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Genre Film, Media Corporations, and the Commercialisation of the Chinese Film Industry: The Case of “New Year Comedies”¹

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(The Chinese film tradition was) a sacred hall (baodian), an orthodox place strictly guarded by professionally trained third and fourth generation filmmakers. The fifth generation didn't enter through the gates of the hall but broke in from the windows. However, since they gained entry, these fourth and fifth generation directors have now become guardians of the orthodoxy of the sacred hall of Chinese film. The sixth generation then occupied another part of the sacred hall, but they didn't come in through the doors or windows: they dug up from underground! So when I came, I found not only that I couldn't enter this heavily guarded sacred hall; but even if I could, there was no longer any space for me inside. So I decided to build an outhouse (erfang) instead. To my surprise, I found that life in this outhouse was not bad at all, and when I look at the sacred hall now, it seems so overcrowded that I wouldn't go there even if they invited me. In fact, since life in the outhouse is so exciting, even those who occupy the sacred hall want to come here now, and some have already popped their heads in (Feng, 2000).

The above quotation is from Feng Xiaogang, the most successful commercial film director in China today. With his usual tongue-in-cheek style, Feng complacently describes the “power struggle” in the film industry in the 1990s, and accentuates the emergence of commercial film and the impact it has had on Chinese film by establishing an alternative cinematic tradition different from the previous generations and leading to major structural changes in the film industry as a whole.

Indeed, since the mid 1990s, commercial film has taken over the business of Chinese film production, with entertainment films accounting for 75 per cent of total films (Zhu, 2003, p. 103). By the beginning of the new millennium, the growing trend of

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commercialisation in the film industry had not only produced a group of successful commercial filmmakers such as Feng Xiaogang, but had also transformed the approach of directors formerly known for their art house films, such as Zhang Yimou and Chen Kaige, and “underground” filmmakers such as Zhang Yuan. Popular film genres such as New Year Comedies [*Hesui pian*], Martial Arts Flicks [*Wuxia pian*] and Urban Romances [*Dushi yanqing pian*] have evolved into brand name products following a Hollywood-style marketing strategy, carefully tailored to satisfy the entertainment needs of domestic and international audiences.

Recent scholarship on the mainland Chinese film industry has certainly noted the commercialisation of the industry and the resurgence of genre film or commercial film in 1990s China.² However few scholars have paid attention to the material formation of this new commercial genre from a broader production perspective.³ In this paper, I will look closely at the material conditions and institutional arrangements that have triggered an explosion of commercial films in China. I will first explain the changing discourse of genre and genre film by using the case of the New Year Comedy,⁴ an indigenous popular commercial film genre developed in recent years. Then I will discuss the changing industry practices that have contributed to the emergence of genre film, with primary focus on the emergence of media corporations and their role in promoting New Year comedies. Lastly, I will examine the impact that media corporations and related commercial practices have had on Chinese film in general. I argue that genre films represent a conscious development of consumer-oriented cultural products by media corporations: state and non-state owned enterprises which engage in planning, producing and distributing media and entertainment products against the backdrop of the collapse of the state studio system.⁵ Feng Xiaogang’s New Year Comedies, a brand product that has evolved into an indigenous genre, both exemplify and crystallise this new set of institutions and norms for film production and consumption that recently evolved in China.

The New Year Comedy: A Genre Built on Consumption

As Rick Altman contends, genre is far more than just a set of essentialist textual conventions. Genre is a cultural product constituted by media practice and subject to ongoing changes and redefinition, especially by the material institutions that back up these genres (Altman, 1999). Indeed, film genre in China has experienced a conceptual change as the Chinese film industry and film culture have undergone a dramatic transformation in the last two decades. In the socialist period prior to the 1980s, with the government financially supporting and institutionally monitoring film production and distribution, film genres were officially defined and authorised for propaganda and pedagogical purposes, and fixed quotas were assigned to state-owned film studios based on the subject matter of the films, such as the countryside [*nongcun tici*], reform [*gaige tici*], or revolutionary history [*geming lishi tici*]. In the 1980s and early 1990s, when the collapsing studio system left some room for alternative voices, but the new commercial operational model of the film industry had not yet been firmly established, this socialist definition of film genre was challenged from two directions. On the one hand, Fifth Generation and many former underground filmmakers dismantled previous definitions of film genre, and indeed the very idea of genre, by making experimental art house films emphasising artistic and ideological innovation and iconoclasm. On the other hand, due to government cutbacks to their public funding and mass demand for popular entertainment,

many Chinese film studios were forced to produce commercially oriented films, and many so-called “entertainment films” actually began to incorporate elements of genre film. However, even though some of these earlier films did find box office success,⁶ there was no consistent or conscious effort to build up genre film as both an artistic and institutional alternative to art house and socialist propaganda movies. In fact both the filmmakers and film critics saw these commercial films as a “lower form of business”, whose purpose was merely to subsidise “real” films, be they “political”, such as government propaganda, or “artistic”, such as the avant-garde works of the Fifth Generation.

From this perspective, the emergence of the New Year Comedy in the late 1990s bears witness to the conscious endeavour to revive genre film,⁷ and inevitably leads to a new definition of Chinese film genre, as will become clear in our discussion below.

New Year Comedies are films made especially for exhibition during the extended New Year period between Christmas and Chinese New Year. In mainland China, where the cinema season was previously scheduled more for social convenience or political need than commercial considerations, the concept or idea of New Year screenings was an innovative one. Its direct model was the Hong Kong Lunar New Year Film, which was introduced to China in 1995 through Jackie Chan’s *Rumble in the Bronx*, one of the ten foreign blockbusters imported into China in that year (Pang, 2002, pp. 61–62). This novel idea of combining commercialised cultural consumption with the traditional New Year celebration proved immediately popular, especially as it coincided with the government’s attempts to stimulate consumer spending by lengthening holiday periods in China: the so-called “holiday economy/holiday consumption” policy. Soon Chinese filmmakers were emulating the Hong Kong model by producing their own New Year films.

The first mainland New Year Comedy was Feng Xiaogang’s *The Dream Factory*, or *Party A, Party B (Jiafang yifang)*, released for the Chinese New Year season of 1997–98. The film relates the hilarious business operations of a service company that helps its customers realise their dreams for a fee. It was a huge success, earning box office receipts of RMB 24 million yuan (Dai, 2000, p. 480). Based on a novel of social satire by the popular writer Wang Shuo, *The Dream Factory* established Feng’s style of entertaining social comedy punctuated with tongue-in-cheek humorous dialogue and packed with popular TV/film stars with whom audiences were already very familiar.

The next year, Feng delivered another box office hit, *Be There or Be Square (Bujian busan)*, a Chinese version of *When Harry Met Sally*, which was shot exclusively in Los Angeles. The “exotic” setting, the fluent romantic story, and the genuine yet entertaining lead character played by the talented comedian Ge You made this film the single biggest domestically produced box office hit ever (a record that stood until 2002, when it was broken by Feng’s New Year Comedy *Big Shot’s Funeral*). This was despite coming up against the Chinese release of the Hollywood blockbuster *Titanic*. The 1998–99 year marked the beginning of the self-conscious promotion of New Year films by Chinese producers, with six films by other directors produced specially for the season as well as Feng’s work (Xu, 2002).

Since then, Feng Xiaogang has delivered another of his brand name products almost every Chinese New Year season, and all of his six New Year films have become box office hits. Despite receiving cool treatment from film critics and very few Golden Roosters, China’s official film awards, Feng Xiaogang’s New Year Comedies have become a regular item of cultural consumption during the holiday season, and are the only consistently profitable domestic film products in that genre, even though there have been great

crowds of followers and imitators competing for the New Year market.⁸ In fact, because of the intense competition due to the relatively short release season and the new profit-oriented management of theatre chains, Feng's New Year Comedies, together with a couple of other high-budget domestic or imported blockbusters, have tended to monopolise the Chinese New Year film market in recent years. For example, *Big Shot's Funeral* was released on 21 December 2001, right before the Christmas holiday and only days after China's accession to the WTO. Unlike Feng's earlier films, which generally attracted enthusiastic audiences only in Northern China, the cosmopolitan subject and appeal of *Big Shot's Funeral*, including its Hollywood and Hong Kong film stars, a frenetic promotional campaign, and innovative marketing strategies allowed this film to conquer the Chinese New Year Comedy market nationwide (Zhang, 2004, p. 292). The film ultimately rewrote box office history with an unprecedented RMB40 million yuan in domestic receipts alone. By contrast, just one year earlier, when Feng did not participate in the New Year film market, the combined box office of the five New Year Comedies by other directors was only RMB480,000 yuan (Y. Wang, 2005), not even enough to cover their production costs.⁹

Not surprisingly, with such astounding success, Feng's annual New Year Comedy now attracts major foreign investors like Columbia Pictures Film Production Asia, which distributed *Big Shot's Funeral* to the global market. And anticipating the huge Chinese domestic market for the New Year Comedy genre, Columbia continued its cooperation with Feng in the 2003 film *Cell Phone* (*Shouji*). At the same time, Feng's films were also aggressively marketed to the Overseas Chinese market. In 2004, his most recent film, *A World Without Thieves* (*Tianxia wuzei*), a co-production with Hong Kong-based Media Asia, was widely exhibited in Hong Kong and other Southeast Asian cinemas. Its selling points included the Hong Kong/Taiwanese film stars Andy Lau (Liu Dehua) and Rene Liu (Liu Ruoying) as major characters, and Cantonese dubbing aimed specifically at Overseas Chinese audiences. The Chinese producer of the film, Huayi Brothers, earmarked a massive 15 million yuan for advertising and marketing, with 400 master copies of the film pre-booked and numerous venues for flashy promotional activities, including Hong Kong, Taiwan and Singapore (B. Chen, 2005). Thus, in less than a decade, the New Year Comedy has developed from an ill defined, imported concept into a commercial blockbuster genre now being re-exported to its place of origin.

Besides capitalising on the imported ideas of seasonal release and New Year consumption, Feng Xiaogang's New Year films successfully developed many generic features to suit the domestic Chinese market.

First, in their narrative mode, there is a clear generic comic consciousness. In contrast to the melodramatic tradition in Chinese films, which present "an aesthetic mode of 'heightened dramatization' that refers to pure and polar concepts of darkness and light, salvation and condemnation", and thus often serves didactic purposes (Pickowicz, 1995, p. 301), Feng's comedies refuse to be "dead serious". Nevertheless, they still manage to deal with pressing social issues and contemporary concerns, such as the hostility caused by the growing gap between the rich and poor, or the moral corruption that arises from rampant materialism and commercialisation. Although he juxtaposes lighthearted comedy with sentimental pathos, and his postmodern self-reflexive, mocking texts are full of ambiguity and ambivalence (McGrath, 2005), Feng nevertheless keeps the commercial demands of the New Year market firmly in mind. Thus, with their celebratory styles and happy endings, Feng's films set out to provide relief, empathy and entertainment for

urban consumers: a sharp contrast from the propaganda of mainstream films or the dark, oppressive atmosphere of art house movies.¹⁰

Second, in his subject matter, Feng catches his audience's attention with indigenous themes and contemporary concerns, very often homing in on the hot topic of the year when each film was made. Be it opening business ventures, living abroad, extramarital affairs, or the all-permeating influence of advertising and cell phones that have changed people's everyday lives and family relationships, they are all stories of ordinary Chinese trying to survive in today's rapidly changing society. Moreover, these familiar contemporary situations and shared experiences are punctuated with local Chinese flavour, including clever adaptations of different forms of popular culture, collective memories, satires of current affairs, and frequent Northern Chinese colloquialisms, with which audiences can emotionally identify and that they can enjoy more effortlessly than any imported films.

Finally, the popular cultural relevance of Feng's films is complemented by his cinematic technique. Feng's extensive experience in producing films and TV series and his unique ability to tell a good story make his New Year films highly watchable. To attain this result, Feng normally insists on a double role as both screenwriter and director, allowing him to maintain absolute control over the script. In addition, the high budgets and professional production values of his films mean that he can attract the most celebrated casts, such as the famous mainland comic actors Ge You, Xu Fan, and Ying Da, and renowned Hong Kong/Taiwanese stars and even Hollywood heavyweights such as Donald Sutherland. He can also afford advanced production technologies and choose a range of exotic locations to give local and international colour to his stories. All these technical features work together to provide audiences with the utmost audiovisual pleasure.¹¹

While Feng's artistic expertise and shrewd business awareness are certainly a major factor in the success of Chinese commercial films in general and New Year Comedies in particular, to treat this success merely as the single-handed work of an individual is not convincing for a complex manufactured product such as New Year films. We must ask why other filmmakers' ventures into New Year Comedies have failed while Feng's Comedies have flourished. Also, why was Feng able to achieve such commercial success only in the late 1990s, even though entertainment films had been produced in mainland China since the 1980s, as noted above? Why did so few of these earlier films manage to exploit their box office potential, let alone establish a new popular film genre? To explain Feng's success and the re-emergence of genre films at the turn of the new millennium, we must re-focus our critical examination to discern the broader forces at work behind the production of commercial films. We need to turn our attention towards the fundamental institutional changes that have taken place in the Chinese film industry and Chinese cultural production as a whole, the most notable of which has been the rise and dominance of media corporations out of the ruins of the state-studio system.

Media Corporations: The Political and Economic Force behind New Year Comedies

For several decades prior to the 1990s, film production and distribution in China had been a state monopoly whose primary aim was to serve a social and political function rather than commercial interests. This state monopoly was controlled through the state-studio

system and corresponding film distribution and exhibition, all of which were subject to central planning by the state. However, from the late 1980s, under the onslaught of market economic reforms, this state-studio system began to collapse. Movie attendance and box office revenues declined sharply, facing fierce competition from the growing popular cultural market with many alternative cultural products on offer, the state studios experienced a serious shortage of investment, and domestic film production dropped sharply. Restructuring the film industry became imperative. The first significant reform was to remove the monopoly of the China Film Distribution and Exhibition Company over film distribution and to encourage film studios to sell their products directly to distribution agencies at the local level (Ministry of Radio, Film and Television Policy Document No. 3, 1993 – Suggestions on the Deepening of Chinese Film Industry’s Institutional Reform). As a result, film and TV products became potentially profitable commodities, and from 1993 onwards, many unofficial and privately controlled cultural companies or agencies leapt into the TV/film production and advertising businesses (Dai, 2000, p. 468).¹² Subsequent government reforms further marketised the cultural industry by restructuring the state film studios and other film-related institutes into shareholding enterprises, and inviting private, non-state enterprises to become investment partners and co-producers in filmmaking. So while the central government still allocates substantial funding to aid film production, especially for so-called leitmotif films promoting the government’s reform agenda, various other private, state-controlled and even foreign interests have become increasingly involved in filmmaking through different forms of co-production. In some cases, these non-state interests managed to effectively gain control over the production process, especially in commercial films. In 2002, faced with this de facto private control over large swathes of the film/TV production industry, the State Administration of Radio, Film, and Television finally permitted private companies to engage in film production independently from state studios, ending the formal monopoly of state studios over film production.¹³ More recently, with private companies already earning two-thirds of total box office receipts, such companies were given more control over film distribution and more extensive foreign cooperation and investment in their productions was permitted. It was in these fluid conditions during the past decade that the media corporations emerged and grew into dominant forces reshaping film production and distribution in China.

In this section, I will use the media corporations behind Feng Xiaogang’s New Year Comedies as a case study to analyse the different types of media corporations in the present Chinese film industry, their competing yet complementary relationships, and the impact of these new institutions on the development of film genres in China.

Looking at the production companies behind Feng’s comedy films so far, we can observe some clear trajectories.

First, multiple forms of media capital have helped to foster Feng’s New Year Comedies. In particular, three kinds of enterprises have invested in these films. First, there are state-owned shareholding companies, such as Beijing Forbidden City Film Corporation, which invested in Feng’s first three films, and China Film Group Corporation, which was involved in the more recent films. Both are state-controlled film conglomerates, restructured from former state institutes into shareholding enterprises.¹⁴ Then there are private domestic enterprises, in this case Huayi Brothers Advertising Co. and its subsidiary Huayi Brothers Taihe Film Investment and Production Co., which were the most consistent producers/investors for Feng’s more recent films. Finally there are foreign and

overseas investors/producers/distributors, notably Sony Columbia Pictures Film Production Asia, which was involved in two of the six New Year Comedies; and more recently Media Asia Film Ltd., a Hong Kong-based film production and distribution company associated with Rupert Murdoch's Star TV.

Second, the evolution of the partnerships involved in these films clearly indicates the declining influence of the studio system and the rising dominance of media corporations, with the latter gradually replacing the state-owned studios, and private and foreign capital increasing over the years. However, state "capital" has always been present to some degree, whether in financial or symbolic form, and continues to be an essential element. For example, in Feng's first two films, the co-producer Beijing Film Studio played a token leading role by providing the studio license and equipment/facilities. But this Studio later underwent a corporate restructuring and became a subsidiary of the China Film Group Corporation. It now represents the state "capital" in Feng's more recent films, mainly by providing political connections and policy compliance support. Chinese filmmakers such as Feng Xiaogang, along with private investors and producers, are for their part happy to ally themselves with such state enterprises in order to benefit from their symbolic, political and social capital. Strategic partnerships with enterprises like Forbidden City and Beijing Film Studio have been especially useful when filmmakers have been dealing with the notorious Chinese censorship system, and again when they came to the distribution and exhibition stage, as these were tightly controlled by the State for most of the 1990s.¹⁵

While state enterprises such as Forbidden City and China Film Group are important strategic partners involved in Feng's films, Huayi Brothers, the privately-funded media corporation, has been the most enthusiastic and consistent de facto investor in and producer of Feng's New Year Comedies, and particularly instrumental in transforming them into a brand-name commodity.

Huayi is a privately-owned Beijing-based TV and film investor and producer that originated as an advertising agency in 1994.¹⁶ Like many of these private cultural companies or agencies of the 1990s that began life in the advertising business, Huayi's business concept and mode closely links advertising services and television/film production, although due to the State's relatively tighter control over film production and the high budget risk involved in producing movies, for a long time these advertising/production businesses mostly limited themselves to TV commercials, MTV videos and TV dramas (Dai, 2000, p. 468).

Huayi Advertising Co. started to make sitcoms for TV stations in 1998, and the profits it reaped supported its first foray into film in 1999, when it co-produced Feng's third New Year Comedy, *Sorry Baby*. The following year Huayi Brothers Taihe Film Investment and Production Ltd. was established, and its first venture was to collaborate with Columbia Pictures to make *Big Shot's Funeral*. At the same time, by purchasing shares in the state-controlled corporation Xi'an Film Distribution Ltd. (Xiying gufen faxing gongsi), Huayi also became indirectly involved in film distribution, which was a closed territory to private companies at the time. In 2003, the renamed Xiying Huayi Film Distribution, in which Huayi now held the majority stake, became one of seven private companies approved by the State Administration of Radio, Film and Television to engage in film distribution. In December 2004, Huayi successfully increased its capital by selling a 35 per cent stake to Li Ka-shing's Tom Group Limited, which controls the China Entertainment TV network. This vertical integration of production and distribution, and the use of mergers and

acquisitions to create synergies in running its various entertainment operations, are conscious business strategies modelled on the Hollywood studios. As Huayi's majority shareholder and president Wang Zhongjun claimed: "We are unlike the state-owned companies whose purpose is sometimes political. Huayi Brothers has always meant to make a real business out of film" (Landreth, 2005). By 2005, Huayi had become a media conglomerate embracing advertising, TV film investment, Xiyiing Huayi Film Distribution, Huayi Music, Huayi Design, and Huayi Taihe Cultural Co. Ltd., a creative talent manager. The group is one of the most significant investor/producer/distributors in the Chinese film and media industry today. Recently, Huayi's ambition to monopolise New Year Comedy Films has expanded to the Chinese-language film market in the broader Asian region by investing in Hong Kong comedian Stephen Chow's *Kung Fu Hustle* (*Gongfu*). This film, together with Feng Xiaogang's *A World Without Thieves*, allowed Huayi to corner the 2004 New Year Comedy market not only in China, but also in Taiwan, Hong Kong, Southeast Asia and other Overseas Chinese markets.

The connection between Huayi's evolution into a major TV/film investor and producer and the branding of Feng's New Year Comedies is a close and in many ways interdependent one. Huayi's business practices and its heightened awareness of the enormous commercial potential and entertainment needs of the domestic Chinese market have clearly had a deep impact on shaping the New Year Comedy genre.

It is no accident that Huayi chose to invest in Feng Xiaogang's *Sorry Baby* in 1999 when it first ventured into film production. To guarantee high returns on its investments in the depressed and often unpredictable film market of mainland China in the late 1990s, it had to develop a market-tested popular genre film. By that time, both the New Year season and Feng Xiaogang's films had already proved their commercial potential and appeal in the domestic market after two years in a row of box office hits. However, Huayi's advertising executives realised that they could use their marketing and promotional expertise to maximise returns on these "cultural commodities". After joining forces with Feng, Huayi pooled virtually all of its financial and human resources to develop Feng's New Year films into a signature brand product. Among the four or five films that Huayi invests in each year, Feng's New Year film is guaranteed a budget of 70 to 80 million yuan, leaving just 10 to 20 million to be divided among another three or four films by other directors (Z. Wang, 2005). In order to cultivate Feng's support for the brand, since 2001 Huayi has made him a contract director and given him a minority ownership stake in the company. Thus Feng's creativity and market attraction have become important capital assets of the company, and Feng has had an economic incentive to make his films as profitable as possible. Huayi then specifically set up a Feng Xiaogang Studio (*Gongzuoshi*) to focus on the New Year films, and one of Huayi's two majority owners, Wang Zhonglei, directly worked with Feng Xiaogang to produce his box office hits. From choosing story lines to developing scripts, from budgeting to casting, and from promotion to exhibition, Huayi has been closely involved in or directly managed every aspect of producing and distributing the New Year Comedies since 1999. On the other side, Feng also benefits from Huayi's business management and the capital strength of its diversified business conglomerate, which has freed Feng from constantly seeking investment partners and worrying about distribution. Also, Feng's high standards of professional production are possible partly because he only has to make one film per year (a New Year Comedy), and unlike other directors, he seldom needs to take on TV dramas or TV commercials that would distract him from film-making. Thus Huayi's involvement not only guarantees the quality and market appeal of

these films, but also makes Feng’s New Year Comedies an “event genre”, distinguished from the normal run of Chinese commercial films.¹⁷

Huayi’s focus on marketing and box office has also resulted in Feng’s films becoming big budget trend-setters. Since *Sorry Baby*, Feng’s New Year Comedies have consistently increased their production costs and marketing budgets, and have become noticeably more stylish and consumer-oriented over the years. Their fashionable topics, up-beat celebratory style, exotic and extravagant locations, celebrated casts, and sleek audiovisual style employing advanced production technologies all demonstrate Huayi’s emphasis on the entertainment/consumer product function of film. And tied in with their contemporary and popular concerns, Feng’s recent New Year films are noticeably packed with the most recent fashion trends and commodities. Indeed, a frenetic advertising business and the product placement of various local and imported goods are central to the plot of *Big Shot’s Funeral*, and *Cell Phone*, with its prominently featured Motorola 388, both reflects and fans the flames of the national cult of the mobile phone in China. Feng’s most recent film, *A World Without Thieves*, highlights the rise of disposable wealth and domestic tourism with its BMW limousines and visits to exotic Tibetan temples. Thus we see that Feng’s films on the one hand satirise urban China’s uneasy rush toward materialism and capitalism, but on the other hand ironically turn themselves into a dazzling brand-name catalogue for contemporary Chinese consumers.

The high production and marketing budgets and the packaging of brand-name commodities into Feng’s films clearly result from Huayi’s unique way of managing media capital, in particular the close tie-in relationship that Huayi exploits between films and other businesses, especially advertising. As mentioned above, Huayi originated as an advertising agency, and its business operation model is to use advertising revenues to support TV/film production and at the same time bolster its profits.¹⁸ Huayi rarely invests much of its own money in producing its films. Instead, investment funding comes from selling sponsorship of the films in advance, and it is here that brand-name directors such as Feng Xiaogang become their crucial selling point. It is said that Huayi president Wang Zhongjun’s decisions about film budgets are made through a process of reverse profit forecasting – first, predict the likely box office; then decide the budget; and finally find sponsors to cover the costs (B. Chen, 2005). The capital for Feng’s films comes from two main revenue sources. One is the sale of advertising space for commercials shown in theatres before the film rolls (*Tiepian guanggao*). Another is sponsorship of the films by manufacturing companies in return for product placement in the films. In both these aspects, Huayi’s origins and continuing involvement in the advertising business give it a competitive advantage (Z. Wang, 2005). Almost every New Year Comedy by Feng since 1999 has included obvious product placements, and in Feng’s most recent films such as *Big Shot’s Funeral*, *Cell Phone*, and *A World Without Thieves* the sponsors included major multinational companies such as Motorola, China Mobile and BMW. All of their products were given “starring roles” in the films.

As a result of Huayi’s efforts, *A World Without Thieves* attracted 40 million yuan in advance sponsorship deals and theatre commercials, almost enough to offset the 45 million yuan production and promotion costs, even without taking box office receipts into account. A reliable “brand-name director” such as Feng Xiaogang has thus become a desirable commodity that can be marketed to the highest-paying sponsors.

In a further twist, Feng’s commercial films now produce spin-off business for the media corporation’s advertising divisions. For instance, a new commercial for a hi-tech company Internet Banking Service (Wangshang zhifu bao) produced by Huayi Brothers

Advertising Corp. created a mini version of the same story using the same film crews, cinematographers, and even the actors from *A World Without Thieves!*

Clearly, Huayi and Feng Xiaogang's films have set a new business standard for both advertising and films. More broadly, Huayi's effective branding of Feng's high budget New Year Comedies exemplifies the deep penetration and wide ranging exploitation of the space of mass entertainment by a capitalist business operation that has changed the nature of filmmaking in today's China.

The Commercialisation of the Chinese Film Industry

The development of the media corporation system in the last decade has had a decisive impact on Chinese filmmaking. Not only has private money now become the major source of investment in today's film industry; media corporations' box office approach and business management in filmmaking have significantly altered the mode of film production and consumption, as demonstrated above by Huayi's branding of New Year films. In this concluding section, I will broaden the focus to discuss the impacts of these media corporations on the development of commercial film in China, and the consequences of the commercialisation of the Chinese film industry.

First, with the deepening commercialisation of Chinese society and the globalisation of capital and the market, it is true that private film/television production companies are playing an increasing role in the Chinese film industry. In recent years, China's major box office hits have come mainly from private production companies, including Huayi Brothers; New Visual (Xin huamian), which has exclusively sponsored Zhang Yimou's films since *Shanghai Triad*; and Poly Huayi Media of China (Baoli huayi), another media conglomerate that invests heavily in television programs and distributing imported films. Nevertheless, while private market capitalism will doubtless gain more and more market share, state "capital" will continue to play an important role in film production, and private and state interests will continue to co-exist and depend on each other. This is because, despite the ongoing commercialisation, the state still does not wish to relinquish its ideological and industrial control over the media and entertainment businesses. The restructuring of former state studios and other distribution and exhibition units into shareholding companies is an effort to efficiently manage film production in a market economy without giving up ultimate control. Another noticeable trend is the development of joint-stock media conglomerates that merge private and state enterprises to maximise the accumulation of political and economic capital. This process had already started in 2000, with the Xi'an Film Corporation combining 58 per cent of state-owned assets with 42 per cent of private assets; similarly, in 2003, Poly-Huayi Media of China was formed from the merger of several state-owned and private media enterprises, including TV channel management companies, film and TV series producers, advertising operations, and performance artist managers. Thus even though the process is a gradual one, and some areas still have not completely opened up to private capital, it is clear that both state and private enterprises have recognised this cooperative approach as a desirable outcome that can benefit both sides.

Second, in order to reach as wide an audience as possible and to maximise profits, a monopolistic "vertical/horizontal structure", or media conglomerate, has become the developing trend of media corporations, as demonstrated by the cases of China Film Group Co. and Huayi Media Co. That is, while vertically integrating production,

distribution and exhibition, these media corporations have also expanded horizontally to form multimedia conglomerates with fingers in various commercial pies, including TV production, TV channel management, audio/video (especially DVD) production, talent management and advertising operations.

This conglomerate structure will leave few options for Chinese filmmakers apart from taking the commercial road, and will narrow the scope of film to a purely moneymaking business. As a result, while some blockbusters such as Feng Xiaogang's *Cell Phone* can make returns as high as 263 per cent, art house, independent and other kinds of films will be further marginalised, not least because of their lack of access to distribution channels and exhibition venues. This process has already started. In 2004, 212 films were produced in China, but barely 40 were given the chance to be shown in commercial theatres, and only 20 of these lasted more than 10 days before being replaced (B. Chen, 2005).

While a few such major media corporations are now monopolising the domestic market, they are also keen to cooperate with transnational media conglomerates to expand into the global market, especially the Overseas Chinese and Asian markets. At present, with government subsidies encouraging foreign investment in films, it is relatively easy for Chinese media corporations to aggressively seek foreign strategic partners. Besides Huayi's collaboration with Columbia on *Big Shot's Funeral* and *Kung Fu Hustle*, and with Media Asia on *A World Without Thieves* and *Banquet* (2006), we can observe a broader "cinematic regionalisation", in which an increasing intra-Asian flow of capital, creative talent, and technologies has resulted in a booming regional film market (Shim, 2005).¹⁹ Illustrating this trend, Chinese media corporations such as New Visual, China Film Group and Poly-Huayi have all been involved in (co)producing or distributing recent Asian blockbusters such as *Hero*, *Infernal Affairs*, *Seven Swords*, *The Myth*, and *The Promise*.²⁰

Third, with the media corporations' profit-oriented approach to filmmaking, producers and filmmakers measure the success of these films primarily by their box office receipts. Genre film with its formulaic conventions and tested market has gradually become the mainstream of Chinese film. For example, besides New Year Comedies, Martial Arts flicks have become another revived indigenous commercial genre. Especially since Ang Lee's *Crouching Tiger, Hidden Dragon* won box office acclaim and numerous international film awards, the Martial Arts format has been repeatedly exploited by film directors and producers, both within China and beyond. Even former art house auteurs have bought into the game of producing high-budget transnational genre films in this mode. Typical examples include Zhang Yimou's *Hero* (2002) and *House of Flying Daggers* (2004), backed by New Visual (Xin huamian), another privately funded media corporation; Chen Kaige's *The Promise* (2005), backed by China Film Group; along with Hong Kong director Hark Tsui's *Seven Swords* and Jackie Chan's *Myth*. These films have taken the summer and New Year film markets by storm with their lurid marketing, hi-tech special effects and production values, and widespread generic appeal.

The involvement of former art house auteurs such as Zhang Yimou and Chen Kaige in producing commercial genre films aimed at attracting the highest possible box office shows that art has now become complicit with capital in making visual spectacles for emerging urban consumers in both the domestic market and the global market, where Chinese film has now started to make its influence felt.

Indeed, our fourth conclusion is that the genre film strategy is now inextricably linked with production of "international-quality" high budget spectacles (*Da pian*). All these

films employ celebrated filmmakers, big name stars, and the most advanced technology to make film-viewing a luxurious visual pleasure. The extensive promotion and advertising also add significantly to the budget, and highlight the attractiveness of the product. Raising their production costs and promotional budgets has become a conscious strategy of Chinese film producers such as Huayi's Wang Zhongjun in order to cope with the invasion of foreign blockbusters and to "make big money" in the global entertainment market (S. Chen, 2005). The increasing costs of Feng Xiaogang's films clearly demonstrate this trend, as we mentioned above. Recent box office hits by other directors, such as Zhang Yimou's *Hero (Yingxiong)* also prove the point. The film had a budget of RMB245 million, promotional costs of RMB15 million, and box office receipts of RMB241.68 million in the domestic market alone. The film dazzled viewers with its luxuriant cinematography, dynamic camera angles and special effects, despite having a rather lame plot. And most recently, *The Promise*, sponsored by the state-controlled China Film Group, broke the record once again with production costs of US\$40 million (approximately RMB320 million). Both these films held extravagant premieres in prestigious and exclusive locations, the former in the Great Hall of the People and the latter in the Ceremonial Hall of the CPPCC. These places were once reserved for meetings of the most powerful Chinese leaders or for political events of national significance.

Finally, as a result of this commercialising process in which film has become just one more product in the profit-centred production chain, film has lost the autonomy that it once briefly had in the 1980s, and is being (sometimes willingly) drawn into the service of advertising and marketing products. Talking of film's business potential, Huayi's president Wang Zhongjun recently made it clear that "the box office only constitutes one-third of the total income" from films, and the other two-thirds comes from the post-theatrical market, such as VCD/DVD copyright and television rights, as well as from other commercial uses of film, especially advertising (B. Chen, 2005). In fact, as Feng Xiaogang's films show, commercials and the advertising business are now so closely related to film production and consumption that advertising has become an integral part of the formal features and content of commercial films. Wang Zhongjun even anticipates that in the future Huayi will use a similar commercial model to produce films for internet streaming and for cell phone viewing, and become a content producer and provider for any new media (Z. Wang, 2005). As Yomi Braester observes, a new model of filmmaking has emerged – that is, filmmaking as cultural brokering where "directors have collaborated with real estate developers and other entrepreneurs... They use the prestige, access and popular appeal of the cinema to establish a stronger connection between film and market forces" (Braester, 2005, p. 549).

Seen in this light, Feng Xiaogang's 2001 New Year Comedy, *Big Shot's Funeral*, becomes an almost postmodern self-reflection on film production in today's China. In the film, an internationally acclaimed film director apparently dies of a heart attack due to acute creative block. His friends and colleagues, including a Chinese filmographer, a Chinese-American personal assistant, and a media businessman decide to cover his funeral fees by making the funeral into a TV spectacular in order to generate millions of yuan from advertising and sponsorship deals. In the process, the funeral becomes a ridiculous commercialised farce. What is intriguing is that the "sponsors" of the funeral depicted in the film are the real-life sponsors of the film itself (Kong, 2003). But the attitude of the filmmakers towards this whole commercial operation remains detached and self-consciously ambivalent due to their use of parody and black humour.

It remains to be seen whether commercialisation is a lifesaver for the Chinese film industry, allowing the development of a truly competitive market mechanism and leading to a flourishing and diverse creative field; or whether it instead signals the loss of a great opportunity to promote artistic autonomy following the collapse of the socialist state studio system.

Notes

1. Part of this paper was first presented at the Ninth Biennial Conference, Chinese Studies Association of Australia, La Trobe University, July 2005, and an earlier version was presented at a workshop on ‘The Future of Chinese Cinema’ (University of New South Wales, April 2006). I thank Sean Metzger and Olivia Khoo for inviting me to the workshop and for their constructive comments, as well as those of other participants in the workshop. I also thank the anonymous reader for *Asian Studies Review* who made very helpful suggestions for revision.
2. By “genre film”, I refer to “a group of films having recognizably similar plots, character types, settings, filmic techniques, and themes. Such conventions are repeated sufficiently from film to film to make it obvious that all these works belong to a single group and that the filmmaker is relying on the past use of these conventions and the audience’s familiarity with them” (Konigsberg, 1987). Typical genres include movies about gangsters, detectives, war, horror, and various types of comedy.
3. Ying Zhu’s definition and use of the term “mode of production”, where she discusses the structural reforms and commercialisation of the Chinese film industry, is helpful to define my approach here: “Mode of production is defined as the overall structure of film production”. This concept highlights both the political and economic conditions of film production and the normative conceptions of film style (Zhu, 2003). In other words, my approach will emphasise the effects of the production environment on products, in particular how the changing film industry structure dominated by media corporations has revived genre film, using New Year Comedies as a central example. This approach also distinguishes my paper from previous articles in English that describe Feng’s New Year Comedies, including my own (Kong, 2003). While previous articles, such as McGrath (2005), still focus on the “content” of the movies, whether on their social relevance or their aesthetic and artistic aspects, this paper will instead focus on the external aspects of the New Year Comedies – that is, the material conditions that have made such commercial films possible.
4. New Year Comedy is not exactly a literal translation of “*Hesuipian*”, which means “[New Year] celebration film”. I choose the word “comedy” for two reasons: first, most if not all of Feng Xiaogang’s New Year films are comedies, even if they sometimes use quite black humour. The consciousness of creating a comedy genre, partly inherited from Hong Kong New Year films, is echoed by Feng’s imitators in the genre, so that most *Hesuipian* produced by other directors are also comedies – for example, *Happy Times* (*Xingfu shiguang*, Zhang Yimou), and *My Beautiful Homesickness* (*Wo de meili xiangchou*, An Zhanjun). More importantly, comedy is a central feature that exemplifies the genre consciousness of New Year films and the market-oriented tendencies of commercial filmmakers, as I will demonstrate below. In this way, New Year Comedies by Feng represent a new genre, which is closely related to their release time, but also reveals certain generic features.
5. Here I use the term media corporation (*wenhua gongsi*, *chuanmei gongsi*) to include both private independent media studios and state studios-turned-shareholding corporations, since these businesses are not just involved in producing and distributing film or television products, but are often conglomerates that have expanded and integrated many different areas of the media and entertainment industry, such as advertising, performance management, etc. Typical examples are Huayi Brothers Media Conglomerate (Huayi xiongdì chuanmei jituan) and China Film Group (Zhongguo dianying jituan). It is very important to be aware of the wide business interests of these media corporations, and their internal connections, even though some have recently split into separate corporations. Instead of using the conventional film and TV production companies as the basic industrial unit, I prefer the much broader definition of media corporations, as the latter have gradually replaced the former state studios to dominate the field of film production and distribution.
6. Such films included *Mysterious Buddha* (*Shenmi de dafo*, 1980), *Shaolin Temple* (*Shaolin si*, 1982), *The Price of Madness* (*Fengkuang de daijia*, 1987), and *Lonely Ghost in the Black Mansion*

(*Heilou guhun*, 1989). However, they have seldom been seriously analysed by cinematic historians or critics as an alternative to “mainstream” ideological melodramas by Xie Jin or experimental art films by Chen Kaige or Zhang Yimou. If mentioned at all, they are usually listed as examples of “mindless” entertainment – since at that time, entertainment had a derogatory undertone that is no longer common in today’s commercialised society.

7. I am fully aware that genre film is not a new concept in the hundred-year history of Chinese cinema. Indeed, the first emergence of genre film as a conscious creative effort by Chinese filmmakers was during the second half of the 1920s, when local forms of costume drama [*guzhuang xi*] and martial arts and magic-spirit films [*wuxia shenguai xi*] prospered. But the subsequent social context discouraged the development of commercial film or genre film, especially after 1949. Considering the different cinematic traditions and institutions before and after 1949, I will limit my discussion of the revival of commercial/genre film and its political and cultural implications to the context of cinematic development in socialist and post-socialist China.
8. In fact, the New Year season has been exploited by the cultural industry not just in film, but also in TV drama and stage plays, for which equivalent New Year genres have been developed in recent years. However, most of these productions are one-offs and tend to receive a lukewarm audience response. So far, Feng Xiaogang’s New Year films are the only brand products within the genre that have continued to be successful from year to year.
9. The five films were *Beautiful House* (*Meili de jia*, director An Zhanjun), *Happy Times* (*Xingfu shiguang*, Zhang Yimou), *Defend and Strike Back* (*Gongshou fanji*, Liang Yian), *The Final Exam Drew the Family Closer* (*Kaoshi yijia qin*, Liu Xiaoguang), and *Making a Fuss Over Nothing* (*Dajing xiaoguai*, Ding Sheng). According to Xu Ying, their failure may have stemmed from lack of quality, as some of these “comic films” were just collections of stage comedy skits, talk shows and farces; but the difference between audiences from the North and the South may also have affected the box office revenues, especially when these films did not have sufficient production and marketing budgets to consciously overcome the North/South market divide as Feng has been able to do. See Xu, 2001, and Wang Yun, 2005.
10. Feng has directed serious films, but he does not refer to these as “New Year” films and avoids the New Year release season for such films. One example is the film *A Sigh* (*Yisheng tanxi*), which was released in June 2001. In his New Year Comedies, Feng is also careful to avoid elements that might jar with the Chinese holiday audience’s festive sensibility. This explains his decision to cut the word “funeral” that was originally part of the Chinese title of “Big Shot’s Funeral” (leaving only “Big Shot”), as audiences would be unlikely to associate funerals with either comedy or Chinese New Year. In these kinds of details, we see Feng’s conscious attempt to frame his New Year films as a comic genre.
11. Due to the specific focus of my study on media corporations, I will not elaborate on this narrative analysis here. I refer readers to John McGrath’s paper (McGrath, 2005), which provides excellent detailed analyses of Feng’s narrative.
12. During the 1990s the dominant method of charging for advertising space required that a designated amount of the advertising revenue return to the production unit rather than going directly to the broadcaster. As a result, it became extremely profitable to combine both advertising services and film/television production in a single business, as the production side could recoup some of the costs of purchasing advertising space. Because of the State’s relatively tighter control over film production and the high budget risk involved in producing movies, at first these advertising/production businesses mostly limited themselves to producing TV commercials, MTV videos and TV dramas. But with the increasing commercialisation of the film industry and the gradual loosening of state regulation, some of the advertising/production agencies realised that the profit potential of films could be even higher, and they gradually started moving into the movie business too. See Dai, 2000.
13. For more detailed description of these institutional changes and cultural policies since the 1980s, see Zhu, 2003.
14. For more detail about the establishment and business operation of state-controlled companies such as Forbidden City, see Dai, 2000, pp. 469-70. With the competition from private companies and the Hollywood “invasion” of China, the government discovered that state-controlled shareholding companies could be more efficient at operating within the film industry and reducing the financial burden on the state, so the government permitted the introduction of such business structures in order to boost the national film industry. While their main agenda is still producing “high quality leitmotif (i.e. propaganda)

- films”, these state businesses are also permitted to invest in “ideologically acceptable” commercial films to increase their profits.
15. In his memoirs, Feng Xiaogang gave a detailed account of how Forbidden City and Beijing Film Studio helped to bring out his first New Year film, *Dream Factory*: while Beijing Film Studio provided the necessary studio license and assistance in getting the script approved, Forbidden City provided investment, production, distribution and exhibition support. See Feng, 2003.
 16. This is mainly because during the 1990s the dominant method of charging for advertising space required that a designated amount of the advertising revenue return to the production unit rather than going directly to the broadcaster. As a result, it became extremely profitable to combine both advertising services and television production within a single business, as the production side could recoup some of the costs of purchasing the business’s own advertising space.
 17. This information on the close “cooperation” between the director Feng Xiaogang and producer Huayi is gleaned from many different sources, including Feng (2003), B. Cheng (2005), and in particular Chen Siya’s interview with Wang Zhongjun (Chen, 2005). Apparently, the “mutual benefit” is also acknowledged by both sides: in Feng’s words: “(With this co-operation), I built up the box office reputation of my films, and Wang Zhongjun built up the brand name of Huayi in the film industry” (S. Chen, 2005, p. 20).
 18. This business model first started with TV production, where due to the separation of TV stations and TV production companies, TV dramas were often sold to TV stations in return for commercial space rather than actual money. The TV production companies often also managed their own advertising businesses, and would then profit from selling their allocated TV commercial slots to other companies.
 19. One of the successful players in this “cinema regionalisation” is Media Asia. Since its establishment in 1994, Media Asia has produced many high-profile Chinese-language blockbusters that targeted the regional Asian market, including *Initial D* (2005), *Seoul Raider* (2005) and the *Infernal Affairs* trilogy (2002–03). Media Asia’s active role in promoting “cinema regionalisation” is also manifested in its transnational co-production and distribution. In mainland China, besides being co-producer of Feng’s recent movies, it also formed a joint venture with China Film Group to distribute films to the mainland Chinese market.
 20. Based on my personal observation of the recent development of the Chinese film industry, especially the aggressive strategies adopted by Chinese filmmakers and media corporations in co-production and overseas marketing of Chinese films, I contend that Beijing and the Northern Mandarin film culture will play an important role in the globalisation of Chinese film in the twenty-first century, even if not to the extent of becoming a new “media capital” such as Shanghai in the 1920s and 1930s, Singapore in the 1940s, and Hong Kong since the late 1950s. However, to elaborate on this point and compare it with previous waves of transnational Mandarin entertainment cinema is beyond the focus of this paper, and I would instead recommend a forthcoming book on the operation of the commercial film and television industries in “global China”, which contains some historical background on the recent development of transnational Chinese commercial film. See Curtin (2007).

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