

# Chapter 69

## Creativity in the Animation Industry

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### ABSTRACT

*In the past 20 years, animation industry has developed rapidly due to the popularity of technology and a market demand on creativity. Large firms such as Disney and Pixar are continuously seeking strategies to expand, improve, and innovate, whereas most Chinese companies, as late comers are upgrading their capability through original design, technology development and policy support. This chapter focuses on the creativity in the animation industry, with an analysis on brand/character development, technology innovation, and policy influence. It starts with an introduction of the creativity in animation industry from both practice and literature perspectives. Then, there are five cases studies into companies with a highlight on their details of creative activities. Discussion is to address the critical issues of creativity in the animation industry, followed by a conclusion and recommendations for future research areas.*

### INTRODUCTION AND INDUSTRY REVIEW

With the business world greatly emphasizing the concept of creativity today, it is important to explore the creative factors in various industry sectors. Creative industry, as indicated in its name, has largely interacted with creative activities, and the value of this industry is highly reliant on ideas, designs and innovation. The animation industry, as a representative sector of the creative and cultural industry, has become popular in the last 20 years. The making of animation movie or TV products generally follows four steps: conceptualization (idea generation, usually with participation from different organizations), pre-production, production (the most labor-intensive parts; however also an area of generating new technology), and post-production. Other business sectors such as character-based consumer product manufacturing and service sectors such as theme parks are associated with the animation industry in later stages. The structure of the animation industry is very much related to the media and art industry

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with an emphasis on originality of design and brand. Successful cartoon characters can continuously generate profit for companies as an extension of business from animation movies/TV series towards high value-added areas such as consumer products, the game industry and theme parks. Storytelling and character design requires continuous creativity. On the other hand, the making of animation movies nowadays requires huge input into technology. 3D (3-dimensional) computing technology and real effects are a couple of examples which attract increasingly more customers. The technology itself is regarded as creativity and innovation. In fact, nowadays brand management, technology innovation, and business management are more integrated for the success of animation companies.

The booming of the animation industry is not limited to leading firms (e.g. Disney, Pixar, DreamWorks) in developed countries, but also thrives in emerging markets such as China. China once experienced prosperity in the animation industry in the 1960s; however, since the economic reform and open door policy, increasingly more foreign products have entered China, quickly overtaking the Chinese market. Many animation studios, which previously had been owned by the Chinese government were trapped in financial problems, and gradually gave up the original design and production. As a result, China's animation industry lost a competitive advantage for the next 20 years, with almost no influential products or animation characters introduced to the market. The recovery of the Chinese animation industry began in the 2000s. In contrast to western companies' models, currently the creativity of Chinese animation industry is largely encouraged by the government with a series of policies issued and industry clusters established throughout the country. These policies highlight the original design, technology development and the creativity of cartoon characters, and thus help the Chinese animation industry to grow from its limited capability. Creativity, originality, and technology innovation are greatly encouraged in the Chinese animation industry. Collective learning, incremental improvement, and international collaboration are some examples of present day practice; however, many Chinese firms especially SMEs ((Small and Medium Enterprises) are still seeking ways of upgrading towards original design.

Inspired by both academic interest and emerging issues in business, this chapter will investigate the creativity of the animation industry with a focus on brand/character management, technology innovation and policy impact. Specifically, it will look at: 1) How can animation companies successfully develop their characters in a sustainable way? 2) How can animation companies continuously innovate their technology such as using advanced software? 3) How can government policies influence creativity in the animation industry in China? The literature review will cover the most influential theories and studies on innovation, followed by case studies of five companies (Table 1), demonstrating the details of character business development, technology innovation, and the interaction with policies in the animation industry. These cases cover both the creative activities of brand management and technology management in the leading western companies and the growth strategies of new-comers, namely Chinese firms. Further discussion will address the dynamics of creativity and innovation in the animation industry, the impact of institutional factors, and newcomer growth paths. A conclusion and recommendations for future research will follow.

## **LITERATURE REVIEW**

The concept of creativity can mean the process of discovering useful new ideas (Andersen and Kragh, 2015). In general, creativity in business is explored through its products, services and processes (Shalley and Gilson, 2004). Current literature related to creativity in the animation industry can be explored

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