. It will undoubtedly have an impact on their future development.

3.2. State-funded and private cinema co-existence in the Chinese film industry.

Due to the long-standing relationship between films and politics and the state's monopoly and administrative control over the film industry, the establishment of the so-called socialist market economy with Chinese characteristics has opened up full-scale legal and institutional reform of cinema and led to its transition to marketisation. However, this has inexorably been accompanied by conflicts, disorder, and crisis. To further cut the transaction costs produced by unneeded middlemen within the same territory and foster competition in cross-regional distribution, a new cinema chain regime erected many chain movie theatres across several regions, established in 2002 (SARFT 2001); (Weng 2009). Furthermore, after seven years of acting as such distributors' agents, private enterprises could finally function as legitimate independent distributors in 2003 (Weng 2009). At the moment, private businesses are dominating the domestic film distribution industry. According to Wisdomfish's 2015 China Film Industry Annual Report, the top 10 private distribution businesses held an 84.9% market share in domestic film distribution in 2015. They contributed RMB 22.98 billion, 52.1% of the total box office income.

M&A and restructuring created national movie chains and increased concentration from 2004 to 2008 (Tang 2009); (Liu 2012). The development of movie theatre chains in small and medium cities and rural areas has been fuelled by the burgeoning movie industry and fierce competition (Liu 2012).

Additionally, a brand-new era of digital film distribution began in 2004 when SARFT unveiled the development pillars of film digitisation from 2004 to 2010 to advance the digitisation of film production, establish the digital distribution network, enhance the development of digital cinemas, and quicken the localisation of the production of associated hardware and software (SARFT, Development Outline of Film Digitisation, Guang Fa Ying Zi 2004). China's cinema is getting closer to the age of the mega-industry by examining the multimedia network of distribution via television, the Internet, mobile devices, and theatrical distribution (Weng 2009). According to Wisdomfish's 2016 China Film Industry Annual Report, there were 41,179 screens in total in 2016, surpassing the number in the USA for the first time.

The most significant changes were lowering the bar for filmmaking and diversifying financial sources to accept private and foreign cash (Yin and Liang 2012). Notably, the 2001 Regulation on Film Administration gave non-film studios the Single Film Production Permit, enabling private enterprises to achieve autonomous certification for filmmaking and quickly rise to prominence in domestic film production (State Council, Regulation on Administration of Films, 2001). 32 of the 100 Chinese movies that came out in 2002 were produced by private companies, like Huayi Brothers

Media Corporation and Beijing New Pictures, which got a total of 58 permits (Yin and Liang 2012). In addition, more latitude was given to Sino-foreign film co-production (SARFT, Measures for Administration of Sino-Foreign Film Co-Production, 2003). Additionally, the 2006 Rules for Film Script (Outline) Filing and Film Administration (SARFT, Rules for Film Script 2006) streamlined the script review and filing process by requiring only that the film script or outline be filed for the record, with only the finished films being subject to the review and approval process. Additionally, some of the centralised film censorship authority was devolved to the provincial level. The 2016 Film Industry Promotion Law essentially reaffirms this system of film control. The aforementioned macro-reforms increased Chinese film production's productivity and market adaptability. From about 40 in 1997 to 402 in 2007, the number of produced feature films climbed ten times and ranked third in the world in terms of annual production, behind the United States and India (Yin and Liang, 2012). However, since 2008, due to the oversaturated film market, the growth rate of film output has decreased (Yin and Liang, 2012). Even though the number of films produced quickly increased between 2002 and 2011 - a sign of a healthy market and investors' optimism - blind film investment and amateurish filmmaking by small- and medium-sized private enterprises (SMEs) developed into a significant issue. In 2011, for instance, SME produced 354 of 558 films (63.44%), only 13.84% of which were released in theatres, and just one of which brought in more than RMB 100 million at the box office (Yin and Liang, 2012). As a result, the industrial reform in film production was subsequently altered and continues to concentrate more and more

on improving the quality, market performance, and diversity of feature films instead of making more of them.

4. Beginning of COVID-19 Pandemic: February 2020 to July 2020)

4.1. Background

At the start of the COVID- 19 outbreak, a considerable number of Chinese cinemas were forced to close their doors. Movie theatres that had been closed for more than half a year were among those that went bankrupt. The confidence of Chinese filmmakers has been eroded as a result. In the first quarter of 2020, a total of 2,263 cinemas and 5,328 film and television companies across the country shuttered their doors. Despite being the market leader, Wanda Film was likely to suffer a net loss of more than RMB 1.5 billion (over US\$83 million) in the first quarter (“China’s Wanda Film warns of a loss,” 2020).

In addition, according to accounts in Chinese media, the devastating blow resulted in a sad and stunning event in the Chinese film industry. Huang Wei, vice president of Bona Pictures and head of the film business, sprung to his feet in excitement. Because of the outbreak, Chinese cinemas were still restricted from opening to the public.

On the other hand, the Chinese film industry was taken aback by this revelation. Despite this, the government’s pronouncement from the China Film Bureau finally lifted restrictions on Chinese cinemas less than a month after the restrictions were imposed.

It was stated in the National Film Administration's notice on the orderly promotion of cinema reopening in low-risk areas under the normalisation of epidemic prevention and control that: "Low-risk areas order on July 20, provided that the various prevention and effectively implement control measures of cinemas. Reopen for business. Mid-to-high-risk areas are temporarily closed for business." (China Film Administration Notice of the National Film Administration on the orderly promotion of the reopening of cinemas under the conditions of normalisation of epidemic prevention and control [NNFA] 2020).

The Beijing Municipal Film Bureau has released a notification for the orderly promotion of the resumption of cinema screenings under normal conditions of epidemic prevention and control. The following is the reopening time: The distribution of the films in the city's low-risk zones is scheduled for July 24, assuming that the various prevention and control procedures implemented by cinemas in the city's low-risk areas are effective; Open for business in an orderly manner; Business in mid-to-high-risk locations has been temporarily suspended. Once a low-risk area has been transformed into a medium-to-high-risk space, it is necessary to strictly implement epidemic prevention and control regulations and measures. As needed, movie theatres will be temporarily closed as required until the situation stabilises. Each theatre can choose its own exact opening time based on the epidemic prevention measures in place and the current circumstances on the ground. By midnight on July 23, each district should submit a list of the cinemas open on July 24 to the Beijing Film Bureau for inclusion in the official record. After July 24, each district should

submit a list of cinemas to the Beijing Film Bureau on alternate days. According to the regulations, no cinema may open without taking precautionary steps. (Notice of the Beijing Municipal Film Bureau on the orderly promotion of the resumption of cinemas under the conditions of normalisation of epidemic prevention and control [NBMFB], 2020). These findings may aid our understanding of why, to contain the spread of COVID- 19, theatres across the country were forced to close on January 24, 2020. It was not until July 20 that theatres in low-risk locations were able to welcome people back.

At the outset of COVID- 19 in China, the filmmaker Xu Zheng served as a model for others to follow. It sold the copyright of his self-directed and self-acted film *Lost in Russia* to the company TikTok at a film cost price of US\$100 million during the Chinese New Year Festival- Byte Dance. Beijing Byte Dance Technology Co., Ltd. is a company that engages in Internet cultural activities. Due to the pandemic, the movie could only be seen on the Chinese version of TikTok. The international version is no longer available.

In light of this fact, why would film producer Xu Zheng take a risk, knowing that his decision would be collectively boycotted by Chinese cinemas and other distribution companies, with protesters yelling slogans to prevent him from entering the market and disrupting market order. Everyone involved in the film industry was concerned about offending film distributors and movie theatres, but it was also one of the factors that led them to take this step. *Lost in Russia*, produced by Xu Zheng's

film company, Huanxi Media, was licensed to Hengdian Pictures in November 2019 for a total box office gross of RMB 2.4 billion (US\$360 million). According to the terms of the sale, Huanxi Media will get a minimum of RMB 600 million (US\$90 million) in advance. RMB income is a guaranteed source of income. At the same time, the two sides agreed that Hengdian Films would invest RMB 150 million (US\$7.5 million) in the film's promotion, which will be distributed throughout China. As long as the film's final box office receipts reach the sum of 2.4 billion yuan, the higher portion of Huanxi Media will receive 35% of the revenue, and Hengdian Films will receive 65% of its profits (Jie,2019).

Based on this data, we may conclude that the guaranteed agreement makes him an extremely risky investment. Xu Zheng will suffer catastrophic losses if the film fails to gross a total of RMB 2.4 billion at the box office. Because of the widespread COVID- 19 in China during the first half of 2020, this gambling agreement will be rendered null and void. How to swiftly recover costs has also become something he needs to do immediately at this vital juncture, so he took a chance and went to the company that offered the short video product Byte Dance to see if they could help him. At this point, we were required to disclose that the firm that had the audacity to acquire the copyright of this Movie-Byte Dance-Beijing Byte Dance Technology Co., Ltd.-is engaged in Internet-based cultural activities. Byte Dance's product TikTok is popular in China's new media and other countries.

Unaware that many film and television professionals opposed Tik Tok videos at the time of its inception, the simple, fast-paced, low, audio-visual language and fast-paced editing disrupted the established forms of cinema and television, and the industry immediately despised them. When faced with an embarrassing scenario, Byte Dance aims to achieve product transformation and modernise through the extended video platform while also improving the business image of Byte Dance. In addition, by testing an incontrovertible market in the long video space, Byte Dance hopes to increase its audience and dispel the misconception that the company only provides short video services. Byte Dance is about Xu Zheng and his sales of film copyrights, which are shown prominently. Regarding forward-looking actions during the pre-epidemic period, there is no other film marketing case that can be compared to the urgent transformation and modernisation of the short video business's business image. There is no other film marketing case that can surpass it in terms of increasing the popularity of this movie. In addition, the film distribution and marketing programs of film workers can exert influence on thinking across epochal boundaries.

5. During the COVID-19: December 2019 to April 2020

5.1. Background

The notice of the National Film Administration on the orderly promotion of the reopening of cinemas under the normalisation of epidemic prevention and control stated that low-risk areas could be ordered on July 20, 2020, provided that the various prevention and control measures for cinemas are effectively implemented; Reopen for business; Mid-to-high-risk areas have been temporarily closed to the public (Hei,2020).

From July 20 to October 27, 2020, the box office generated more than US\$1.875 billion in 100 days of resumption of work, approximately 56% of the same period last year. Among them, *Eight Hundred* (2020), came in first with a box office of US\$0.486 billion, followed by the National Day films *My People, My Homeland* (2020) and *Jiang Ziya*(2020), which ranked second and third, and the TOP5 were all domestic films.

From July 20 to August 20th 2020, the overall single-day box office in the early days of the resumption was about one-tenth of what it was during the same period last year. After the release of *Eight Hundred* (2020), and the Qixi Festival, the single-day box office was essentially the same as last year, and the market recovered faster than expected. Furthermore, the National Day film did not disappoint, with nearly 4 billion at the box office, the second highest in film history. It is

approximately two months after the resumption of cinema work, and because the National Day slot is popular, it begins with many Chinese melodramatic films.

Regarding ticketing users, the percentage of males who returned to work in cinemas for 100 days in 2020 increased by 4% compared to the same period last year, and the post-90s (excluding post-95s) increased by 3%, becoming the driving force behind ticketing growth. According to the distribution of box office by line cities, the percentage of the box office in the third and fourth lines increased by 3% compared to the same period last year, and the third-line and fourth-line cities recovered faster (Hei,2020).

Although there are some differences in the box office success of Chinese films during the COVID- 19 period, Chinese films are expected to dominate the film market for a long time, while the foreign film market has not yet fully resumed operations. In the meantime, word-of-mouth for films is even more critical.

The head effects of films and the role of word-of-mouth are still visible in the National Day box office performance. The top three films in the National Day ranking contributed more than 90% of the box office. In contrast, high-rated films such as My People My Homeland (Box office gross worldwide US\$420 million from IMDB) completed several comebacks (My People My Homeland, 2020). Many of the National Day films derived from films that were not released as planned during the Chinese Spring Festival due to COVID- 19 and were relatively better in terms of volume and quality, which was one of the critical reasons for the high box office.

Similarly, the Chinese National Film Office has responded to the COVID- 19 epidemic.

Chinese Film published [2020] No. 1

The competent film authorities of all provinces, autonomous regions, and municipalities directly under the Central Government, as well as all movie theatre companies, production units, the China Film Distribution and Projection Association, and the China Film Producers Association.

The notice is now to advance the reopening of cinemas in an orderly manner under the epidemic prevention and control, with the consent of the State Council's joint prevention and control mechanism for the response to the new coronavirus infection pneumonia epidemic.

Adhere to the division and classification principle. Low-risk areas can be reopened in an orderly manner on July 20, provided that the cinema's various prevention and control measures are in place. Mid-to-high-risk areas have been temporarily closed to the public.

Strictly enforce territorial and industry management responsibilities. The local epidemic prevention and control departments will orderly promote business resumption in that the local film authorities report the work arrangements for reopening movie theatres to the local party committee and government for approval. The National Film Bureau should be informed of the precise time of resumption of work and any related arrangements in various regions.

Precise and scientific implementation of prevention and control measures. The reopening of movie theatres should prioritise epidemic prevention and safety, consolidate the primary responsibilities of theatres, strictly follow the requirements of local epidemic prevention and control departments, and improve systems and measures (Notice of the State Film Bureau on the orderly promotion of the resumption of cinema opening under the standard conditions of epidemic prevention and control-Major Information-National Film Bureau, 2020).

Rank	Film name	Total box office (1,000 dollar)	Show times	person time	Percentage of counter sales	Percentage of online tickets	Notes
1	The Voyage of Doctor Dolittle (import)	@10,155.38	23	202	6%	94%	USA, released in North America on January 17, 2020, and released in Mainland China on July 24, 2020.
2	Sheep Without A Shepherd (originated)	@6,737.78	15	168	5%	95%	Released in Mainland China on December 13, 2019, and re-screened in July 2020.
	Bloodshot (import)	@5,287.33	17	119	6%	94%	Released in the U.S. on March 13, 2020 and released in Mainland China on July 24, 2020.
	Coco (import)	@1,757.29	7	52	5%	95%	The film was released in the United States on November 22, 2017, and was released in Mainland China on November 24, 2017, and re-screened in Mainland China on July 20, 2020.
5	The Enigma of Arrival (original)	\$1454.87	4	31	23%	77%	Chinese film, released in Mainland China on July 31, 2020.

This timely government assistance document puts the reopening of Chinese cinemas on the right track as opposed to the absence of COVID- 19. At that time, all Chinese movie theatres were wary of reopening because the government's requirements for reopening theatres were more detailed and specific.

Graph: Monthly Box Office Report of China's Top 5 National Films in July 2020.

Title Sheets: (from left to right) Rank -Film Name-Total box office/ 1,000 dollars-Show times/ 10,000 times -person-time/ 10,000 people -Percentage of counter sales-Percentage of online tickets

It is worth noting that the doors of Chinese cinemas reopened to the public at the end of July 2020. More young Chinese people flock to the Shanghai International Film Festival and the First Youth Film Festival. The 23rd Shanghai International Film Festival (SIFF) was a resounding success. To counteract the impact of COVID- 19, the festival was held for the first time in various forms of cinema, open-air, and online screenings, reaching over 160,000 people, including over 147,500 in cinemas (Ren, 2021).

The Shanghai International Film Festival and the Xining First Youth Film Festival were held concurrently in Xining, a city in northwest China, in July 2020, allowing more young people who had not been to the cinema in a long time to show their enthusiasm for going to the movies. It boosted the box office in Chinese cinemas at the time. Cinemas were getting back on track during the COVID- 19 period, thanks to the government's strong support for film festivals and film fairs.

This official government statement on the opening of cinemas in China left an indelible impression on filmmakers, government officials, and business leaders. The

evolution of this form is expected to coincide with the development of the movie epidemic.

Due to the specific nature of the cinema viewing space, the habit of offline viewing will not be replaced entirely by online viewing in the future. The crew gradually resumed work as China's COVID-19 improved in the summer of 2020. On China's National Day, October 1, 2020, there was a sharp increase in retaliatory film consumption in the National Day file of Chinese movies. The feature film *My People My Homeland* (2020), was released and contributed 17.4% of the National Day of Chinese films' box office, reaching US\$0.348 billion within half a month.

The data has been collected from lighthouse data, a box office data analysis software developed by Shanghai Tao Piao Piao Film & Culture Co., Ltd, specially designed to present more intuitive and detailed box office data by collecting data from Ali users. It is a professional ticketing query software that provides detailed data information. The online query ticket is reliable, and the most recent film data is updated in real-time to provide users with the most timely and accurate data of reference, to provide comprehensive professional information, make business more transparent, and improve business decision-making. On September 30, 2020, during China National Day, the number of people watching movies in China was only 3.332 million. 18.36 million on China National Day, a 6-fold increase. The animated feature film *Jiang Ziya*, released on October 1, 2020, topped the box office on its first day, grossing RMB 361 million (US\$55 million). As of 0:00 on October 15th, the film's

box office score had reached RMB 1.48 billion (US\$220 million), placing it third in China's box office contribution list in 2020 and making it the most robust dark horse in the National Day file (China surpasses North America at the box office for the first time in history, 2020).

5.2 Policy Effects on Filmmaker

From the filmmaker's perspective, due to COVID- 19, the Chinese government required cinemas to close, resulting in a backlog of movie schedules in China, and movies that should have been released in cinemas could not be officially released, resulting in audiences watching movies in cinemas. The reopening of cinemas was an emotional release for filmmakers, easing their anxieties.

The second point is that the pressure on financial flows has been effectively relieved, and filmmakers' film funding chains have been effectively eased.

Third, the government management department relates movie theatre restrictions to effectively disseminate creation and distribution. The film's creation and distribution are going back to normal.

5.2.2. Effects on the commercial groups

For commercial groups involved in films, such as film promoters and distributors, it is almost certain that there will be no films to distribute at the opening of the cinema. In addition to the movie that was squeezed out of screening because of COVID- 19, new films to be produced also did not have a filming license or crews

were told by the Chinese government to stop their filming schedule while they were in the process of filming because of COVID- 19. There will be much less demand for films to be distributed. As a result, the company had no movies to distribute, and its funds were difficult to use once cinemas resumed operations effectively.

Li Jie is the shop manager of Emperor Cinemas Beijing Group's central shop. On the morning of July 19, Li Jie attended a meeting in Chaoyang District regarding the continuation of work at the cinema. The meeting was mutually organised by the Chaoyang District Press and Publication Bureau, the Chaoyang District Law Enforcement Brigade, and the Chaoyang District Epidemic Prevention Team in concurrence with the street office. The appropriate departments requested the cinemas to arrange materials such as COVID- 19 pandemic prevention and control strategies, health registration forms, and self-inspection forms for prevention and monitoring work during the meeting. The cinemas will present these documents on their local streets. Before reopening, the shops will be inspected by the appropriate law enforcement agencies. Additionally, if the cinema's vicinity is again recorded as a medium to high risk due to the COVID- 19 pandemic, the cinema must instantly cease operation.

“We will strictly comply with the authorities' requirements and actively prepare relevant materials; it is just that it is too late to resume business on the 20th.”

Li Jie told China Newsweek.

There are, however, some examples of COVID- 19 epidemic restrictions that have been relaxed. Yu Chao, Capital Cinema's deputy general manager, stated that as of 4:00 p.m. on July 19, the company was still awaiting notification from the Beijing Municipal Film Bureau to resume operations. As for the procedure that will be observed after receiving the notice, he said he was figuring it out, "It is not quite the same everywhere; there is no standard process given to us yet; maybe some places need to report for approval, some places just need to report." Numerous cinema managers in Henan and Shaanxi provinces similarly informed China Newsweek on July 19 that they were still awaiting approval from their provinces' film bureaus to commence work operations.

Apart from awaiting clearance from crucial government offices, some theatres have postponed opening due to commercial considerations. A Wanda Film staff member in charge of cinema expansion estimated that screening a 100-person hall would require at least 15 people. "It is hard to make money in the early stages of resumption, and it is more a case of losing money to test the market. The big cinema groups can relatively afford it, and some smaller cinemas, for cost reasons, may take the initiative to hold off. " (Huai, 2020)

In terms of film schedules at the initial stage of work resumption, numerous cinema managers said they would focus on re-releasing domestic melodramas and vintage imported films. Furthermore, the latest commercial movies scheduled to be produced online during the Spring Festival are still pending while waiting for a more

appropriate slot. "Directors who have concerns about how much their films will sell at the box office also won't launch new films at this time of year, and the more concerns they have about how much their films will sell at the box office, the less they will launch." Cinema operator Guo Yadong told China Newsweek (Huai, 2021).

In the middle of the COVID- 19 pandemic, these results could be explained by the fact that many film distribution companies have also shifted to online distribution of films scheduled for theatrical release, allowing streaming media platforms to partake. For instance, conventional film roadshow - the practice of releasing a movie in a restricted number of theatres in major cities for a specific period of time before its wide release - is no longer appropriate for watching movies during the COVID- 19 pandemic (Xu and Kim, 2021). The distributor will upload a significant volume of movie clips and commercials to TikTok to promote and even broadcast films using a variety of online and offline methods. The preliminary release in movie theatres and after the movie theatre's screening schedule is over. The online platform will be charged for broadcasting. Second, the projection side of the distribution is also urgently transformed into the production side and even expanded to include the business of the entire film industry chain.

After the initial lifting of the ban in cinemas and the end of cinema slots, online broadcast platforms will charge a broadcasting fee for such films. Secondly, the screening side of distribution will also have to be urgently transformed into a production side, even expanding to the operation of the entire film industry chain.

In July 2018, Wanda Film, the domestic cinema leader and the first A-share cinema stock, released a new proposal to obtain 96.83% of Wanda Film and TV for 11.619 billion. After finishing the transaction, Wanda Film will develop its business scope to involve film and television investment, production, distribution, screening, and online game operation and distribution. The film industry is growing upstream and creating an entire industry chain layout.

5.2.2. Effects on the public and management

From the perspective of the Chinese government and the public, some of the available policies issued by this government have restored confidence in confining the epidemic. They have served to inform and educate to some extent.

Opening movie theatres is more conducive to reversing China's current economic downturn. Second, the opening of cinemas is better suited to China's recent economic downturn. Cinema consumption is an integral part of the nation's entertainment routine, with the closure of cinemas due to COVID- 19 and the film industry's stagnation. It is time for the film industry to thrive in the economy. Distributors and movie theatres that closed due to the epidemic can now reopen. Third, social pressure has gradually been alleviated. Because of the lockdown before the cinemas reopen, people do not have to stay at home to accumulate their negative emotions. People's negative emotions forced them to cut back on recreational activities. Finally, they can get together to discuss current popular feature films in the cinema.

5.2.3. Effects on audiences

In the middle of the COVID- 19 pandemic, Chinese movie offline viewing methods have not been undisputedly replaced by online viewing from the perspective of audience viewing habits. There has even been a rise in the demand for movie viewing (Qiang 2021). Qiang conducted a study, and the data for the analysis came from 1,530 valid samples collected through survey questionnaires distributed to cinema ticketing audiences on the Cat's Eye data platform. The general distribution of cinema audiences was represented by gender, age ratio, and city distribution. From the investigation, 70% of the respondents anticipate going to the cinema, and over 80% hope that ticket rates will be less than RMB30 when work resumes. Compared to the controversy surrounding the reopening of cinema work in March, when the COVID- 19 pandemic stabilised, audiences eagerly anticipate going to the cinema as the COVID- 19 pandemic trend is controlled. 34% of the respondents stated that they were “very much looking forward to it,” while 38% said they were “quite looking forward to it.” The total was more than 70%. Regarding demographic variables, the proportion of male audiences, particularly young audiences who were “very much looking forward to it,” was higher. Additionally, their desire was more urgent, as this group of consumers was the first to be addressed following the resumption of cinema operations.

	Male ≤ 25		Male > 25		female ≤ 25		female > 25		first-line city		second-line city	
	see	not see	see	not see	see	not see	see	not see	see	not see	see	not see
Age=15-30	30%	40%	25%	46%	18%	37%	32%	47%	28%	37%	32%	47%
totally acceptable	30%	21%	37%	11%	18%	19%	23%	21%	30%	23%	30%	30%
More acceptable	41%	35%	38%	54%	46%	48%	35%	41%	41%	35%	41%	41%
Not very acceptable	25%	23%	23%	28%	24%	25%	28%	28%	25%	28%	25%	28%
totally unacceptable	6%	6%	2%	1%	8%	3%	3%	3%	8%	3%	3%	3%
No answer	3%	6%	4%	3%	4%	6%	6%	6%	4%	6%	6%	6%

Figure 2 Respondent distribution (Qiang, 2021)

More than 60% of respondents were “very concerned” or “relatively concerned” about the continuation of cinema work and film release information. In terms of channels for acquiring film release information, “movie ticketing websites/apps” were the main channels, followed by WeChat (moments/public accounts), and then video websites, as well as long-form video websites/apps such as Youaiteng and short-form video apps such as TikTok and Racer.

Interestingly, there is a substantial disparity between the male and female genders regarding their willingness to go to the cinema during the early stages of the work continuation, with only 45% of male respondents thinking they could go to the cinema.

In contrast, a comparable percentage of female respondents consider it inappropriate to go to the cinema. It reveals that women have a greater need to feel secure than men. Given the fundamental assumption that female audiences make most ticket purchases, the anticipated date of a significant comeback to cinemas should not be optimistic. The full resumption of cinemas will have to continue into a wait-and-see situation in connection with the psychological recuperation of audiences (Qiang, 2021).

The study by the China Film Institute reveals several potential explanations for this outcome. Cinemas should still insist on being ready for the COVID- 19 pandemic and stay closed for the time being. The primary reason cinemas have not resumed operations is that the global COVID- 19 pandemic is still spreading, despite the absence of new cases in the country. The danger is still present, and extraordinary control measures cannot be eased; secondly, the risk level of the COVID- 19 pandemic differs from place to place. There is uniformity in the operation of the cinema market; thirdly and most significantly, if there is insufficient audience traffic, the opening loss is more severe than closure and even accelerates cinema iteration. Therefore, the audience's expectation of when they will return to cinema viewing is critical. Given the vital judgement that female audiences purchase the majority of tickets, we believe that the anticipated return of audiences to cinemas on a large scale should not be hopeful. The full reopening of cinemas will have to wait until audiences have recovered psychologically.

6. The post-COVID-19 era up to the present

6.1. Background

Since the summer of 2020, China's COVID- 19 pandemic has steadily stabilised, and the medium and high-risk zones have decreased. The number of patients infected with COVID- 19 is essentially non-existent in most regions and cities. At this point, Chinese films had reached the post-COVID- 19 pandemic phase.

However, due to various mutant strains of the COVID- 19 virus, cases infected by new mutant strains have re-emerged in many areas and towns where the COVID- 19 virus had previously been eradicated.

To the enjoyment of all spectators, Chinese New Year films were released during the Chinese New Year in 2021. As a result, widespread movie piracy in private theatres occurred. Because private cinemas are not restricted by the state and can be opened in commercial or residential areas, many private cinemas have taken advantage of the heat of the Spring Festival to produce pirated movies that are currently popular and have amassed a large amount of unjustified but not protected by law income. The Chinese government's prerequisite for private cinemas to obtain a license is certainly an advantage to traditional cinemas, which already have a vast amount of film sources and licenses to operate. Additional VOD rooms are being constructed in synchronous cinemas to satisfy the needs that conventional cinemas cannot, such as a private environment, a comfortable experience, and more viewing options. The advent of this phenomenon is not beneficial to the legitimate copies of

films from distributor movies. However, because of their desire to see movies that haven't been released in the Chinese mainland, viewers have had to resort to private theatres.

Because of the circumstance, specific communities that have seen a rise in cases due to the COVID- 19 pandemic have been compelled to close cinemas in their area. The COVID- 19 pandemic has indeed altered the viewing habits of several people, but it has not progressed positively.

At the 2020 Jinjue opening Forum in China, Cheng Wu also said that Tencent Pictures encourages internal and external integration, with a more open mind and collaboration between upstream and downstream companies in the industrial chain beyond Tencent. To increase the efficiency of film and television development within Tencent's system, it is necessary to strengthen cooperation with upstream and downstream companies such as Tencent Animation and Comic, China Literature, Xinli Media, Maoyan and other upstream and downstream companies. Early this year, as the COVID- 19 pandemic has compelled film and television companies to pay more consideration to internal training, Tencent has also considerably accelerated modifying its internal organisational structure. At the end of April 2020, Cheng Wu took over China Literature and then became a non-executive director of Maoyan. Tencent Pictures' layout in the higher and lower ranges of the film and television industry chain was opened up through a series of strenuous actions that began more from the internal ecology. As a cultural production mode with IP construction as the

core, Tencent's ultimate objective is to generate more cultural symbols that belong to China. Tencent has gradually enhanced the foundation of the cultural industry chain ("Tencent pictures promotes Chinese culture with modern technology", 2022).

Tencent owns Tencent Pictures, even though it was only created in 2015. Tencent Pictures is enthusiastic about using multicultural content to express Chinese stories and contribute to creating Chinese cultural symbols in the new era. Earlier, Yu Dong, founder of Boehner Pictures, said frankly at the opening forum of the Shanghai Film Festival that "the era of fighting alone has passed, and the more difficult the time is, the more we need to work together to overcome the difficulties and help the industry recover as soon as possible." Because small and medium-sized film companies have a limited ability to resist risk due to their single business model, it is more difficult for them to remain flexible in the present film and television cycle. (Zhao, Wen and Bi, 2020). However, if we complement each other with partners in terms of capital, resources, and so on, the mode of project organisation and bureau in the initial stage will be converted into collaborative growth with a more sophisticated and clear division of labour. It will also help eliminate single-channel dependence and provide better play to the advantages of independent companies through joint operations. It can be seen that under the COVID-19 pandemic, China's big film companies have augmented the recruitment of talents and ecological construction, as well as the integration and restructuring of China's film and ecological television design. It clearly interprets some of the film and television industry's underlying laws. Cheng

Wu proposed the idea of “not producing cinema and television in isolation” from the beginning of Tencent Pictures’ existence.

The Chinese Filmmakers Association released the “2021 China Film Industry Research Report” and the “2021 China Film Art Report” in Beijing on July 8, 2021, systematically summarising the pulse of China’s film industry and film art development in the recent year: the recovery exceeded expectations, and the industry was renovated and modernised (China Film Industry Research Report 2021 and China Film Art Report 2021 released by the Chinese Filmmakers Association, 2022).

According to the report, China’s film industry will be badly impacted by the COVID- 19 outbreak in 2020. ’COVID- 19 pandemic. For 180 days, the national market ceased operations with an overall box office of 20.417 billion yuan and 548 million moviegoers in China’s metropolitan cinemas. Both were down 68% year-on-year, compared to 2012 to 2013. Six hundred fifty films nationwide in 2020, down 37% year-on-year.

Screen construction turned against the market throughout the year, with 5,794 new screens, up by 7.67% year-on-year, and investment enthusiasm did not fade. The COVID- 19 pandemic provided an opportunity for the industry’s high-quality development, expediting the process of phasing down surplus capacity. Chinese domestic blockbuster films continued to strengthen their market dominance. Under

the effect of COVID- 19, the top ten films at the Chinese box office in 2020 were all domestic. Chinese domestic films had an 83.72% market share. Consumer demand continues to be relatively strong. Important slots such as China's National Day, China's New Year and QiXi recuperate more quickly, accelerating the overall market recovery. Simultaneously, China's film industry continues to face challenges such as a lack of high-end talent, the need to increase the industry's level of industrialisation and standardisation, and the survival of the cinema market, which was significantly impacted by the COVID- 19 pandemic, and the need to increase film profitability.

According to the report, several fundamental causes for the Chinese film market's strong rebound in 2020. Firstly, the state's operational control and economic guarantees, and secondly, the industry's volume. In addition to this are three attributes of the Chinese market: firstly, the strong and sound foundation of the screening market; secondly, the size and vigour of the market volume created a pattern that is difficult to break; thirdly, it has grown into a veritable world's second-largest market, with a comparatively extensive industry chain and the ability to recoup itself. The fact that last year's Ya Bai, the major domestic blockbuster released following the COVID- 19 pandemic, was not only the Chinese market's box office champion but also confirmed in the global market. China's movie box office hit RMB 6.035 billion from New Year's Eve on January 31 to the sixth day of the first month of the Lunar New Year on February 6, 2022, according to figures released by the National Film Bureau on February 7, 2022. The consequences of the "China Film Audience Satisfaction Survey · 2022 Spring Festival Survey" organised by the China Film Art

Research Centre and others revealed that the Spring Festival audience satisfaction score is 85.3, up 0.1 points year-on-year, which is the high ranking score in the same period since the survey started in 2015. With the prevalence of the COVID-19 pandemic, the Chinese film market has attained a relatively good outcome. At the same time, the Spring Festival stall has also sparked some debate, such as “the most expensive Spring Festival stall in history”, “movie ticket prices have gone crazy to dissuade 9 million people”, “the Spring Festival stall box office has declined for the first time in recent years” The Chinese New Year movie season will set a new record for cost.

6.2. Impacts

Innovation and contribution are the most critical aspects of the general environment in the 2022 Spring Festival film market framework. Firstly, the box office profits in 2022 surpassed those of 2019, the year before the COVID-19 pandemic, due to the strengthening of anti-COVID-19 pandemic policies in Beijing, Hangzhou, and Tianjin, which is not a simple achievement and deserves extensive recognition.

The Spring Festival season is richer in film categories and comparatively abundant on the supply side regarding film variety and subject matter. In terms of quantity, the Spring Festival season in 2022 saw the release of eight films, compared to seven in 2021. Regarding subject matter, the year 2021 is mainly focused on family entertainment. In contrast, the Chinese New Year films in 2022 cover a broad range of

genres, including war, comedy, romance, entrepreneurship, science fiction and sports, with only one comedy film, making the classification more diverse. The third is the new type of melodramatic films characterised by *Watergate Bridge at Changjin Lake*, *Miracle- Stupid Kids*, and *Sniper*, which either exhibit the family's sentiment through the marvellous battlefield or express the tremendous caring through little events or illustrate the significant era with minor characters, which not only produce a breakthrough in the narrative but also contribute to stirring people's hearts. The audience has acknowledged this. According to the China Film Audience Satisfaction Survey - 2022 Spring Festival Stall Survey , scored 88.9 points, ranking first in the historical examination of Spring Festival films; *Miracle - Stupid Kids* scored 86.0 points, ranking second in the stall; *Sniper* scored 85.4 points for audience satisfaction and ranking third in the stall *Sniper* with 85.4 points (China Movie Audience Satisfaction Survey - 2022 Spring Festival Survey Results Released, 2022).

The cap led and progressive echelon effect is important, with *The Watergate Bridge at Lake Changjin* taking the initiative with 2.528 billion yuan (\$380 million). At the same time, *This Killer Is Not Too Cool*, *Miracle - The Stupid Kid* , *The Bear Returns to Earth*, *The Four Sea*, and *Snipe* ranked second to sixth on the box office record, with an excellent distribution of box office echelons. In contrast, the 2021 Chinese New Year slot is a “double-headed” one, with “Hello, Li Huanying” and

“Tang Dynasty Detective” with the oligarchic element too prominent, gaining an overwhelming edge at the box office.

A comparison of the Spring Festival season’s timing is both comparable and incomparable. The 2022 Chinese New Year box office was a noteworthy accomplishment at RMB 6.035 billion. Many in the industry, however, criticised it as being lower than predicted or should not be lower than what occurred during the 2021 Spring Festival season.

When making comparisons, it is essential to think about comparability first. We have formerly concluded that there are several variations in the industry's meaning of the Chinese New Year slot, with several believing that it encompasses the period from the first day to the sixth day of the Lunar New Year and others thinking that it covers New Year’s Eve to the sixth day of the Lunar New Year. We consider that it is proper to define the Spring Festival period as “from the New Year’s Eve to the sixth day of the Lunar New Year”, with the formal opening of the Spring Festival period in 2013 (“Analysis of the Chinese Film Market in the 2019 Spring Festival Period”, China Film Market, No. 3, 2019).

All parties concur that the 2022 Spring Festival stall attained the second-highest Spring Festival box office in film history, comparing the 2022 Spring Festival stall to the box office of each Spring Festival stall in China since 2013 in a time series. However, on the one hand, these contrasts do not consider inflation, and direct comparisons using existing prices may not be dependable. On the other hand, a

more significant reason is that even when converted to the same slot period and inflation is considered, the Chinese New Year slots in our film history are not always directly comparable. For instance, in 2021, the third day of the Chinese New Year was February 14, which is Valentine's Day. Valentine's day is typically a film release slot that the industry routinely considers and competes for. Thus, the Spring Festival in 2021 essentially corresponds with Valentine's Day slot, and the year-on-year rise in ticket prices for Valentine's Day 2021 is highest during the Spring Festival. However, as a general rule, movie ticket prices are less from the first day of the year, i.e., they are most outstanding on the first day of the year and then experience a gradual decline. This indicates that comparing the box office in 2022 to the Chinese New Year in 2021 is unacceptable. In addition, the Spring Festival season was essentially "suspended" in 2020 due to the COVID-19 pandemic, with cinemas shutting down across the country for 178 days to fight against the COVID-19 pandemic. 2021 will be the first Spring Festival season after the COVID-19 pandemic is relatively stable, and the retaliatory cinema-going mentality will exist. This factor also has a specific degree of incomparability between the slots. The movie ticket prices in the 2022 Spring Festival season are the priciest of all the Spring Festival seasons, without considering inflation. It is encouraging that the issue of cinema ticket prices is receiving adequate attention. Previously, an unusual argument was common in the industry: the box office is driven by ticket costs. It is assumed that an increase in movie ticket prices would improve the box office, which is something to consider. In contrast with other products, films are not exempted and still adhere to the law of demand in economics: all else being equal,

price moves inversely to demand (Liu, 2020). Given that this is common knowledge, the National Development and Reform Commission's Notice on Promoting Consumption in the future, issued on January 14, 2022, recommends "encouraging online video platforms to exhibit movies at inexpensive costs for a limited length of time". However, several industry players point out that the price increase is reasonable because ticket prices are controlled by market supply and demand. Various Chinese New Year moviegoers make Chinese New Year ticket prices higher than usual. On the surface, this argument appears to be correct. Moreover, price increases in numerous other areas are much higher than for film; some point out that high pricing is a consequence of necessity: heightened costs for cinemas under the COVID-19 pandemic prevention and control, higher operating pressures, expensive service charges, and elevated production costs. The dilemma is that this is a supply-side argument; for the demand side, it is similarly defensible: budgets are stretched by various factors, such as the effect of the COVID-19 pandemic on employment, and there is a hesitancy to pay higher prices. However, it is not impossible that the demand side has reacted aggressively and that blasting excessive ticket prices have become an essential topic of conversation on Twitter. The China Consumers Association issued an analysis Report on the Public Opinion of the Spring Festival. Consumer Protection Rights [Enter Black Cat Complaint]" in response to the 2021 round of skyrocketing movie ticket prices for the Spring Festival, claiming that it was tantamount to exhausting the fishing industry. This reveals that the unilateral

increase in ticket prices has caused dissatisfaction among viewers and resulted in the lowest possible number of moviegoers since 2018.

It is comforting to mention that Spring Festival films such as *Sniper* and *Watergate Bridge at Lake Changjin* have already declared price decreases. This is a rational option in line with the laws of the market.

6.2.1. Reasons why the Chinese New Year's box office in 2022 fell short of expectations

Undeniably, the price increase has decreased the demand for cinema and the box office to a significant extent. According to one analyst, the box office performance for the Chinese New Year in 2022 fell short of expectations, with ticket prices becoming a substantial disruption to the box office. The typical ticket price for a movie during the first day of the Lunar New Year 2022 was a record-breaking 56.1 yuan (\$ 8.55), while more ticket prices of over 100 yuan (\$15.2) kept audiences out of the cinema. Of course, the law of demand undertakes that the preconditions remain the same. Assume, however, that the preconditions are taken into consideration. Other factors, even though not as influential as ticket prices, impact the box office in this scenario.

The first consideration is the film's 'quality.' It has been said that even when *Avatar* (2009) was priced at \$200 or \$300 in IMAX, it was still difficult to sell (Cieply, 2009). This has some validity. The audience mentioned above fulfilment survey data is the sole extrapolation from a subset of audience representatives to the general public. It means that we should not only look at the box office sales, but also

at the rating system for the films. As a result, we must also rely on other audience evaluations, such as Douban movie ratings. Looking at the trend of daily box office fluctuations, *This Killer Is Not Too Cool* (6.7 out of 10) has beaten the direction from the second day of the first month and has earned over 100 million yuan (\$15 million) for six successive days; *Miracle-Idiot Kids* (7.4 out of 10) has kept its box office trend stable with the fermentation of word of mouth, essentially not declining and even soaring back up on the fifth day of the first month; *Sniper* (7.7 out of 10), has observed a constant increase in the box office since the second day of the first month. Overall, the sturdy films in the 2022 Chinese New Year slot were weaker than those in the 2021 Spring Festival slot, with the lead feature film *The Battle At Lake Changjin II* having a Douban movie rating of 7.2; while the top film in the 2021 Spring Festival slot, *Hello, Li Huanying*, had a Douban movie rating of 8.2 at the time (and a rating of 7.7 on February 7 2022).

Secondly, the filmmakers' selection of the slot is not sufficiently respectful of the audience's viewing ceremonies. Once a schedule is created, it has its own distinct "persona". Take an unfortunate example, Qingming Festival is not the proper time to wish others a "happy holiday". Because Qingming Festival is a festival to pay tribute to those who have passed away. The Chinese New Year is a time for family reunions, so it is only regular that the films released during this time resonate with the Spring Festival's national emotion. *The Killer Is Not So Cool* is not sufficiently "strong" enough. As for the other films, as one viewpoint argues, if *The Incredible Family* had

not been pulled out and *The Miracle-Kid* and *Sniper* had been selected for the summer season, the 2022 Chinese New Year slot would have received some profit.

Thirdly, alternatives should be considered. Movies are not yet a necessity, and the elasticity of their demand is distinct from many other "necessities". Audiences will undoubtedly select alternatives once a film is not entirely to their fondness or not the best value for money. In fact, with the gradual growth of online video consumption since the COVID- 19 pandemic, cinema films have gradually suffered. 2021 saw the first joint introduction of the "Online Film Spring Festival" by the three major video platforms, with 40 films online. The second online film Spring Festival, in 2022, highlighted that the Chinese New Year period in 2022 will be the second online movie season, focusing on "improving quality and reducing quantity". In addition, the Winter Olympics, which began in China on February 4, 2022, also enticed many people to watch online, reducing the consumption demand for cinema films to a particular extent.

Fourthly, the duration of films. According to statistics, *The Battle At Lake Changjin II* took 149 minutes to finish, *The Four Seas* took 128 minutes, *This Killer Is Not Too Cool* was 109 minutes long, *Miracle – Stupid Kids* was 106 minutes long, *Bears - Back to Earth* was 99 minutes long, *Sniper* was 96 minutes long, *Pleasant Goat and Big Big Wolf's Basket Out of the Future* was 94 minutes long. *Little Tiger Dun Big Hero* was 90 minutes long, of which "Four Seas" are on the longest side, which is inappropriate for the box office. On the one hand, the optimal duration of a

film is between 90 and 120 minutes in terms of general human psychological and physical tolerance. As a result, India, which tends to shoot and screen extended films, has numerous intermissions. On the other hand, the moderate duration of the film enables cinema scheduling (Ding and Liu, 2016).

Although *The Battle At Lake Changjin II* is the most crucial film in this year's Chinese New Year slot, its timing was inevitably reduced due to China's rapid breakout of the Omicron virus. Thus, the overall box office revenue is impacted to a significant extent. The Chinese New Year season of 2022 drew the fewest number of moviegoers in almost four years. March 2022, box office receipts were calculated to be \$913 million, a record low daily. The 2022 Qingming season grossed only \$120 million, the most subordinate box office in the last ten years (except 2020). Worse than box office receipts, when cinemas nationwide ceased operations in 2020, people thought they would reopen soon; now, cinemas are rarely discussed. They appear to be accustomed to cinemas' withdrawal and vanishing from their daily lives.

Box Office of QingMing Festival

Year	Dates	Box office(billion)
2022	4.3-4.5	1.2
2021	4.3-4.5	8.2
2020	—	—
2019	4.5-4.7	7.0
2018	4.5-4.7	6.9
2017	4.2-4.4	5.9
2016	4.2-4.4	5.9
2015	4.4-4.6	5.2
2014	4.5-4.7	3.7
2013	4.4-4.6	2.8
2012	4.2-4.4	1.5

Figure 3 Graph: Box office figures of the last ten years about the Qing Ming Festival (lighthouse app, 2022)

In the box office figures for the last ten years recorded by Lighthouse Pro, it can be observed that the year 2022 was at the bottom of the list for the last ten years of the Qingming period, with a box office revenue of only 120 million, excluding the year 2020 when cinemas were forced to shut down due to the COVID- 19 pandemic. The average revenue every day was less than 40 million.

Additionally, the Lighthouse Pro app estimates that less than half of the cinemas will be open in 2022, with 627,900 screenings and 3,420,200 moviegoers. The top three films at the box office for the period were "Elf Travelers 4: The Changing Adventure" with 28.173 million, followed by "Moonrise" with 24.382 million and "Escape Room 2" with 18.872 million.

Despite the Hollywood production, it could not compensate for this year's Qingming season downturn. This is due less to the quality of cinema films than the sheer quantity of open cinemas nationwide. The following chart presents the number of cinemas operating nationwide from March 1, 2022, to the present.

< China National cinema

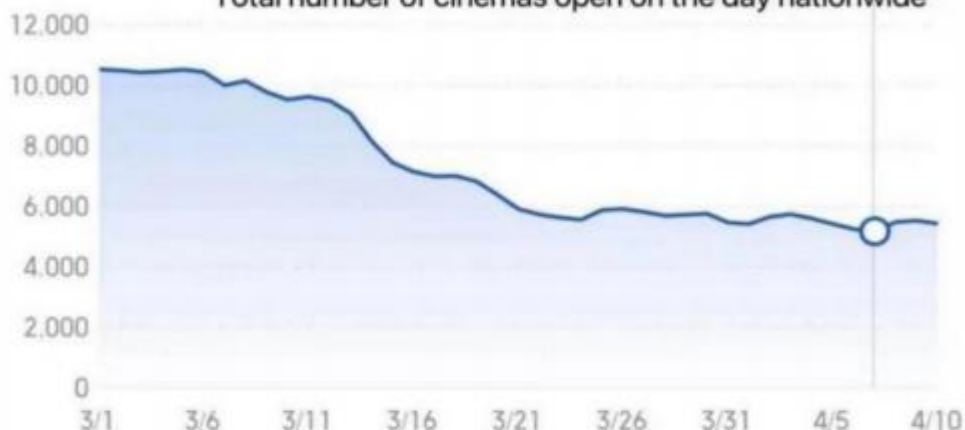
Cinema business trends **business signage**

全国 ▾

2022-04-07 周四

全国当日累计营业影院数 **5183**

Total number of cinemas open on the day nationwide



Daily operating cinema statistics by province

各省每日营业影院统计

Province 省份	Change in operating theatres 营业影院变化	Change in turnover 营业率变化	Change in box office 票房变化
hu nan	+75 当日营业349 business on the day	+14.80% 当日营业率68.84% business rate for the day	+260,000 1.244million at box office on the day 万
Jiangxi	+4 当日营业233 business on the day	+1.04% 当日营业率60.68% business rate for the day	-175,000 671,000at box office on the day
Heilongjiang	+2 当日营业96 business on the day	+0.87% 当日营业率41.74% business rate for the day	-15,000 176,000 at the day's box office
Xinjiang	+1 当日营业139 business on the day	+0.54% 当日营业率75.54% business rate for the day	-110k 33.4k at the day's box office
JiLin	0 当日营业4 business on the day	0.00% 当日营业率2.00% business rate for the day	+980 3656 at the day's box office

Figure 4 Graph: (China National Cinema business signage from March 1st to April 7th, 2022)

According to data from the Cat's Eye Pro app, the lowest aggregate number of cinemas open nationwide from March 1 to April 10 was on April 7, when 5, 183 cinemas opened for operation. Since March 21, the national cinema business rate has been hanging below 50% without any sign of recovery, but rather a back-and-forth drop. In addition to the low opening rate, everyday box office revenue has declined. Since every Friday is typically a new release date, let us look at the box office setting in March, using every Friday as a reference point.

全国 ▾ 日票房 2022年3月4日/周五 ▾ 含服务费

前一天 ◀ 后一天 ▶

Daily Box Office

3935.66 万

北京时间每天12点更新票房

Tickets sold online Total number of sessions Average ticket price

网售票	总场次	平均票价
78.6万张	33.3万场	39.2元

Total tickets issued

总出票
100.2万张

全国 ▾ 日票房 2022年3月11日/周五 ▾ 含服务费

前一天 ◀ 后一天 ▶

Daily Box Office

2663.81 万

北京时间每天12点更新票房

Tickets sold online Total number of sessions Average ticket price

网售票	总场次	平均票价
58.2万张	30.8万场	36.8元

Total tickets issued

总出票
72.3万张

全国 ▾ 日票房 2022年3月18日/周五 ▾ 含服务费

前一天 ◀ 后一天 ▶

Daily Box Office

3340.76 万

北京时间每天12点更新票房

Tickets sold online Total number of sessions Average ticket price

网售票	总场次	平均票价
80.1万张	21.2万场	37.0元

Total tickets issued

总出票
90.1万张

全国 ▾ 日票房 2022年3月25日/周五 ▾ 含服务费

前一天 ◀ 后一天 ▶

Daily Box Office

2982.33 万

北京时间每天12点更新票房

Tickets sold online Total number of sessions Average ticket price

网售票	总场次	平均票价
72.8万张	17.7万场	36.0元

Total tickets issued

总出票
82.7万张

全国 ▾ 日票房 2022年4月1日/愚人节 ▾ 含服务费

前一天 ◀ 后一天 ▶

Daily Box Office

1068.38 万

北京时间每天12点更新票房

Tickets sold online Average ticket price

网售票	总场次	平均票价
25.4万张	15.0万场	36.5元

Total tickets issued

总出票
29.2万张

全国 ▾ 日票房 2022年4月8日/周五 ▾ 含服务费

前一天 ◀ 后一天 ▶

Daily Box Office

2616.30 万

北京时间每天12点更新票房

Tickets sold online Total number of sessions Average ticket price

网售票	总场次	平均票价
64.4万张	16.8万场	36.9元

Total tickets issued

总出票
70.7万张

Figure 5 Graph (Daily box office from 2022.3.4th to 2022 4.8th, 2022)

The lowest-grossing Friday at the box office was on April Fool's Day. It was the day the Hollywood blockbuster film *The Mystery of Dumbledore* (*Fantastic Beasts: The Secrets of Dumbledore* (2022), 2022) was released. To have a film of this scale lose its appeal and occupy a poor Friday slot for six weeks in a row suggests that it is not the film that has lost its box office appeal but rather the lack of interest in going to the cinema itself. However, there are more critical objective reasons that cannot be disregarded. The Omicron variant of the COVID-19 pandemic hit China, spreading in dispersed locations in many cities and regions vigorously and even faster, affecting numerous towns and areas, especially first-tier box office locations like Shanghai, Shenzhen, and Guangzhou. Take Shanghai, for instance.



Cinema business trends

上海 ▾

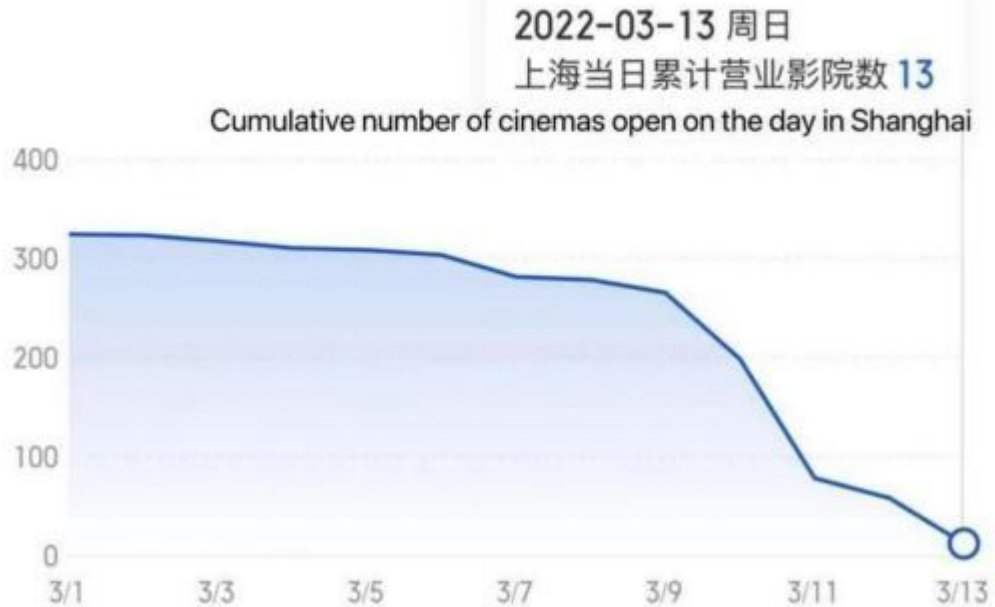


Figure 6 Graph: (Cumulative number of cinemas open on the day in Shanghai, 2022)

As of March 13, only 13 cinemas were operating in Shanghai, and since then, no cinema opening statistics can be obtained from Shanghai. Similarly, first-tier cities, including Guangzhou, Shenzhen, Chengdu, and Nanjing, formerly prominent movie box office locations, have been abruptly paused, forcing the already sluggish film market to deteriorate. According to the graph, April 11 was the worst day at the box office in mainland China since the beginning of 2022, when the box office revenue of cinemas for the whole day nationwide, including service charges, was only \$8,317,800. Except for the county-wide shutdown in 2020, it was the lowest box office day in the last decade. Each cinema sold an average of less than 50 movie

tickets per day, with an average of just 1.5 people per show. Since the COVID- 19 pandemic, this year is unquestionably the second cinema crisis, and it is significantly worse than the six-month closure in 2020. In 2020, when the cinema ceased operations for six months, people were still contemplating about the cinema and when they could see a movie. However, while around 50% of cinemas remain open, this data segment indicates that cinema is retreating from people's lives. Is this possibly because cinemas ceased operations, and people opt to watch TV shows or Netflix for safety reasons? The data set presents the comparison in response to this question. Is the COVID- 19 pandemic the culprit? Is the erratic COVID- 19 pandemic the root cause of this situation? It is true that since the outbreak, the COVID- 19 pandemic has had a severe effect on industries like cinemas, both because of population-responsible policy initiatives and because people themselves, on their own accord, are declining to go to enclosed public places.

However, when comparing the Chinese New Year seasons of 2019, 2021 and 2022, the COVID- 19 pandemic is likely not the primary reason for the decline in cinema attendance. The 2019 Chinese New Year slot, before the COVID- 19 pandemic, grossed \$5.905 billion, including a total of \$132 million in ticket sales, with 2.295 million screenings and an average ticket price of \$44.70. In 2022, when the COVID- 19 pandemic was not prevalent, the screenings in cinemas improved to 3. 15 million, and ticket prices rose considerably to RMB 52.80. But what happened? The total box office of the 2022 Spring Festival season was only up by 135 million RMB compared to the same period in 2019. In other words, this high box office total

was primarily the result of increased ticket pricing rather than audience footfall. Since the Spring Festival season, the number of people going to cinemas has dropped. However, with the advantage of hindsight, we can see that this was only the beginning. The fundamental deterioration came before and after the COVID- 19 pandemic had returned. Perhaps the comparison is less compelling than it would have been in the Spring Festival season. Given that the box office town in Shanghai was the cinema that ceased operations on March 12, the three years from March 1- 11, 2019, 2021 and 2022 will be the sample box office subjects.

The first up is March 1- 11 for 2019. The total box office income for these 11 days in 2019 was \$1.869 billion. Next, look at March 1- 11, 2021. The national box office revenue over these 11 days in 2021 was \$789 million, a dramatic decline of \$1.08 billion from 2019. Finally, look at March 1- 11, 2022. Total national box office sales for these 11 days this year were only \$404 million, \$385 million less than in 2021 and \$1.465 billion less than in 2019. The COVID- 19 pandemic was merely a scapegoat and a cause for the decline. The root culprit is audiences' refusal to come to the market to pay for it. The COVID- 19 pandemic is just the direct reason for hastening people's detachment from cinemas, but it is not the deciding factor. The ultimate issue in people's reluctance to pay for movie tickets is the absence of quality in the worldwide film and television industry. The film market has been losing both hearts and box office from Chinese New Year to Valentine's Day to Ching Ming, but the condition of cinemas has not been relieved. With the recurring COVID- 19 pandemic, closures, and the high rent cost, the market would not have enough films to

draw audiences even if cinemas could operate now. Perhaps the cold winter that cinemas are confronting is just beginning.

6.2.2. Effects

In the future, the industry will have additional opportunities for filmmakers to expand their scope or depth of operation during the Film production phase.

Looking ahead to the film market's subsequent trend, while the data from the first month since the resumption of work on the cinema line has bolstered filmmakers' resolve and confidence to continue producing films, there is still some doubt regarding the COVID- 19 pandemic. The COVID- 19 virus has not been eradicated from the world. It still survives in the form of variants and even spreads worldwide.

It will take time to restore the industry, from production and distribution to projection. (Xinjing News Shell Finance) (Reporter Xu Nuo) On July 27, PwC released a "Global Entertainment and Media Industry Outlook 2021 to 2025" report in Beijing. Liu Yuou, a partner in PwC's entertainment and media industry in mainland China, said that China's film industry continued to recover in 2020, with box office revenues from the Spring Festival season reaching a record high and China's box office's influence on the global box office ranking is rising. However, it will still take

a long time to return to the pre-COVID- 19 pandemic condition due to the social distance tightening policy effect caused by the COVID- 19 pandemic.

The report reveals that China's movie-going attendance dropped in 2020 due to the COVID- 19 pandemic, but the industry is recuperating well. Since August 2020, the Chinese film industry has begun to recover gradually. Thanks to the timely containment of the COVID- 19 pandemic in the country, movie box office revenues achieved \$2.9 billion by December 2020, improving to 92.4% of the level recorded in the same month of December 2019. Movie attendance has also improved dramatically and is estimated to recover up to 1.4 billion in 2021 and 1.8 billion in 2025, exceeding pre-COVID- 19 pandemic levels.

China and the US continue to be the world's two largest film markets, with China predicted to contribute 23.5% of total worldwide film revenue (\$47 billion) in 2025, second only to the US at 24. 1% (Xu, N., 2021. PwC: It will still take a long time for China's film industry to return to pre-epidemic levels).

This also permits companies in the industry to move towards more cooperation. While the findings of this study suggest that the 2022 Chinese New Year festival reveals a crisis in the film industry, the research in the preceding section suggests that this is not the case. On the contrary, I am optimistic about the future of the Chinese film industry and market. Regardless of previous strategies to promote the film industry, the 14th Five-Year Plan for China's Film Development suggests that film creation and production will become more affluent. China's State Film

Administration plans to release about ten high-quality masterpieces each year, increase the number of domestic films that gross over 100 million yuan (\$15 million) to about 50 annually, and increase the number of screens to more than 100,000 by 2025, with a more rational structure. China's film business has extremely bright development possibilities.

Additionally, all parties remain optimistic about the film market and industry. A study discovered that over the last decade, the overall number of enterprise status registrations for cinema-related enterprises in China had increased yearly, exceeding 5,000 registrations since 2015. China included more than 10,000 cinema-related enterprises in 2021, a record high among them. And more crucially, audiences continue to embrace Chinese cinema, with over 100 million moviegoers expected to attend the Spring Festival in 2022. With the better situation in the prevention and control of the COVID- 19 pandemic, the continuous improvement of film industrialisation standards, and more reasonable and mature industry decisions, it can be expected that the Chinese film market will continue to rebound in 2022.

7. Conclusion

This thesis seeks to resolve the central research question: identify the transformations in the Chinese film industry over the research period. Based on the practical requirements of China's film industry development and the context of the long-term prevention and control of the COVID- 19 pandemic, I began my research by examining the numerous policies that concentrated on the Chinese film industry before the COVID- 19 pandemic, at the onset of COVID- 19 pandemic, up to the continued spread of the COVID- 19 pandemic today, including the growth of China's film industry and the challenges in executing them under the influence of the COVID- 19 pandemic. Then, I examined current research on the development and change of China's film industry, considering the numerous factors that contributed to its success. It used theoretical analysis to obtain various policies and ideas of transformative development as references to generate an overall framework to investigate the following vital paths that should be travelled to renovate and modernise the Chinese film industry.

At the level of film distribution, it is crucial to vigorously explore private cinemas or micro-cinemas which possess additional advanced technologies, thereby entirely circumventing the perils of conventional cinemas as a sole distribution network, establishing a customised channel for film promotion and distribution, attaining a seamless connection with consumers.

At the film projection level, an innovative generation of film projection models containing multiple terminals such as cinemas, high-definition televisions, computers, mobile phones, as well as tablets will be constructed with consumers and film works as the core, incorporating multiple projection terminals, offering compact industrialised standard support and content support for the developing hardware environment, and growing into a new national infrastructure strategy in which cultural content becomes a prototype for the complete integration of cultural content and technological achievements.

At the offline consumption level, cinemas should actively pursue alternative derivative businesses in addition to film projection, such as immersive performing centres, film-themed activity centres and miniature theme parks. Cinemas are encouraged to diversify their business models further and integrate into new industrial chains in transforming and modernising the film industry.

In conclusion, the central government, local governments, film enterprises and film practitioners are now at the core of China's film industry's transition and modernise. To encourage the transformation and modernisation of China's film industry in the context of the COVID- 19 pandemic, these four stakeholders must work diligently together. Specifically, the following recommendations are incorporated.

For a long time, the Chinese film market will continue to dominate the local network + Internet distribution method, with regional network distribution especially important. If the domestic film market grows, it should continue gravitating toward third, fourth, and fifth-tier cities while also expanding inland.

First, it is suggested that the central government create a macro policy to incorporate the film industry's development into the country's effective strategy for the vast expansion of a "new infrastructure", address the actual needs of the global film industry development, organise the distribution of factors in China's film industry to move in the same direction in terms of technological and cultural innovation and let the Ministry of Industry and Information Technology take the lead in integrating the technical services necessary for China's film industry development. The Ministry of Propaganda and the Ministry of Culture should take the lead in bringing together the technological forces required for China's film industry to thrive. The Ministry of Propaganda and the Ministry of Culture should take the lead in combining the national resources for film content creation, developing the initial products, breaking through the conventional barriers of offline distribution, and distributing Chinese film masterpieces over the world.

Secondly, it is suggested that local governments should completely endorse the innovative application of high technology in the film industry, generate "new infrastructure" platforms that integrate high technologies such as algorithm video editing technology in the film industry and stimulate the establishment of

collaborations between local technology enterprises and film enterprises, based on local development needs and existing advantages. Local governments also need to discover new modes and structures for the film industry; inspire local film and television enterprises to produce more film works with the essence of the Chinese nation and local cultural qualities; and optimise government facilities, support crucial projects and safeguard enterprises in the film industry in a directed manner.

Once more, it is proposed that enterprises alongside the film industry chain enthusiastically accept the new market environment, vigorously promote the sweeping change of film enterprises at the micro-level, actively discover innovative business models and management modes in the context of the COVID- 19 pandemic and contribute more to the discussions on government industrial strategies and decisions with more practical ideas and personal thoughts from the frontline sector.

Finally, it is suggested that filmmakers across the country preserve their confidence, firmly trust in their creative work, and adhere to their innovative intention of "telling a good Chinese story to the world". At the same time, they should expand their horizons, continue learning and broadening their expertise and skills in changing and modernising the conventional film industry into a modern industry, and prepare before the film business resumes full-scale production.

Chinese cinema has gone a long way in the last century, overcoming storms and adversities, and the journey was not without its difficulties and risks. Nevertheless, whether in the face of war, poverty, and international industry barriers or the

beginning of market shifts and industry advancement dilemmas, Chinese filmmakers have surmounted numerous obstacles en route to achieving the extraordinary accomplishments they have today. Under the truthful leadership of the Chinese government, the resurgence of the Chinese film industry is almost sure to take place amid the COVID- 19 pandemic, with participants taking advantage of an ideal opportunity to transform and modernise the Chinese film industry while striving to complete the construction of a powerful film country, allowing the development of China's cultural and film industries to flourish.

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