The Characteristics, Challenges, and Strategic Development of China IP Animated Films (2014–2024)

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Abstract
This study reviews all animated films released in Mainland China from 2014 to 2024, utilizing data from the Maoyan Professional Version app to analyze China IP animated films market characteristics, challenges, and development strategies, aiming to provide valuable insights for the growth of China animation industry. The research finds that domestic animated films often adapt IPs based on mythological stories, IP series animations demonstrate strong commercial performance and the holiday release effect is strong, and so on. However, from 2014 to 2024, the number of imported films surpassing 100 million yuan at the box office consistently exceeds that of domestic films, the domestic animation market heavily relies on a few high-quality core films and the industrial foundation of domestic animated films is not yet fully solidified. Therefor, this paper employs a SWOT analysis model to systematically outline the strengths and weaknesses of China IP animated films. Finally, based on the PEST analysis framework, the study proposes strategies to promote the development of China's animation industry, including building a more balanced market structure, enhancing the stability of domestic animation box office revenues, and strengthening international competitiveness through technological innovation and cultural exchange.
Keywords: IP Animated Films, Characteristics, Challenges, Development Strategies

Introduction
Research Background
The so-called intellectual property (IP) films refer to movies adapted from well-known literary or artistic works, songs, novels, plays, anime, web series, games, variety shows, or characters with great development potential (Jiang et al., 2022). IP films are developed based on novels, specific character images, even a song or a name, etc. (Chen & Cho, 2024). Chen and Cho (2024) point out that there are two ways to form IP animated films: one is to transform traditional IP content into a movie, and the other is to develop new IP from films that have

already been publicly recognized, creating a series. In the past decade, China (here referring specifically to mainland China, excluding Hong Kong, Macau, and Taiwan) has seen multiple blockbuster IP animated films. By April 2025, In China, among the top ten animated films in terms of box office, five are domestic IP animated films, as shown in Table 1. In 2019, the IP animated film *NEZHA1* was adapted from the story of Nezha in the traditional Chinese literary work *Romance of the Three Kingdoms* and earned a box office of 5.035 billion CNY, ranking second in China's domestic animated film box office history. Despite the impact of the COVID-19 pandemic on the Chinese film market in 2020, the IP animated film *Legend of Deification*, adapted from the Chinese myth of Jiang Ziya, performed remarkably at the box office (Lau, 2024; Pan & Lee, 2020), ranking fourth in China's animated film history, boosting confidence in the Chinese film market. In 2025, *NEZHA2* was released and became the highest-grossing animated film worldwide, earning 15.6 billion CNY at the box office. It also ranked fifth on the all-time global box office chart, highlighting the tremendous potential of IP-based animated films. Notably, two of the top ten animated films in China's box office history come from the *Boonie Bears* IP series. Since its debut in 2014, the *Boonie Bears* series has released 10 films, most of which have earned over 600 million CNY at the box office, showing a steady increase in total box office revenue each year, indicating the strong market appeal of the *Boonie Bears* IP series (Zeng & Chan, 2020). Therefore, the booming development of the animation film market in China cannot be separated from the rise of these domestic IP animated films (Tang & Gong, 2021). However, currently, the total box office of domestic animated films is overly dependent on a few high-quality works, while a large number of less competitive films have emerged, leading to an imbalanced overall market development. Moreover, compared to Japan and the United States, domestic animated films still lack competitiveness (Luoxue & Young, 2020).

Table 1

Top 10 Chinese Animated Films by Total Box Office Revenue

Release time	Film name	Box office （CNY）	Country	Rating	Remarks
2025.01	Nezha 2	15.6 billion	Mainland China	9.8	IP animated movie
2019.07	Nezha 1	5.035 billion	Mainland China	9.6	IP animated movie
2024.02	Boonie Bears: Time Twist	1.983 billion	Mainland China	9.4	IP animated movie
2023.07	Chang An	1.824 billion	Mainland China	9.4	
2020.10	Legend of Deification	1.603 billion	Mainland China	8.3	IP animated movie
2016.03	Zootopia	1.531 billion	United States	9.5	
2023.01	Boonie Bears: Guardian Code	1.495 billion	Mainland China	9.2	IP animated movie
2017.11	Coco	1.23 billion	United States	9.6	
2017.07	Despicable Me 3	1.037 billion	United States	8.8	
2016.01	Kung Fu Panda 3	1 billion	United States	9.0	

Note: The rating system is on a 10-point scale
Source: Compiled by the author

Literature Review

This study, based on the PRISMA method, systematically screened 12 relevant papers on IP animated films published between 2019 and 2024 from the Web of Science, Google Scholar, and Scopus databases. The research found that current studies mainly focus on two major directions: first, the adaptation strategies of IP animated films (Feng, 2022; Lau, 2024; Luo, 2020; Zhang & Li, 2020); and second, the development strategies of IP films (Ju-Ae, 2024; Pan et al., 2019; Yan et al., 2021).

(1) Adaptation Strategies of IP. Feng (2022) argues that the films Ne Zha and Jiang Ziya subversively rewrite and reconstruct Chinese mythological imagination by combining the reinforcement of self-awareness with reflections on the dilemmas of social survival, aligning with the current social context and audience expectations.

Luo (2020), in light of the current development of domestic animation, clarifies the integration status of the animation IP industry with film, television, and gaming sectors, and explores IP adaptation models under the "Internet Plus" background and new media context, offering corresponding strategies for the development of China's domestic animation IP. Zhang and Li (2020) use Ne Zha and Monkey King: Hero is Back as examples to discuss IP adaptation strategies from three aspects: character design, language use, and story themes. Lau (2024) takes the animated film Jiang Ziya as a case study and analyzes its modern transformation and innovative features in adapting the traditional cultural classic *The Investiture of the Gods* through narrative system, structure, thematic ideas, connotations, and values. (2) Development Strategies of IP. Yan et al. (2021) primarily analyze the development of the animation IP market in China under the pan-entertainment model in recent years, examine the cross-media operation models of the animation industry, and study the application of self-media in animation. Pan et al. (2019) investigate the development of IP-based animation and games in the Chinese market, comparing the status quo of the markets in China, the United States, and Japan, while analyzing representative and outstanding works from each. Ju-Ae (2024) argues that the significant growth of China's animation industry in recent years is mainly attributed to national policies that have revitalized the industry, encouraging innovative integration of technological advancements with China's rich animation history to produce works that resonate with audiences.

Although scholars have conducted extensive research on Chinese IP animated films, covering areas such as adaptation strategies and development strategies, systematic, data-driven empirical studies on the overall development characteristics and challenges of Chinese IP animated films remain limited. Most existing research relies on qualitative analysis and lacks in-depth exploration of big data and industry structures, making it difficult to fully reveal market dynamics and industry bottlenecks. Especially, research based on Maoyan Professional Version data is relatively scarce, and a systematic analytical framework has yet to be formed.

Therefore, this study uses data from the Maoyan Professional App to review all animated films with box office records released in Mainland China between 2014 and 2024, analyzing the characteristics and challenges of the domestic animated film market. By applying the SWOT analysis model, the study systematically examines the strengths and weaknesses of domestic IP animated films. Based on the PEST analysis framework, it further proposes

development strategies, aiming to provide theoretical support and practical reference for understanding the current industry landscape and constructing future development paths.

Research Objectives
The objectives of this research are as follows:
(1) To analyze the characteristics of China domestic IP animated film market.
(2) To identify the major challenges faced by domestic IP animated films.
(3) To propose strategies for the development of domestic IP animated films.

Research Subjects
This study is based on data from the Maoyan Professional Version website, analyzing all animated films released in mainland China between 2014 and 2024.

Maoyan Professional Version is a professional film and television data service platform developed by Maoyan Films, which enables industry professionals to access timely box office data. Its main functions include: the first domestic tool for real-time box office tracking with second-level accuracy, allowing users to grasp real-time market dynamics minute by minute; monitoring online content viewing volumes across major video platforms; and combining movie marketing events with audience profiling to effectively quantify marketing results, accurately target film audiences, and monitor the effectiveness of promotional materials such as trailers. Overall, the app includes industry news, in-depth reports, successful project case studies, box office information and forecasts, as well as updates on various industry rankings. It covers the most comprehensive data on films, filmmakers, and companies in the entertainment industry, as shown in Figure 1.

Figure 1. Logo of the Maoyan Professional Version App

Research Design and Data Collection
Firstly, the following filters were applied to the Maoyan Professional Version database: (1) The film market was set to "Mainland" (i.e., mainland China); (2) The film release years were set from 2014 to 2024; (3) The film type was set to "Animation," excluding other genres such as romance, drama, comedy, horror, etc.; (4) The film origin was set to "All," including films from all regions and countries; (5) The film label was set to "All," meaning it included films from all release periods; (6) The filter condition required the films to have box office data. After filtering, a total of 629 valid samples and related data were obtained.

Characteristics of the Domestic Ip Animated Films
This section mainly analyzes the Chinese IP animated film market characteristics. The following are the analysis results.

Traditional cultural IPs have become the mainstream in creation. China itself is an ancient country with a history of 5,000 years, rich in cultural heritage and mythological stories, all of

which have provided strong support for the development of animation and film in recent years (Junzhe & Shuxian, 2024). A large number of domestic animated films, such as Ne Zha, Jiang Ziya, and White Snake, are adapted from traditional Chinese mythology and folk tales (Ju-Ae, 2024; Peng, 2023; Zhang & Li, 2020). These animated films have also achieved impressive box office results, as shown in Table 2.

Table 2
Box Office Performance of Mythological IP Animated Films from 2014 to 2024

Year	Film name	Box office (CNY)	Box Office Ranking of the Year
2015.07	Monkey King: Hero Is Back	954 million	1
2019.07	Ne Zha1	5.035 billion	1
2019.01	White Snake	469 million	5
2020.10	Legend of Deification	1.603 billion	1
2021.07	Green Snake	580 million	2
2021.02	New Gods: Nezha Reborn	456 million	3
2022.08	New Gods: Yang Jian	555 million	2
2024.08	White Snake: Afloat	425 million	3

Source: Compiled by the author

The trend of brand serialization has become increasingly evident, with domestic IPs establishing stable consumer expectations. As shown in Table 3, the Boonie Bears series has consistently ranked among the top ten annual box office performers since 2014, and even topped the list in 2024 with nearly 2 billion yuan in revenue. This demonstrates the stability and long-term vitality of the serialized operation model (Lyu et al., 2023). Domestic animation is shifting from standalone films to long-term operations of homegrown IP brands, fostering sustained consumer confidence in Chinese animated films. Additionally, the *White Snake* IP series, which includes *White Snake* (2019) with a box office of 469 million CNY, *Green Snake* (2021) with a box office of 580 million CNY, and *White Snake: Afloat* (2024) with a box office of 425 million CNY, has successfully created a series of stories centered around the legendary *White Snake* by deeply exploring traditional culture, complex emotions, and character development, as well as presenting exquisite animation (Shu-chen & Lee, 2022; Zhuoran & Choi, 2022). The success of these IP series animated films demonstrates the importance of serialized creation. Through continuous innovation and in-depth cultural exploration, series works are able to accumulate a stable audience base, enhance brand effects, and carve out a place in the animated film market. This success has laid a solid foundation for the long-term development of Chinese domestic animation (Chen, 2021).

Table 3

Box Office Overview of the Boonie Bears Animated Film Series (2014–2024)

Release time	Film name	Box office （CNY）	Country	Rating	Box office ranking of the year
2014.01	Boonie Bears: To the Rescue!	247 million	Mainland China	9.1	5
2015.01	Boonie Bears: Mystical Winter	294 million	Mainland China	9.2	4
2016.01	Boonie Bears: The Big Top Secret	287 million	Mainland China	9.1	8
2017.01	Boonie Bears: Entangled Worlds	521 million	Mainland China	9.1	3
2018.02	Boonie Bears: The Big Shrink	605 million	Mainland China	9.1	1
2019.02	Boonie Bears: Blast into the Past	717 million	Mainland China	9.1	4
2021.02	Boonie Bears: The Wild Life	595 million	Mainland China	8.9	1
2022.02	Boonie Bears: Back To Earth	977 million	Mainland China	9.4	1
2023.01	Boonie Bears: Guardian Code	1.495 billion	Mainland China	9.2	2
2024.02	Boonie Bears:Time Twist	1.983 billion	Mainland China	9.4	1

Source: Compiled by the author

The Rise of Original Content and Diversified Themes, with More Mature Animation Expression
In recent years, Chinese domestic animated films have shown a clear trend toward diversification in both themes and content. No longer limited to traditional mythology or content targeted at young children, an increasing number of original works have gained audience recognition and achieved commercial success. Representative films such as *Big Fish & Begonia*, *The Legend of Hei*, *Deep Sea*, and *Chang'an* have explored a wide range of themes including youth and personal growth, philosophical reflections on life, and cultural history, see Table 4.

These works not only demonstrate significant improvements in visual presentation but also show greater maturity in emotional expression and thematic depth, attracting a growing number of young and adult viewers. They have gradually broken the stereotype that animation is only suitable for children. In particular, *Chang'an*, which integrates poetry and history through an innovative narrative approach, achieved a high box office of over 1.8 billion yuan. This fully reflects the increasing acceptance of diverse domestic animated content among Chinese audiences.

Table 4
Representative Original Content and Themed Films from 2014 to 2024

Year	Film name	Box office(CNY)	Box office ranking of the year
2016.07	Big Fish & Begonia	573 million	4
2019.09	The Legend of Hei	315 million	7
2023.07	Chang'an	1.824 billion	1
2023.01	Deep Sea	919 million	3

Source: Compiled by the author

The holiday release effect is strong. Domestic IP animated films show a highly concentrated pattern in their choice of release periods, focusing mainly on the Chinese New Year and summer holiday seasons. The Chinese New Year period refers to the peak movie screening time around the Lunar New Year, a time marked by family reunions and frequent parent-child interactions, making cinemas one of the main leisure and entertainment venues. The summer holiday period mainly spans from mid-June to the end of August each year, covering the vacation time for primary, secondary, and university students. This period is long, with audiences primarily composed of teenagers and young adults who have strong entertainment consumption capacity.

As shown in Table 3, the *Boonie Bears* series has consistently chosen to release during the Chinese New Year period for ten consecutive years, forming fixed audience expectations and strong brand recognition, while achieving excellent box office results. *Boonie Bears: The Time Quest*, released in 2024, grossed as high as 1.984 billion yuan, setting the highest record for the series. This phenomenon indicates that holiday release periods have become one of the core pathways for domestic IP animated films to achieve high box office revenues and strong reputations.

The Predicament of Chinese Domestic Animated Films
The Number of Imported Animated Films With Box Office Revenue Exceeding 100 Million CNY Is Far Higher Than That of Domestic Animated Films
From 2014 to 2024, the number of domestic and imported animated films that surpassed 100 million CNY in box office revenue is shown in Figure 2. Over the years, the number of imported animated films with a box office exceeding 100 million has consistently been higher than that of domestic animated films. Imported films, especially Hollywood films, cover a wide range of genres, including science fiction, action, adventure, suspense, and comedy, which can meet the needs of different audiences. In particular, science fiction and action films are often more thrilling and globally entertaining, making them more popular among young Chinese audiences (Chiu et al., 2019). In response to this phenomenon, some scholars argue that China should leverage its rich cultural heritage and innovate within the animation industry, creating unique and high-quality content to secure a place in global competition. This can be achieved through reforms in talent cultivation systems and policy support to revitalize China's animation industry (Junzhe & Shuxian, 2024).
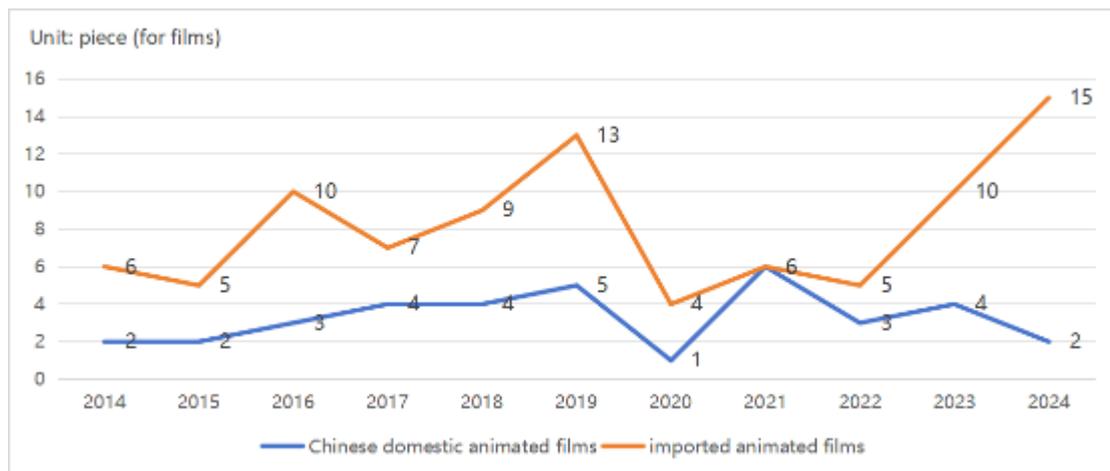
Figure 2. Comparison of Domestic and Imported Animated Films Surpassing 100 Million RMB at the Box Office (2014–2024)
Source: Maoyan Professional Version, LEINEWSPAPER

The Total Box Office Revenue of Domestic Animated Films Has Primarily Relied on the Contribution of a Few High-Quality Core Films

In 2024, *Boonie Bears: Time Twist* grossed 1.983 billion CNY, and *White Snake: Afloat* earned 425 million CNY. The combined box office of these two films totaled 2.408 billion CNY, while the total box office of all domestic animated films was 2.875 billion CNY. This means that these two animated films accounted for a staggering 83.76% of the total box office revenue for domestic animated films, while the other 31 films collectively earned just 16.24%. As shown in Table 5, comparing the number of animated films that surpassed 100 million CNY in box office revenue from 2020 to 2024, the numbers were 1, 6, 3, 4, and 2, respectively. However, the total box office of these few high-quality films accounted for 89.80%, 79.17%, 76.35%, 91.94%, and 83.76% of the total box office for domestic animated films in those years. This further proves that, over the years, the total box office of domestic animated films has been largely dependent on the contributions of a small number of high-quality core films. This is related to factors such as innovation bottlenecks and a shortage of talent during the production process. Although some domestic animated films have achieved box office success, many works still lack creativity and depth in storytelling. Most creators rely on existing models and lack the courage to attempt innovative approaches. The innovation bottleneck mainly stems from limitations in funding, talent, and technology, resulting in subpar production quality and making it difficult for these films to gain significant influence (Fan & Feng, 2021; Ma et al., 2018).

Table 5

Contribution of Box Office from Domestic Animated Films Over 100 Million to Total Box Office from 2020 to 2024

Year	Number of domestic animated films that exceed 100 million CNY	The total box office revenue of domestic animated films that exceed 100 million CNY	The total box office revenue of domestic animated films	The contribution of domestic animated films with over 100 million in box office revenue to the total
2020	1	16.03	17.85	89.80%
2021	6	21.62	27.31	79.17%
2022	3	16.92	22.16	76.35%
2023	4	46.22	50.27	91.94%
2024	2	24.08	28.75	83.76%

Source: Compiled by the author

The industrial foundation of domestic animated films is not yet fully solidified. Figure 3 shows the total box office revenue of the top ten domestic and imported animated films in the Mainland China market from 2014 to 2024. During the period from 2014 to 2018, imported animations consistently led the box office, while domestic animations were generally at a disadvantage. Starting in 2019, domestic animations made a significant leap forward with works like *Ne Zha*, surpassing imported animations in total box office revenue for the first time. From 2020 to 2023, domestic animations maintained the lead for four consecutive years, demonstrating notable progress in content and technology within the local animation industry. However, in 2024, imported animations once again overtook domestic ones in box office revenue, indicating that the domestic animation industry's leading position remains unstable. Overall, the box office revenue of domestic animations shows an upward trend but with fluctuations, and the industry foundation is not yet fully established. This suggests that domestic animation lacks a systematic and sustainable content production mechanism, making the industry's development vulnerable to external factors and the success or failure of individual works.
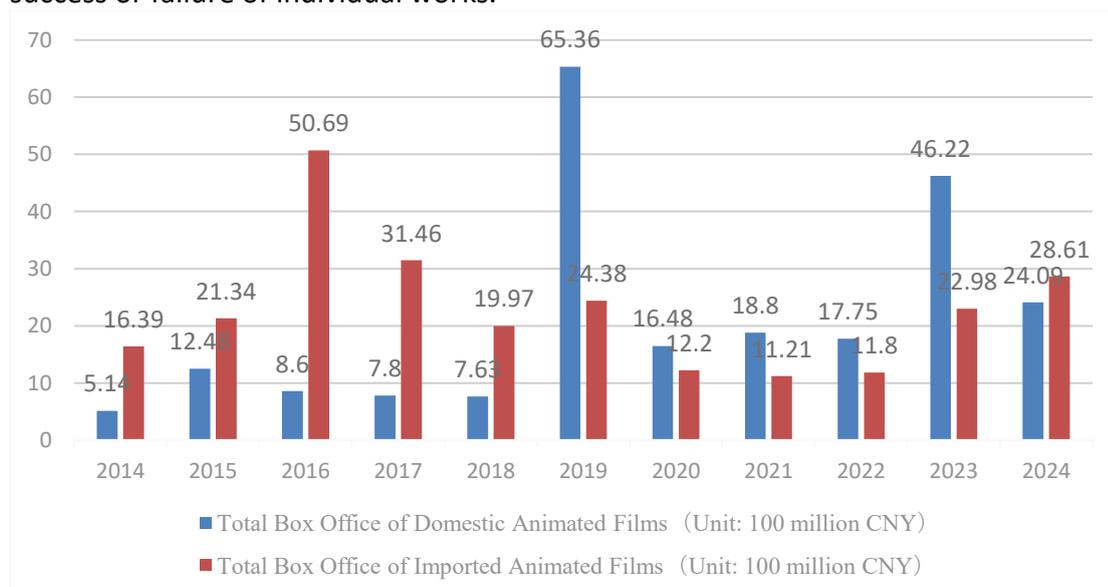

Figure 3. The total box office revenue of the top ten domestic and imported animated films in the Mainland China market from 2014 to 2024

Source: Compiled by the author

Reasons for the Predicament of Chinese Domestic Animated Films
To further explore the challenges faced by Chinese domestic animated films, this paper introduces the SWOT analysis model for systematic organization and summarization.

Strengths
Despite facing numerous challenges, domestic animated films in China still possess some inherent advantages: abundant cultural resources, technological advancements, and market accumulation. Since the inception of Chinese animated films, traditional literature has been a major source of creative inspiration. Numerous classic works have been revitalized through animation, enriching the cultural connotations of animation and providing traditional literature with new forms of expression (Junzhe & Shuxian, 2024). Over the past decade, many animated films adapted from Chinese traditional literature IPs have been brought to the big screen. In particular, *NEZHA1*, released in 2019, and its sequel *NEZHA2*, released in 2025, have been groundbreaking. As of April 2025, *NEZHA1* earned a box office revenue of 5.035 billion CNY, while *NEZHA2* reached 15.6 billion CNY, topping the global animated film box office chart and ranking 5th in the all-time global film box office rankings . Both films are adapted from the *Investiture of the Gods*, a Chinese classic novel that features the story of Nezha (Sumin, 2023). Compared to previous adaptations of the Nezha story, these two films not only innovatively explore the adaptation strategy of traditional literary IPs but also merge traditional Chinese aesthetics with international animation techniques in their audiovisual expression, presenting a unique artistic style. Furthermore, their production techniques continue to evolve, utilizing high-quality animation technology and special effects to achieve more refined visual representations. These innovative measures have rapidly garnered attention both domestically and internationally, expanding the way Chinese traditional literature is disseminated while also showcasing China's strength in animation industry innovation and cultural confidence (Jung, 2021).

Weaknesses
Currently, there are several internal factors limiting the further development of domestic animated films in China:
Insufficient Supply of High-Quality Content. Domestic animated films are currently facing the issue of insufficient high-quality content, which directly affects the industry's development. Although the quantity of domestic animated films has significantly increased in recent years, the overall quality still lags behind international standards. Many films struggle to compete with imported animated films in terms of animation technology, special effects, and plot design. Additionally, some domestic animated films overly rely on commercial elements, which results in a lack of breakthrough in visual effects and narrative depth, failing to meet audience expectations. As a result, the market is flooded with a large number of low-to-mid-quality films, which limits the healthy development of domestic animated films. To address this situation, the industry needs to increase investment in high-quality creation and strengthen the integration of art and creativity to gradually resolve the shortage of high-quality works and enhance the overall quality and market competitiveness of domestic animated films (Jia & Changgyeong, 2020; Kim, 2019; Li, 2022).

Instability of Large Companies. As one of the leading companies behind the "rise of domestic animated films," ENLIGHT MEDIA has created numerous box-office miracles, such as *NEZHA1 and NEZHA2*, which topped the global animated film box office chart (Zhang & Li, 2020; Zhou, 2022). However, ENLIGHT MEDIA's 2024 releases, including *The Umbrella Fairy*, *The Storm*, and *A Chinese Ghost Story*, were met with criticism, with all three films failing to exceed 20 million CNY. This instability in production and output quality can hinder the growth and competitiveness of domestic animation companies (Minwoo, 2021).

Opportunities

Policy Support. In recent years, the Chinese government has implemented proactive policies to promote the development of the cultural industry, especially in areas such as financial investment, technological innovation, and industrial restructuring. A series of policies, including the *Cultural Industry Promotion Law*, the *Animation Industry Development Plan*, and special funds for creative industries, have significantly boosted the growth of domestic animated films. In July 2024, the government explicitly stated the need to build a sound cultural industry system and market framework, while actively improving cultural economic policies and exploring effective mechanisms for the integration of culture and technology. These policies have driven technological innovation and industrial creativity, providing domestic animated films with stable policy guarantees and development momentum (Junzhe & Shuxian, 2024; Yan et al., 2021; Yin & Sun, 2021).

In 2025, the government work report again emphasized the acceleration of new cultural industry forms and the promotion of cultural industries as an important engine for China's economic growth. Such policy support has created favorable conditions for the long-term development of domestic animated films, helping the domestic animation industry enhance its overall competitiveness and narrow the gap with international animation industries.

Threats

Imported animated films have performed exceptionally well. For example, see Table 6, among the top 15 highest-grossing animated films in China's 2024 box office rankings, 13 were imported films—8 from Japan and 5 from the United States—while only 2 were domestic animated films. For instance, In 2024, American IP-based animated films like *Despicable Me 4*, *Kung Fu Panda 4*, and *Inside Out 2* each surpassed 300 million CNY at the box office. These IP franchises have high fan loyalty and have maintained strong competitiveness over the years. Similarly, Japanese animated films, such as the *Doraemon* and *Detective Conan* series, also performed well during the decade from 2014 to 2024, demonstrating the power of established franchises.

These high-quality imported animations, with their superior production values and brand effects, continue to attract a broad audience across various age groups, which fragments the domestic animated film market. As a result, they put significant pressure on the box office performance of Chinese domestic animations (Fan & Feng, 2021). This intensified competition from imported animated films makes it more challenging for local animated films to capture and maintain a strong share of the market.

Table 6
Box Office Data of Chinese Animated Films Released in 2024

No.	Release time	Film name	Box office （CNY）	Country
1	2024.02	Boonie Bears: Time Twist	19.83 billion	Mainland China
2	2024.04	君たちはどう生きるか	791 million	Japan
3	2024.08	White Snake: Afloat	425 million	Mainland China
4	2024.07	Despicable Me 4	423 million	United States
5	2024.03	Kung Fu Panda 4	373 million	United States
6	2024.06	Inside Out 2	344 million	United States
7	2024.04	SPY×FAMILY CODE: White	293 million	Japan
8	2024.08	Detective Conan: The Million-dollar Pentagram	286 million	Japan
9	2024.06	The Garfield Movie	184 million	United States
10	2024.04	**Howl's Moving Castle**	167 million	Japan
11	2024.09	Transformers One	152 million	United States
12	2024.07	君の名は (Re-release)	137 million	Japan
13	2024.05	Doraemon the Movie: Nobita's Earth Symphony	130 million	Japan
14	2024.06	Haikyu!! The Dumpster Battle	129 million	Japan
15	2024.11	Crayon Shin-chan the Movie: Our Dinosaur Diary	127 million	Japan

Source: Maoyan Professional Version, LEINEWSPAPER

Sustainable Development Strategies for Domestic IP Animated Films
For the development strategies of IP animated films, this article adopts the PEST analysis framework as its research approach. PEST analysis is a management tool used to analyze the macro environment, focusing on four dimensions: Political**,** Economic**,** Social**,** and Technological**.**

Political
Currently, the domestic animated film market is facing the challenge of insufficient supply of high-quality works, with many films showing significant room for improvement in quality. The market structure is also unbalanced. To address this issue, it is essential to the Chinese government to encourage diversity among production companies to enhance competition and diversity within the domestic animated film market. This can be achieved by supporting film production companies of various sizes and types, rather than focusing solely on the development of large production companies. Moreover, the Chinese government can introduce positive fiscal policies and tax incentives to help production companies of all scales grow, especially small and medium-sized companies or small animation studios. Such policies can invigorate the domestic animation film market and boost its competitiveness. It is also crucial to strengthen the connection and collaboration between large film production companies and smaller ones, promoting the sharing of resources and technology to complement each other's advantages and balance the distribution of market resources.

Economic

From an industry and market perspective, domestic animated films face challenges such as box office volatility and a singular profit model. To enhance box office stability, one effective approach is to develop IP series animated films and cultivate a loyal fanbase. Successful IPs should be planned with a series development path, utilizing sequels, spin-offs, and cross-media collaborations to continuously attract audiences, increase brand loyalty, and ensure consistent box office performance. Additionally, animation companies should be encouraged to collaborate with other industries, such as gaming, cultural tourism, and retail, to expand revenue sources. This can be achieved through IP licensing, the development of derivative products, and other revenue-generating initiatives, thus enhancing economic benefits. Encouraging cooperation between large companies and small to medium-sized enterprises (SMEs) can also help optimize resource allocation and strengthen the overall competitiveness of the industry. Such collaborations allow for the sharing of expertise and resources, boosting innovation and efficiency across the industry, and ultimately leading to a more diversified and resilient economic model.

Social

First, create IP series animated films and cultivate a loyal fanbase. For successful IPs, film production companies can consider planning a series of works, continuously releasing sequels and spin-offs to maintain the audience's ongoing interest and anticipation. Series production not only enhances viewer loyalty but also helps accumulate a fanbase over time, ensuring a stable box office revenue for future releases. Second, build fan interaction platforms through Weibo, WeChat, TikTok, and other platforms. These platforms can serve as spaces for engaging with fans, understanding their needs, and regularly sharing exclusive content related to the IP, such as behind-the-scenes footage, interactive events, and virtual characters. This can strengthen the emotional connection between the audience and the IP, increasing the fanbase's loyalty to the series. Third, enhance IP content innovation and quality assurance. Although IP series have certain brand effects, relying too heavily on existing storylines or character setups may lead to viewer fatigue. Therefore, when producing new works, it is essential to introduce new elements and focus on content innovation to meet the audience's demand for freshness. Additionally, the production quality should be ensured for each work, particularly in terms of special effects, storyline, and music, to elevate the audience's viewing experience and maintain the appeal of the IP series (Yoo, 2021). Fourth, strengthen globalization strategies and expand into international markets. As the influence of Chinese films continues to grow, the IP series can be introduced to international markets. Participating in international film festivals and film markets, as well as collaborating with international distributors, can help increase global exposure for Chinese animated films. Expanding the reach of Chinese animated IPs internationally would not only boost their recognition but also create opportunities for cross-cultural engagement and collaboration, further enhancing their global competitiveness (Fangyuan & Hyoung, 2021).

Technological

To enhance the international competitiveness of Chinese animated films, it is recommended to develop a systematic implementation path from two dimensions: technological innovation and international collaboration.

a "production, academia, research, and application" collaborative mechanism should be established. Leading animation companies can partner with AI technology firms to form specialized teams that focus on breakthroughs in key technologies such as motion capture optimization and intelligent rendering pipelines. For example, adopting the cooperation model used by the special effects team of *Deep Sea* and the Intelligent Graphics Laboratory at Tsinghua University, the development of AI animation toolchains that adapt to Chinese aesthetic styles could be explored. This would gradually transition from importing technology to autonomous innovation. Additionally, it is essential to nurture a talent pool with interdisciplinary expertise. Professional institutions should develop AI animation curricula to systematically train creators proficient in generative AI technologies (Lee et al., 2024; Liu & Pan, 2022; Yoo, 2021).

In terms of international strategy, a layered cooperation network needs to be established. For content creation, Sino-foreign joint creative studios should be set up to organically integrate traditional IPs like *Journey to the West* and *Investiture of the Gods* with international narrative frameworks. Drawing inspiration from the "cultural fusion" experience of *Kung Fu Panda*, the aim is to develop works that retain Eastern aesthetic qualities while aligning with global audience preferences. For market promotion, a "regional customization" release strategy can be adopted. This involves adjusting elements like voiceover versions, character designs, and other features to cater to the distinct characteristics of different markets such as Southeast Asia, Europe, and North America, while leveraging the advantages of international streaming platforms for precise targeting and distribution. It is also crucial to establish a dynamic evaluation mechanism, regularly analyzing the effects of AI technology applications and international market feedback, thus creating a "creation - distribution - feedback" positive cycle. This systemized approach has already shown success in projects like the *New Gods: Nezha Reborn* series, where its AI pre-production system significantly improved production efficiency, providing a replicable practice model for the industry (Liu & Pan, 2022).

Conclusion
Contributions of the study
The theoretical contribution of this study lies primarily in systematically reviewing and summarizing the characteristics, challenges, and development strategies of China's IP animated film market, thereby filling the research gap caused by the lack of comprehensive analysis on the overall situation of China's animation industry in recent years. By integrating market data from the Maoyan Professional Version app with SWOT and PEST analysis models, this research not only deepens the understanding of the structure and competitiveness of the domestic animation market but also enriches empirical research perspectives in the fields of cultural industries and animated films. In terms of contextual contribution, based on China's unique cultural IP background and market environment, the study proposes practical development strategies that provide scientific references for industry policymakers, animation production companies, and relevant stakeholders. These strategies help promote the healthy and sustainable development of China's animation industry and enhance its competitiveness in the international market. Overall, this study holds significant academic value and offers strategically valuable guidance for practical applications.

Limitation and Suggestions

Although this study provides an in-depth analysis of the animated film market in Mainland China from 2014 to 2024, it still has several limitations. The research mainly focuses on animated films with publicly available box office data, excluding those that lack public box office information or were not released on mainstream platforms, which may affect the representativeness of the sample. To address this limitation, future studies could expand the sample scope to include animated films without disclosed box office figures or those released on niche platforms. In addition, incorporating more diverse data sources—such as sentiment analysis from social media, audience feedback, and film reviews—can enhance the multidimensionality and accuracy of the analysis. This study primarily emphasizes box office data, while overlooking other critical aspects such as film quality, public reputation, and audience evaluation. Future research could integrate qualitative factors, including detailed analysis of artistic quality, creative methods, and emotional resonance with the audience. Moreover, longitudinal content analysis of IP narratives in animated films could offer deeper insights into how these narratives evolve over time and how they influence audience engagement. Lastly, comparative studies with animation models from other countries, such as Japan and South Korea, can provide valuable insights into the unique characteristics and strategies of China's animation industry. By comparing the structure, narrative styles, and marketing approaches of Chinese animation with those of successful international markets, researchers can identify best practices and pinpoint areas for improvement within China's own animation sector.

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