

The Development of Original Animation Industry in the Internet Era- Using Xiaoyan Animation Creative Space as an Example

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Abstract: With the continuous progress of Internet technology, the original animation industry is facing unprecedented opportunities and challenges. This paper first analyzes the development background of the original animation industry in the Internet era. Then, the challenges faced by the original animation industry under this background, such as technology upgrading, low content quality, and so on. To address these challenges, this article proposes a series of development strategies, including encouraging technological innovation and deepening market research. Through these measures, the original animation industry is expected to achieve more healthy and sustainable development in the Internet era.

Keywords: Internet Era; Original Animation; Industrial Development; Technological Innovation

1. Development of the Original Animation Industry in the Internet Era

1.1 Development Background of the Original Animation Industry in the Internet Era

Politics: As a part of the national cultural and creative industry and an important component of national cultural construction, the original animation industry is an indispensable backbone in building the country's "soft power" and has received strong support from the government. ^[1] Governments at all levels have introduced a series of policies to provide comprehensive support to original animation companies in terms of financial subsidies, market access, etc., encouraging them to increase innovation investment and improve product quality.

Economic and Social: Consumption Upgrading and Market Demand With the improvement of people's living standards, the demand for cultural consumption is also constantly increasing. Original anime works, with their unique creativity and excellent production, have attracted a large number of young audiences. At the same time, with the progress of digital technology, the communication channel of animation works has also been greatly expanded, from traditional television and cinema to emerging media platforms such as the Internet and mobile terminals. This provides a broad market space for the development of the original animation industry. ^[2]

Culture: Diversification and Cross-Border Integration In the context of globalization, cultural exchange, and integration have become a trend. Original anime works, as representatives of cultural creativity, integrate multiple cultural elements and showcase a rich and colorful artistic style. The animation industry is also constantly integrating with other industries, such as gaming, film and television, and handicrafts, forming a huge industrial chain. This cross-border integration not only enriches the expression forms of anime works but also brings more commercial opportunities.

1.2 Development Status of the Original Animation Industry in the Internet Era

The Internet era has brought unprecedented opportunities and challenges to the original animation industry. On the one hand, the development of Internet technology has made animation production more efficient, spread more widely, and consumer groups larger. On the other hand, the rapid iteration of the Internet and the diversification of user needs

put forward higher requirements for original animation.^[3]

1.3 Problems in the Development of Chinese Anime

Although the scale of China's animation industry is huge, there is still room for improvement in terms of technological level, production quality, and creative ability. Many works lack depth and connotation, with single content and lack of novelty, making it difficult to attract the audience's attention. There is a significant gap compared to foreign anime works. The reasons for this are insufficient policy support, unclear market demand, and imperfect talent cultivation mechanisms. The government's support policies for the animation industry are not systematic and comprehensive enough, resulting in a lack of motivation for enterprises in technological innovation and market expansion. At the same time, the market demand is not clear enough, and consumers need to improve their awareness and acceptance of anime products. In addition, the domestic animation talent training system is not perfect enough, and there is a lack of curriculum and training models that match market demand.

1.4 Solutions to Problems in the Development of Anime

One is to strengthen quality supervision and standard formulation, establish industry entry barriers, improve production technology level, and ensure the quality of works; The second is to encourage originality and intellectual property protection, stimulate innovation vitality, improve intellectual property protection regulations, and combat piracy; The third is to improve the investment and financing mechanism, attract more social capital to enter the animation industry, lower the financing threshold, and provide financial support for the development of the industry.^[4] Industry and external partners play an important role in solving the development problems of the animation industry. For example, by collaborating with universities and research institutions, talent cultivation and scientific research innovation can be strengthened; Collaborating with relevant enterprises can achieve resource sharing and complementary advantages; Communicating and collaborating with government

departments can seek policy and financial support.

2. Business Development Model of Original Anime Industry Derivatives

2.1 Overview of Anime Derivatives

Anime derivatives refer to the analysis and discussion of characters in anime works, and the design of related derivative products by anime designers. They are a continuation of the original anime works. Anime derivatives cover many product forms and can expand the image IP to more fields, such as the tourism industry, service industry, etc. Anime derivatives occupy an extremely crucial position in the anime industry. The market share of derivatives is quite high and there is great potential for development. These derivative products can provide additional value to start-up animation works while also expanding their market share.

2.2 Current Development Status of Original Anime Production Products

2.2.1 Defects in the domestic original anime derivative market

According to data from the State Administration of Radio, Film, and Television, although China's animation production scale is huge, the development of its derivatives appears to be quite insufficient. Foreign anime often enters the Chinese market at a low price and then uses brand effects to sell anime derivatives, to obtain more profits. For example, the United States took over 5 billion yuan from China with just one Transformers movie. It can be seen that shaping an excellent anime derivative brand can better expand the market and promote the development of the anime industry.

2.2.2 Lack of awareness of developing anime derivative brands in China

At present, Chinese animation companies do not pay attention to the development of anime derivative brands. They often invest all their funds in the production of anime works, and a considerable number of anime works often have a cost of tens of thousands of yuan per minute in the production process. It is difficult to recoup the revenue from TV stations or film box office alone.^[5]

2.2.3 The complete industrial operation model of anime derivatives has not yet been formed

The industry chain of anime industry can be divided into three stages: the design and processing of anime products, the playback and distribution of anime products, and the development and sales of anime derivative products. In the Chinese anime market, marketing methods and product forms are relatively single. The downstream derivative products of the industry chain have not yet formed a win-win industry model with upstream creativity, and the animation industry chain is also not complete. Due to the lack of a complete industry chain, the structure of China's animation industry is unreasonable, and it also leads to a lack of original motivation in the early stages of the animation industry chain.

2.3 General Business Development Model of Anime Derivative Products

2.3.1 Anime image shaping mode

The first step in the smooth development of anime derivative products is a successful anime image. In the early stages of anime creation, we must be aware of the derivative development of anime. In the animation of Peppa Pig, children are more likely to accept this simple and relaxed image when watching the film. Meanwhile, in the production of peripheral products, the simplicity and roundness of anime characters can also reduce

costs. [6]

2.3.2 Marketing model for anime derivatives

A successful anime work is just the first step in derivatives. To successfully push to the market and make a profit, it is necessary to carry out reasonable marketing and promotion. While maintaining core users, it is also important to be able to understand the personalities and tastes of other users and cultivate a wide range of multi-level users. Peppa Pig, as a cartoon for children, has become popular in the social entertainment circle of adults. Combining the social habits of young people, the brand licensor entertainment company launched the Peppa Pig WeChat expression pack, which deepened the impression of the animation brand in the youth circle.

2.3.3 Profit model of anime derivatives

The profit model of the anime derivative industry mainly generates income through the development of derivatives or collects authorization or development fees through the authorization of anime images as a source of profit. At present, there are about 200 million young people in China, and many anime enthusiasts have provided a broad market for the development of the Chinese anime industry. (e.g., Figure 1. The Development History of China's Animation Industry)

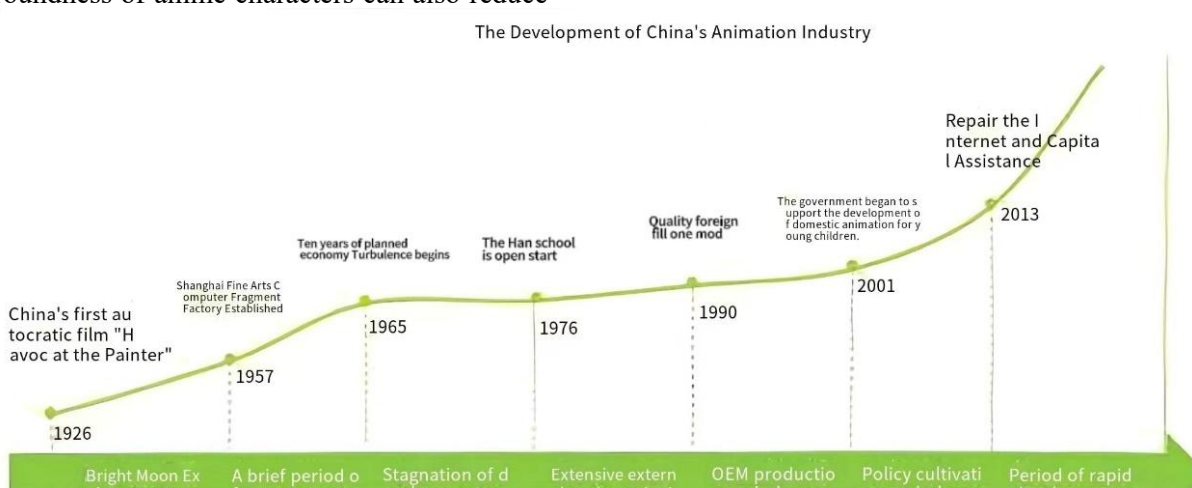


Figure 1. The Development History of China's Animation Industry

2.4 Development Prospects and Strategies for Original Anime Derivatives

2.4.1 Analysis of the development prospects of derivatives market

In the national policy environment of supporting college students to start their

businesses, joining the anime chain brand will become a new trend in the future anime derivative industry. The Chinese government has also issued a series of relevant policies to support the development of the national animation industry. The domestic market has enormous potential, and in the development of

the anime industry, the prospects of the anime derivative market are bright.

2.4.2 Development strategy for anime derivatives

2.4.2.1 Establish an anime derivative service platform

The development, production, marketing, and intellectual property protection of anime derivatives is a complex process that requires professional cooperation among multiple enterprises at different stages of the product chain. The innovation platform includes both online and offline systems, forming a complete innovation incubation system that enables local enterprises to fundamentally upgrade from manufacturing to creation. ^[7]

2.4.2.2 Open up production channels for anime derivative products

To achieve development in the anime derivative industry, it is necessary to break through the barriers of communication between design creativity and production channels, establish a professional position for anime industry enterprises, and obtain greater profit margins. In recent years, with the development of new media, animation products are easier to combine with new technologies such as the Internet and mobile phones. More communication channels should be used to achieve close contact between animation products and consumers.

2.4.2.3 Identify the profitable links of anime derivative products

A successful creative highlight may gain significant market recognition with minimal investment. The derivative products of anime in the early days could not rely on a large number of anime works but rather occupied the market through cute shapes, novel functions, and special consumer uses. To develop the anime industry, it is necessary to design and develop anime derivative products through innovative service platforms, develop high-quality creative resources for innovation both domestically and internationally; Improve the professional service base that integrates operation and innovation, and achieve the ultimate goal and value of the animation industry. ^[8]

3. Analysis of the Development of Original Animation Studios - Taking Xiao Yan's Anime Creative Space as an Example

3.1 Characteristics and Advantages and Disadvantages of Original Animation Studios

3.1.1 Characteristics of original animation studios

Original Animation Studio is a new business model that integrates innovation, commercialization, collaboration, professionalism, comprehensiveness, and technology. Original animation studios place greater emphasis on innovation and creativity, considering market demand and commercial value, strengthening close collaboration among studio members, cultivating professional skills and rigorous technical standards, equipped with the latest creative equipment and technology, and constantly exploring new forms of expression and technical means. ^[9] At the same time, integrating animation creation, production, and promotion, we focus on providing audiences with novel visual experiences and creating higher-quality original anime works.

3.1.2 Advantages and disadvantages of original animation studios

3.1.2.1 Advantages

Original animation studios have the advantages of creative freedom, unique style, and cost savings. They have their own artistic style and aesthetic orientation, and can fully unleash their imagination in the creative process, achieving unique and creative ideas. Works often have unique visual recognition. Compared to large animation production companies, original animation studios are usually smaller in scale and have lower operating costs, which makes them more flexible in financial operations and able to complete work creation at lower costs.

3.1.2.2 Disadvantages

The risk is relatively high. Since the works of original animation studios are usually the first attempt and there is uncertainty in market acceptance, sufficient market research and risk assessment are required when selecting works for creation.

Limited resources. Due to its small scale, resources in terms of manpower, technology, and funding are limited, which will impose certain limitations on work efficiency and development scale.

Limited dissemination. Due to the lack of resources and channels from large anime production companies, the dissemination of

original anime works by studios may be restricted, making it difficult to gain widespread exposure and recognition, which poses greater challenges for studios in

promoting their works. (e.g., **Figure 2. Schematic diagram of the submission process**)



Figure 2. Schematic Diagram of the Submission Process

3.2 Business Model Analysis of Xiao Yan's Anime Creative Space

3.2.1 Product and service features

Product: Provide various related services such as animation short films, animation special effects, character design, scene design, audio production, etc. You can also collaborate with advertisers, game production companies, film production companies, etc. to produce animated advertisements, game characters, etc. You can also independently develop and sell your animated works.

Service features: Strong professional skills in animation production, with professional artists to meet personalized customer needs; Online multi-platform submission work, and offline business cooperation with game companies and animation companies. In addition, through the offline promotion of anime on campus, free anime teaching guidance activities are carried out based on the manuscripts received by the studio on the platform, expanding the influence and popularity of the studio while continuously cultivating anime design talents.

3.2.2 Business development model

The studio is ultimately positioned as a mid to high-end market, providing online and offline anime image design and product services for young people, film and television companies, and more. Our main operating model is design+sales, designing products that conform to social trends and have original characteristics. The profit model mainly includes online platform submission, peripheral product sales, and offline business cooperation. The studio formed many works

through video clips and animation production, and released them on multiple platforms such as Tiktok, B Station, etc., and invested certain funds to attract more attention, traffic, and customers to place orders for the release of articles and works related to animation on the official account. (e.g., Figure 3. Commercial Canvas)

3.2.3 Marketing model

By developing virtual character design for anime, shaping brand IP, and developing product strategies around campus anime character painting teaching, studio painting experience, online anime lectures, and sales of anime derivative products; Adopting tiered pricing, discounted pricing, image pricing, and combination pricing strategies to achieve maximum profit. Flexibly treat different types of customer needs and develop targeted demand strategies; Develop promotional strategies through a series of activities such as specialized stores for anime merchandise, sales, online platform video promotion, online and offline product discounts, and lucky draws during holidays, designing birthday signs and decorations for anime characters, and limited time sales. ^[10]

3.3 Development Prospects and Value of Original Animation Studios

3.3.1 Development prospects

As an emerging way of working, original animation studios allocate creative tasks for various categories and stages. Provide members for different positions in the studio to make original anime production more efficient. The strong support of the government has

introduced a series of policies to promote the growth of the animation industry; The advancement of technology has brought more technical support to animation studios, making the creation of original anime more efficient; The continuous expansion of the market injects a continuous demand for original anime production; The development of the economy has led to more and more investors providing financial support for original animation studios, promoting their production to receive better assistance.^[1] Overall, original animation studios have broad prospects and are supported by various factors to make original animation production more efficient.

3.3.2 Value pursuit

The value pursuit of original animation studios is multidimensional, covering innovation and uniqueness, art and aesthetics, education and inspiration, entertainment and leisure, and technology and progress. The studio breaks through the limitations of traditional thinking

and expression through innovation, using works to convey specific values, thoughts, and information, helping people establish correct worldviews, outlooks on life, and values; While showcasing unique artistic styles and aesthetic concepts, emphasis is placed on cultivating and improving the audience's aesthetic level, and high-quality original works are used to promote the popularization and development of original anime culture; Pay attention to balancing the entertainment and commercial value of works, and strive to provide viewers with a pleasant and relaxed entertainment experience; And integrate new technologies into anime creation to improve production level and original work quality. These value pursuits give original animation studios a unique position and influence in the animation industry, providing audiences and consumers with a rich and diverse work experience.







Important cooperation	Key business	value proposition	Customer relationship	Customer Segmentation
Main partners  <ul style="list-style-type: none"> Enterprises campuses society platforms 	Anime image design 	Original design customized services	Platform promotion delineates fan consumer groups, and enterprise cooperation fixes customer sources 	<ul style="list-style-type: none"> • Film and television companies • Film and television companies  • youth groups
	Contact resources	channel channels		
	Anime community corporate company	Combining online and offline 	revenue sources	
cost structure		revenue sources		
Design marketing promotion peripherals education product development talent training		Platform acceptance, business cooperation with anime companies, sales of peripheral products, signing with anime publishing houses, online store sales, and production at exhibition fairs 		

Figure 3. Commercial Canvas

4. Conclusion

This study uses methods such as survey questionnaires and comparative analysis to connect theory with practice, turn research into application, and explore in detail the new development model of the original animation industry - based on original animation studios, tap into market potential, improve product creation efficiency, and enhance feasible implementation strategies. And with the development of the original animation industry as the main line, and the case analysis of Xiao Yan's animation creative space, the innovative application of the animation industry

development business model can provide some reference for the animation industry research field, and provide new ideas and methods for the development of original animation industry in the Internet era.

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