

Analysis of Cross-border Influencing Factors of Multi-channel Revenue in the Film Industry under the Digital Economy

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Abstract. The digital economy is driving the global film industry to shift from sole reliance on box office revenue to a multi-channel monetization model integrating "box office + streaming subscription + copyright licensing + derivative product sales". In this context, the three major regions, the United States, China, and Europe, exhibit differentiated development characteristics. This article takes the film industries of the United States, China, and Europe as the research objects, adopting case study methods, cross-regional comparison methods, and literature research methods to explore the key influencing factors and cross-border mechanism differences of the multi-channel performance of the film industry in the digital economy era. Research findings show that high-quality content, digital variables driving, multi-channel synergy, traditional factors interacting with digital variables are the commonalities of cross-border multi-channel performance; the United States focuses on global IP operation and cross-channel linkage as the core, China relies on social media traffic to achieve rapid monetization; Europe relies on public funds to ensure the small-scale dissemination of art films. The differences arise from the fundamental differences in industry foundation, market environment, and policy orientation.

Keywords: Digital economy, Film industry, Multi-channel performance, Cross-border differences, Influencing factors

1. Introduction

The rapid development of the digital economy is profoundly reshaping the value distribution and monetization logic of the global film industry. The traditional single revenue model based on box office receipts in cinemas is gradually evolving, replaced by a multi-channel collaborative system of "box office + streaming media subscription + copyright licensing + derivative product sales" [1]. The United States, with its mature IP operation system, has formed a full-channel monetization loop; China, relying on a large digital user base, has achieved short-video promotion and rapid conversion; and Europe, with public funding support, has focused on the niche dissemination of art films [2-4]. The three regions show significant regional differences. Existing research on the performance of the film industry has long focused on a single metric: box office revenue. For instance, Hennig-Thurau et al. explored the determinants of film box office and profitability, but did

not consider the synergy effects of non-box office channels [5]. Some studies, although they focused on digital variables or traditional factors, lacked a comprehensive perspective. For example, Alforova et al. only analyzed the impact of digital technology on film production, and Orankiewicz focused on the European public funding support mechanism, neither of which explored the interaction between digital variables and traditional factors [4,6]. Moreover, the existing results are mostly limited to a single country or region, making it difficult to reveal the differences in the impact mechanisms of multi-channel performance under different institutional environments. Building upon the identified limitations in existing literature, this paper addresses the following research question: What are the common key factors and region-specific mechanisms that drive multi-channel performance in the film industries of the United States, China, and Europe? The research adopts the case study method, the cross-regional comparison method, and the literature research method, aiming to enrich the research on cross-national comparison of multi-channel performance and refine its relevant content, and provide references for film enterprises in various countries to optimize their monetization strategies.

2. Literature review

2.1. Evolution of the definition of film industry performance

Multi-channel performance is defined in academic literature as a comprehensive assessment framework for evaluating film industry outcomes, integrating revenue streams from diverse business channels including traditional theatrical box office, streaming platform subscriptions, copyright licensing (encompassing cross-media adaptations and international distribution), and derivative product sales [1,2]. This metric reflects the industry's holistic value creation capacity in the digital era, transcending its historical reliance on box office revenue as the sole performance indicator. In the early 2000s, before the widespread adoption of streaming technology, the academic community generally regarded film industry performance as the box office revenue generated by theater screenings [5]. During this period, the core focus of performance evaluation was the box office performance of individual films, with little attention paid to non-theater income channels.

Since the launch of Netflix's streaming service in 2007, the digital economy has risen rapidly, and streaming technology has gradually matured [7]. With the expansion of the derivative product market and the diversification of copyright licensing models, the single box office-based assessment system has been completely disrupted [8]. By the 2010s, the definition of film industry performance had expanded to a multi-channel comprehensive revenue structure of "box office + streaming subscription + copyright licensing + derivative sales" [2]. Since the 2020s, accelerated by the global pandemic's disruptive impact, academic consensus has emerged regarding the critical supportive role of non-box office revenue in sustaining the industry's long-term development [8]. Streaming subscription revenue, in particular, has become a core component of performance, effectively hedging risks of the traditional theater business and promoting the stable development of the film industry.

2.2. The persistent influence of traditional core factors

In terms of IP value, high-quality IPs can drive multi-dimensional revenue through cross-channel collaboration [2]. The closed-loop operation of Disney's IPs is a typical case [9]. In terms of advertising strategies, traditional offline advertising such as TV and out-of-home ads can temporarily boost box office performance, with every \$1 spent generating an average of \$1.38-\$2.00

in box office revenue [10]. Beyond IP as a core asset, traditional marketing strategies and the cultural-political environment also constitute important conventional dimensions influencing multi-channel performance. Precise brand advertising, such as in-film placements and co-branded promotions, can increase the premium for derivative product collaborations, accounting for nearly 30% of non-box office revenue for top-grossing films [3]. In terms of cultural and political environment, IPs that align with local culture are more likely to penetrate multiple channels, and copyright regulations and quota policies directly affect the scope of cross-regional monetization [1,11].

2.3. Research on the role of digital variables in the film industry

Short-video promotion achieves rapid traffic conversion through user secondary creation and KOL dissemination, becoming an important entry point for multi-channel performance [1,3]. Algorithmic recommendation can optimize the efficiency of streaming media content distribution, enhancing user stickiness and subscription revenue [12,13]. Streaming media platforms have changed the film distribution model, expanding channels through diversified distribution strategies, and their self-produced content has also become a core component of multi-channel performance [1,9].

3. Research methods

3.1. Data sources

(1) Case Data: Case data includes information on Disney IP operations, the promotion and box office performance of "Return to Dust", and the IP development of "Ne Zha: Birth of the Demon Child"—these cases cover international IP operation, domestic literary film marketing, and local animated IP development, representing typical multi-channel performance models [7,9,13]. The data directly reflects the multi-channel revenue paths and performance of specific entities. (2) Industry Data: Industry data covers macro-level data such as annual reports (2018-2023) of the film industries in the United States, China, and Europe, streaming media subscription volumes, and revenue proportions. The data is sourced from reports by the European Audiovisual Observatory, Box Office Mojo, and China Film Box Office Database, as well as analyses by third-party consulting institutions, providing macro-level data support for cross-regional comparisons. (3) Literature Data: Relevant studies are retrieved via Google Scholar, with core journal papers published in the past five years selected for analysis.

3.2. Research design

This study adopts a "multiple case comparative research design". The research subjects are the film industries of the United States, China, and Europe, selected for their representativeness: the United States represents a mature commercial film market, China a rapidly digitizing emerging market, and Europe a market with prominent artistic film attributes [1,4,11]. They correspond to three typical types characterized by commercial film dominance, rapid digital transformation, and prominent art films. A three-dimensional analytical framework is constructed: the factor dimension is divided into traditional factors (IP value, advertising strategy, cultural and political environment, public funding support) and digital variables (short-video promotion, algorithm recommendation, streaming media platforms); the channel dimension focuses on four core channels: box office, streaming media, copyright licensing, and derivative product sales.

4. Analysis of cross-border influencing factors and case comparisons

4.1. United States: IP-driven - platform and channel synergy closed loop

As a typical model of "traditional factor (IP value) + digital variable (streaming platform) synergy" in the three-dimensional analytical framework, the multi-channel performance of the American film industry centers on IP, forming a mature platform and channel synergy closed loop — non-box office revenues from IP derivatives, copyright licensing and streaming subscriptions account for about 65% of the total industry income, far exceeding the box office contribution [7]. The operational practices of Disney and Marvel exemplify this model. The core logic lies in the long-term incubation of high-recognizability and high-fan-loyalty IPs (e.g., the Marvel superhero series and the "Star Wars" series), constructing a user attention and consumption chain spanning across all channels.

The core mechanism of IP multi-channel value exploration forms a closed loop: Movies serve as the concentrated value explosion point of the IP, achieving large-scale exposure through cinema distribution and sparking public discussion; Disney + simultaneously launches spin-off series and behind-the-scenes footage, converting short-term popularity into long-term subscription stickiness; The e-commerce channel introduces IP-related peripheral products (such as joint consumer goods), transforming fans' emotional identification with the IP into actual consumption behavior; Theme parks create immersive real-life experiences, turning users from "content consumers" to "scene participants". This further strengthens the emotional bonds with the IP, and simultaneously generates additional income from tickets and catering services [8]. Under this model, channels do not operate independently. They achieve mutual attraction and value complementation through IP, forming the core competitiveness of the multi-channel performance of the American film industry.

4.2. China: social media traffic—dual drive by policy guidance

The multi-channel monetization model of China's film industry features a "social media traffic diversion + policy guidance" dual-drive characteristic. The market performances of films such as "Return to Dust" and "Ne Zha: Birth of the Demon Child" fully demonstrate the effectiveness of this model [3]. Leveraging China's vast digital user base and a well-developed short-video ecosystem, platforms such as Douyin and Bilibili have become key promotion platforms—relevant content on Douyin alone can reach billions of views for hit films [6]. Unlike traditional promotion that follows a one-way dissemination model, user-generated secondary creations of film clips, plot interpretations, KOL in-depth recommendations, etc., form viral dissemination, quickly breaking the barriers of social circles and achieving rapid growth in film exposure. As a small-budget art film, "Return to Dust" initially lacked large-scale promotion resources (with a mere 2.3% screening rate on its opening day). However, word-of-mouth fermentation on short-video platforms (Douyin topic views exceeding 38 billion) propelled it from niche to mainstream, achieving a box office rebound. It later completed secondary monetization through streaming platform membership fees and single-clip on-demand services [3].

Policy guidance provides institutional guarantees by subsidizing mainstream theme films, thereby expanding their multi-channel revenue potential. On one hand, policies encourage the creation of films with main themes and traditional cultural content. Such films can receive production subsidies and distribution support, and expand their income through multiple channels of dissemination. On the other hand, the import film quota policy reserves market space for domestic films, avoiding the

squeeze on box office, streaming media, and other core channel revenues caused by excessive competition [1].

4.3. Europe: artistic attributes — the small-scale commercialization model supported by public funds

Artistic attributes serve as the core foundation for the multi-channel monetization of European films. European art films generally focus on humanistic concerns, niche social issues, or innovative narrative techniques, gaining audience recognition through unique artistic expressions and profound ideological depth, rather than pursuing the scale effect of the mass market [10]. Their multi-channel layout follows the logic of "layer penetration": first, they are screened at international film festivals such as Cannes and Berlin, accumulating professional reputation and industry attention; then, they are shown in art theaters for limited screenings, precisely reaching the core audience and obtaining basic box office revenue; subsequently, they are licensed through niche streaming platforms (such as MUBI), art institutions' screenings, and cultural channels of TV stations, achieving stable long-tail income; some high-quality films will also expand international market income through overseas art film distribution channels. Although this multi-channel model does not pursue high box office and high subscription volumes, it achieves sustainable niche monetization by precisely matching the aesthetic needs of the target audience.

Public funding provides crucial support for art film multi-channel dissemination. European governments and cultural institutions implement policies such as France's CNC film subsidy program and Germany's FFA funding scheme, which cover up to 30%-40% of art film production costs and subsidize 50% of film festival participation fees [4]. These measures reduce the commercial risks of art films, enabling them to focus on artistic creation without over-catering to the commercial market. Meanwhile, the EU's Audiovisual Media Services Directive (AVMSD) stipulates that non-EU streaming platforms must invest at least 20% of their European revenue in local content creation, providing financial and channel support for the multi-channel dissemination of European art films [11]. This "public funds subsidy for creation—film festivals to enhance visibility and multi-targeted channel monetization" model not only protects European cultural diversity but also maintains the sustainable development of the art film industry, forming a unique multi-channel performance model.

5. Discussion

From the perspective of Synergetics, the cross-national multi-channel performance of the film industry presents four core commonalities driven by internal and external synergy [14]. First, high-quality content is the foundational premise for multi-channel monetization, as recognized and value-accepted works are essential for cross-channel synergy regardless of regional orientation. Second, digital variables (streaming platforms, short-video promotion, and algorithm recommendations) have become universal growth engines, breaking channel barriers and connecting content to multi-channel revenue. Third, multi-channel synergy amplifies performance—whether the U.S. closed loop, Chinese traffic conversion, or European layered penetration, mutual diversion extends content's commercial life cycle. Fourth, traditional factors and digital variables interact synergistically: for example, European art films combine public funding support with social media marketing, embodying Synergetics' "1+1>2" effect and enhancing monetization quality.

The U.S. operation focuses on global IP and cross-channel linkage, prioritizing scale effect and long-term commercial value; the disparity is primarily attributable to globally leading digital

infrastructure and a vast social media user ecosystem. The high prevalence of short-form video alongside the widespread adoption of digital payments collectively establishes the structural foundation for achieving efficient traffic conversion; in Europe, the difference lies in public funding supporting the multi-channel dissemination of art films, with the core goal of ensuring cultural diversity and the sustainability of artistic creation. The differences in the United States stem from its mature IP operation system and global channel resources. A complete industrial chain and capital market support enable it to achieve long-term IP cultivation and full-channel linkage [2]. The differences in China are attributed to its well-developed digital infrastructure and large-scale social media user base. The high penetration rate of short videos and the widespread adoption of digital payment have facilitated rapid traffic conversion [1]. The differences in Europe are determined by market fragmentation and cultural diversity protection. Multi-country and multi-language market characteristics hinder the formation of a unified mass market. Weak commercial film foundations ultimately lead to a niche model dependent on public funding [4,11].

6. Conclusion

Multi-channel performance of the film industry is driven by both traditional factors and digital variables, but the mechanism of this influence varies significantly across regions. In the United States, global monetization is achieved through full-channel IP synergy; in China, rapid conversion is accomplished by leveraging short-video traffic; in Europe, niche dissemination of art films is realized with public funds support. The cross-regional commonality indicates that digital variables have reshaped the industrial value chain, making multi-channel monetization the core growth model, while high-quality content remains the fundamental premise, and interactive synergy between traditional factors and digital variables is key to amplifying performance effects. This study also provides practical insights. The Chinese film industry should balance traffic-driven short-term benefits with long-term IP cultivation, learning from Disney's operational experience to enhance cross-channel derivative development; the United States needs to optimize the application efficiency of digital variables and reduce channel synergy costs through algorithmic recommendations; and Europe can moderately expand social media promotion, deepen the collaboration between public funds and digital channels, and enhance the dissemination efficiency of art films.

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