

# How online video platforms could support China's independent microfilm (short film) makers and enhance the Chinese film industry

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## **How online video platforms could support China's independent microfilm (short film) makers and enhance the Chinese film industry.**

As with the US and EU media landscapes, the Chinese film industry is dominated by platforms similar to Netflix, Hulu and Amazon, most notably in the form of the BAT (Baidu, Alibaba, Tencent) companies that according to He (2015) are 'taking over the film industry'. These have been described as 'imperialistic' in the monopolization of their respective markets and in the use of their financial muscle to squeeze content creators' incomes (Jin, 2015). While in the western market this undermines the mainly middle-class professionals who drive creativity (Timberg, 2015), in China it limits the opportunities for new talent to grow. This paper will, therefore, give an overview of the Chinese microfilm (online short movies) industry and investigate how Chinese BAT companies and other online video providers could enhance the Chinese film industry by developing infrastructure to direct revenue of microfilms to the creators.

Keywords: Chinese online video platforms, microfilms, micro-movies, short movies, digital business models, micro-payment.

### **Introduction**

China's film industry has been developing at an extremely rapid speed and is now the second largest film market in the world (BBC, 2013). Behind this growth there is, however, an increasing concern about the lack of talent across the film industry.

Xiaogang Feng, a leading Chinese film director, claimed that "film crews are using untrained 'farmers' in key roles on the sets of major movies" (Lee, 2016). The same concern was also expressed by Jianyao Meng (2017), Deputy Director of the Department of Culture, Radio, Film, TV, Press and Publication of Ningbo City: "Issues also exist in Ningbo's cultural talent development, the major ones being the lack of overall planning in Ningbo's cultural talent cultivation". Despite the rapid development in the film sector,

the future of this industry cannot be promising without substantial investment in creative talents in the film industry. There is, therefore, an urgent need to address the lack of talent in this sector in order to build up a healthy and sustainable environment for the Chinese film industry (Rose, 2017).

Microfilms have been identified as a medium through which these issues might be addressed, specifically for their potential in helping to develop grassroots creativity and in identifying talent (Zhao, 2014). As we will discuss later in this article, there is not, however, widespread agreement on the definition of microfilms, their distribution process, and their business models.

The feature film *Old Boys: The Way of the Dragon* (Ke, 2014) is a case in point, as this movie was produced after the 42-minute microfilm *The Bright Eleven: Old Boys* (Han, 2010)—produced by Internet video portal Youku—went viral online (Makinen, 2014; Robertson, 2015). While the case of *Old Boys* is often used as an example of how microfilms can boost the Chinese film industry and help identify new talent, it is noteworthy that one of the two directors was already working as a director in the advertising sector (Zhao, 2014), an illustration of how difficult it is for genuinely independent creators and their microfilms to make a profit (Dong, 2015; Qin, 2015).

As noted by Zhao and Keane (Zhao, 2014; Zhao & Keane, 2013), if well regulated, the commercialisation of amateur user-generated content (UGC) and microfilms in China could be used to engage audiences and generate revenue and could partially mitigate the increasing costs to Chinese online video platforms of the licensing of foreign series.

Claims have been made, however, about the derisory amounts that content creators are

paid by these types of platforms (Timberg, 2015). This is highly problematic as “in the long run, people who have to earn a living will find something else to do” (Timberg, 2015, pp. 7-8). In the digital world, platforms have become the new “middle man” between consumer and creator (Langley and Leyshon, 2017; Srnicek, 2017; Taplin, 2017). As in the western world, in China this would not seem to auger well for all but a small minority of “superstar” creators. The Great Master project produced by Youku is a case in point. Youku invited four film directors from Korea, Hong Kong and mainland China to produce films (Youku, 2014). The story, content, actors and all the processes are controlled by the directors and their production teams. Youku will help promote, publish and present those microfilms on its web page. While, according to Youku’s web page (Youku, 2014), this project was launched to support the development of the microfilm industry in China, this activity targeted already well-known directors instead of new, undiscovered talent.

As noted by Zhao, some platforms such as Tudou “seek to identify and work with grassroots creatives” (2014, p. 459), but this seems to focus mainly on the discovery of talent to be integrated into the advertisement-funded system (Wang, 2017). All this raises the question of how independent creators of microfilms can guarantee continuous backing for their future art work and become skilled enough to make a living.

Nonetheless, it should not be assumed that China is merely following a path already taken by western nations. Chinese innovations are having an increasing global influence. One of those innovations is Alibaba’s Alipay online payment system (Russel, 2017) that could be used to develop micro-payment transactions in the microfilm industry. It is consequently worthwhile to explore how China could solve some of the issues related to

western platform business models through its own technology. This paper will, therefore, investigate the Chinese microfilm environment to help identify good practice and make recommendations as to how online video providers could use Chinese excellence in micro-payments technology to develop infrastructure which would direct revenue to the creators of original content and consequently enhance the Chinese film industry.

The first section of this article describes the methodology used to collect information through desk-based research and semi-structured interviews to answer the following broad questions:

What business models do Chinese microfilm makers adopt as a means of making their projects economically viable?

How can independent creators make profits with their artistic microfilms?

The second section will give an overview of some of the issues related to the distribution of microfilms. The third and fourth sections analyse the business models for microfilm production and distribution, focusing on the differences between branded—made for the purpose of constructing a brand image—and independent/artistic microfilms—produced by independent directors motivated by self-expression and career development.

Finally, the concluding section summarises the key points as well as listing the characteristics of a potential microfilm business model that could help direct revenues to the creators. It ends by highlighting the importance of defining the term “microfilm” and suggesting how this might be done.

## **Methodology**

This research was undertaken between September 2015 and July 2017. The first phase of it was desk-based, which involved three research assistants surveying Chinese film industry-related policies, trade magazines and Chinese language popular press with a particular focus on microfilms, as well as two researchers looking at existing literature related to online video distribution, business models, copyright and the role of new media platforms in the Chinese and so-called western online video market. According to Cornea (2008), however, relying only on pre-existing material is limiting because this “means that the academic is not only ignoring a rich field of inquiry, but does not have the opportunity to ask the kinds of questions that he or she might want or need to ask” (p. 118). In addition, in our specific case, the academic literature cannot keep pace with the fast-changing practices in this industry, so the second phase of this research involved a series of 27 semi-structured interviews carried out by researchers when the interviewees were willing to be interviewed in English and by the research assistants when the language used was Chinese. In the latter cases the interviews have been transcribed and translated into English. Some of the interviewees were found through personal contacts, others via snowballing; these included microfilm directors, producers, creative directors, scriptwriters, actors, microfilm festival managers, students in film studies, lawyers specialized in online video copyright, academics, public and private media service organizations’ CEOs, and the vice president and the president of two leading microfilm industry associations in China.

A first series of interview questions focused on the different genres of microfilms and on business models for microfilm production and distribution. Other questions focused on the management of copyright and the success of microfilms with a particular focus on funding and revenue distribution. These gave us a general overview of the state of the industry. Interviewees were also given the freedom to give examples and explore topics they were more familiar with. Our final coding schema for the qualitative analysis for this article consists of “branded microfilms (1)”, “independent microfilms (2)”, “platforms (3)”, “copyright (4)”, and “profit and investment (5)”. Additional categories were “regulations” and “censorship” and will be further analysed, divided in subcategories, and, due to the complexity of the arguments, used for a separate article. The coding was performed manually by creating specific folders for each category.

As some of the interviewees come from major Chinese media companies or are senior figures in Chinese public services, total anonymity was guaranteed. When referring to an individual point of view in this article we refer to the interviewees using their work title followed by a letter: Director A, Student B, Lawyer C and so on.

### **Background of the Chinese microfilm industry**

The main dissemination channels for microfilms in China are video websites such as Youku and Aiqiyi, as well as some social media platforms, such as WeChat and Weibo. While at the time of writing this article some big video websites such as Tencent and PPTV have set up a separate menu bar called “Microfilm” on their homepage, this category does not appear on the homepage of other major Chinese platforms such as

Youku and iQIYI. As a result, the audience has to use the search box of these websites to identify microfilms, but the search results largely comprise UGC videos, web series, video news, and other video material. Differently, Douban and vmovier have become go-to platforms for the Chinese microfilm audience due to their focus on quality and categorization—by providing audiences with details such as director, actors, scriptwriter, genre, region, language, premiere time and duration, as well as comments, scores and reviews. Both of them, however, focus mainly on branded microfilms, international independent microfilms, and international short film festival awardees.

While Internet distribution is certainly the norm, Professor B pointed out that other important ways to distribute microfilms are emerging such as LED screens on airplanes, trains and buses, big screens in various cities, and IPTV systems in hotels. “Even though it seems that offline distribution has a limited audience and scope, it is definitely valuable for the development of the microfilm industry” (Professor B).

Microfilm festivals, for example, are meant to identify, help and cultivate new talent. For instance, on May 7 2016, Shanghai Source Culture Media Company signed a contract with the Committee of the 22<sup>nd</sup> Beijing College Student Film Festival in order to look for and train the best film creators (Netease, 2015a). Director D, however, underlined that even though there are a lot of international microfilm festivals, many local governments and companies like to hold so-called “international microfilm festivals [for] promoting the microfilm tourism economy” (Director D) and consequently promoting the international reputation of their cities, but this has little to do with development of talent for the film industry.

Basically, there are currently two types of microfilms in the Chinese market. What follows is an analysis of the business models for each of these—branded microfilms and independent microfilms. This will enable us not only to better understand the range of business models that are in existence in the Chinese microfilm market, but also to think about how confusion over the definition of microfilm can often hinder market growth, especially with international partners who might have a different concept of it.

### **Business Models for Branded Microfilms**

The creators of branded microfilms do not have to consider how much profit they will make after production. In these cases, the creators profit from the brand company and not directly from the audience. This is particularly the case where brands are so desperate to revitalize themselves that they are even prepared to lose money in order to do so, as was the case with US media franchise Peanuts, which developed the app-based game *Streetfair* as a means of revivifying a brand which to a younger generation of media consumers was perceived as “old” (Evans, 2016). Using app-based games to encourage the consumption of associated media products and merchandise is the type of transmedia approach not only undertaken by established brands, but also ones which are trying to gain a foothold in the market. This was a strategy employed by Backflip Studios in its development of the *Dragonvale* game app to build its wider brand (Evans, 2016).

We can see in China too examples of the way in which videos are incorporated in an ecosystem of online and offline interactive activities (for example, premiere events, fan meetings, topics and hashtags on Weibo) with the overall purpose of promoting the brands. A case in point of successful marketing of interactive activities is the microfilm

*Design for Love* (Chen & Wang, 2013), which promoted a brand of shoes. One of the female protagonists is only mentioned and does not appear in the microfilm, which becomes suspenseful for the audience, and which also provided a background for several interactive activities. Among other activities, during the premiere, the sponsor invited the guests and the audience to vote for the best heroine for the story. The audience could vote directly during the premiere or online on Weibo. The sponsor also invited famous film critics and writers to share their opinions with the audience in a fan meeting held at the Shanghai Film Museum and there was also a flash mob promotion in Shenzhen, where the dancers danced with the shoes of that brand in their hands (Sina, 2013; Baidu, n.d.a).

These branded microfilms usually focus on the values microfilm audiences are looking for, such as dream-chasing, persistence, purchasing success, friendship and romantic love (Lv, 2013). They could simply show a product—product placement—or develop the whole story around the product, the concepts or the lifestyle the product represents—“advermovies” (Zhao, 2014). The *Yulu Project* (Johnnie Walker, 2011), sponsored by Johnnie Walker and directed by Wei Tie, for example, tells the story of celebrities’ dreams to succeed, compatible with the objectives and spirit of the Johnnie Walker “Keep Walking” campaign (Baidu, n.d.b.). Celebrity endorsement as a way of conveying meaning (McCracken, 1989) is also used to attract attention and discussion among their fans. A case in point is one of the Pepsi branded microfilm series *Bring happiness home*, launched before Chinese New Year in 2016 and presented by Liu Xiao Ling Tong who performed as the Monkey King in the 1986 television series *Journey to the West*. The Monkey King is considered to be one of the most important childhood memories for almost all those born in the 1970s (Doland, 2016). Pepsi invited Liu Xiao Ling Tong to

act in the *The Monkey King Family* (Pepsi, 2016) microfilm and to talk about his family of performers who for four generations continually re-enacted the figure of the Monkey King. In addition, Li Yifeng, currently one of the most popular young idols in China, was chosen to appear in the microfilm as the spokesperson of the Pepsi brand, undoubtedly because of his considerable online influence (Bomoda, 2017).

If produced by famous directors and actors, the quality of the film is usually guaranteed, but it also means that the cost is high. According to the studio Xianghe Shengshi (Baidu, 2017), the budget of microfilm advertisements which feature celebrities can reach as much as RMB 10 million for a large corporation. A small company's advertisement budget is usually below RMB 1 million. Production companies can produce microfilms of differing quality. Some production companies favour low-budget films sponsored by small-scale companies because it allows them to make a faster profit. However, this phenomenon also contributes to more low-quality microfilms online (Rita, 2014).

While branded microfilms have their merits, it is clear that these are generally not a viable option for the type of low budget production companies on which we are mainly focused. Nonetheless, we will explore in the next section whether some of the elements of business models for branded microfilms could also be used for independently produced microfilms.

### **Business models for independent microfilms**

According to Director E there are business models in place for non-branded microfilms to earn money, but these raise questions related to industry ethics and fair competition. Cost per Impression—"the cost to offer potential customers one opportunity to see an

advertisement” (Farris, Bendle, Pfeifer & Reibstein, 2010, p. 205) placed before or during the streaming of microfilms—and Cost per Click—“the amount spent to get an advertisement [placed before or during the streaming of microfilms] clicked” (Farris et al., 2010, p. 205)—are business models that have been used by websites to generate income and remunerate creators. One of the repeated concerns from those interviewed (Lawyer A, Director A and E, and Student A and B) is, however, the potential dishonesty of websites that can either depress or inflate the click number ratio at will. Student A, for example, said:

I worked for a media company before, and I was in charge of promoting a set of web-movies. In a word, there is nothing real there, the click rate. My boss gave every staff 100 yuan to buy VIP accounts on multiple video websites, so that they could help contribute to raising the so-called click rate. Besides, we paid money to official accounts on WeChat, for them to send tweets about our movies. Usually, a single tweet would cost tens of thousands RMB. But even their click rate, I mean the ones of those official accounts, can be false (Student A).

Further complicating the environment is the lack of governmental laws to regulate fraud or to monitor unfair practices. The supervision of the click rate of websites is still a grey area (China’s Investment Consulting, 2016). These business models that involve the placement of advertisements before or during the streaming of a microfilm to promote a specific brand are becoming less common at the moment. Indeed, companies prefer to place their advertisement before the most popular online series instead of before microfilms.

An increasingly popular business model is what is broadly referred to as video-on-demand (VOD). This model exploits users’ desire to view content whenever they want

and on whatever device, as well as eliding the problem of the upgrading of software and systems which is necessary when content is “owned” by the consumer (Gimpel, 2015). The most common way of generating income through content which is streamed in this way is through individual subscriptions, the so-called SVOD (subscription-video-on-demand) model (Doyle, 2016; Gimpel, 2015; Steemers, 2016). This model is particularly effective where platforms can guarantee millions of viewers, a scenario which pertains to online media markets in contemporary China.

The majority of video websites in China have adopted this subscriber model, allowing users to buy monthly, quarterly or yearly VIP memberships to access this content rather than charging fees for individual films or online series. As observed by iResearch, the habits of Chinese netizens has been changing and many of them have become willing to pay for this type of online content:

video companies devoted much in membership business in 2016. They expanded their paying viewers by introducing quality contents, exclusive content and offering pre-pay viewing, and as a result viewers’ payment habit was gradually formed, bringing structural changes to the revenue of online video sector. [...] It is forecasted that user payment will be the second biggest revenue source in online video market and share of its revenue will expand to 38% by 2019 [sic] (2017).

Despite this, some who work in the industry, like Zhao Yurun, former CEO of Huasheng Media, one of the largest film production companies in China, remain skeptical, as they believe that Chinese consumers do not think they should pay for artistic creations and should be able to view or download any online product for free (Xiao, 2013). One way of enabling the industry to move beyond this debate to the practical goal of assessing the optimum price of individual streams could be to draw more on academic surveys of

users, similar to the one carried out by Sandulli and Martin-Barbero (2007) on the online music market more than a decade ago which showed that 4,000 Spanish P2P users were prepared to pay on average €0,68 per downloaded song.

There is another way in which subscription payment models seem to make it difficult for independent film teams and directors to make profits online. That is because, in return for large one-off payments, platforms expect to be given all the original content's intellectual rights (Doyle, 2016). While this might be initially attractive to independent artists, forgoing secondary and international rights, as, for example, Netflix usually requires producers to do it, is clearly limiting for those who want to expand into other markets (Steemers, 2016). This appears to be the practice in China too, where agreements with the online video platforms implies the selling of copyright to them. According to Lawyer B, this could be done when a microfilm receives a high view rate. In the case of highly popular products the film producers can try to sell the copyright to video website companies that are continually looking for popular content for their subscribers. According to Professor C, however, it seems to be hard to sell the copyright to the websites and companies:

some microfilm producers need to pay the websites, rather than earning money from the websites and advertisers. The market of microfilm is not mature, so it is very difficult to say how the money is distributed (Professor C).

This situation where platforms do not even acquire the copyright but producers have to pay if they want to see their microfilm distributed is a clear example of how much producers are under platforms' pressure.

In the UK, the pressure that producers are under from platforms which are potential hosts of their content was somewhat mitigated by the 2003 UK Communications Act, which encouraged “independent producers to retain copyright ownership in programming and control secondary rights after first broadcast by commissioning public service broadcasters” (Stemers, 2016, p. 739). This has led to the rise of very powerful producer-distributors, a benefit which might make this a potentially attractive policy option for China too.

Leaving aside the efficacy of various business models for this type of content, it is nonetheless clear that there is a market for VOD and SVOD in China. Youku’s first online paid-on-demand microfilm was the *Hip-hop Trilogy* (Youku, 2013a), a series of three microfilms directed by Lu Zhengyu (Enorth, 2013). While the microfilm series was available for Youku’s subscribers, Youku charged the general audience to watch the trilogy during the first two weeks before releasing it for free for everybody. *Hip-hop Trilogy: The One* (Youku, 2013b), one of the microfilms of the trilogy, had 3.6 million viewers, with 85% of them rating the value for money as fair (Enorth, 2013). This microfilm was adapted into a popular feature film in 2017 directed by the same director of the microfilm, and generated over RMB 100 million in ticket revenue (Baidu, n.d.c.). Another example is the 20 minutes microfilm *A Bed Affair II* (Yao, 2014), released on April 11<sup>th</sup> 2014 on iQiYi, Youku, and Tencent, with viewers asked to pay RMB 5 to watch it. According to the viewing count of April 23<sup>rd</sup> 2014 this microfilm had already collected more than RMB 10 million (Bale, 2014). The leading actor of this microfilm is Liao Fan who had just won the Silver Bear for Best Actor at the Berlin International Film Festival. While this was certainly a factor for attracting audiences to watch the microfilm,

this support the view of Xia Rui the deputy director of the distribution of the microfilm—Beijing UMG Media—that audiences are willing to pay for microfilms providing high quality (Bale, 2014).

There is also a popular notion in China called Super IP, which is similar to the transmedia business model, which focuses on developing derivative works, such as movies, TV series and games, as well as microfilms, primarily from novels that are already popular among the public. This model takes advantage of the modern tendency towards media convergence and the development of adaptations and transmedia products. Based on the interviews we conducted with international media producers—one of them a key transmedia player in Hollywood film productions, one involved in transmedia productions in the UK, and one working for a European public TV channel experimenting with transmedia models—this model requires a number of different companies to cooperate with each other and, importantly, to follow a basic set of ground rules around IP and copyright. Several of the interviewees (CEOs A and B, Director A of the Microfilm Channel, Directors A and E, Creative Director A, Professor C and Student D), however, believe that copyright regulation in China is still poorly understood and not always consistently applied, so it becomes difficult for independent creators to enter this system and profit from it. We can learn something about the complexity of the problem by looking at the example of authors of online novels who used to sell parts of their license to third party agencies, resulting in many different entities being involved, and engendering many lawsuits around IP and copyright (NetEase, 2015b, NetEase, 2015c).

The analysis of the different business models described above show that there is no clear or predominant standard business model for independent microfilms in the Chinese

market. The platforms' business models mostly support famous directors, actors and advertisement companies. Despite the difficulties for non-branded microfilms to make profits, many interviewees within the film industry still hold an optimistic attitude towards its future development. Director C, for example, underlined that with the development of the microfilm industry, business models will also develop: "[...] if this industry intends to develop, business models and investment models should develop as well. It should not be just the business advertisement in this industry that is making profit" (Director C). Professor C predicts that "there will be related laws and regulations for microfilm in 5-6 years, because at that time, the related platforms will be already mature. [...] there will be industry rules and laws in the future and it won't take too long" (Professor C).

## **Discussion and Conclusion**

While the branded microfilm industry in China is developing fast, the existing infrastructure to develop independent microfilm talent—business models, dedicated platforms and industry ethics—is still uncertain. The current business models in place make it difficult to deliver revenue directly to independent creators. Online video platforms that distribute microfilms merely use them to engage their audience by supporting already-affirmed talent, introduce UGC business models to commercialise users' content, and/or increase their provision to subscribers with little engagement in supporting the development of new talent by delivering revenue directly to content creators.

On the other hand, independent microfilm producers and creators themselves do not have

adequate and correct knowledge of intellectual property and copyright protection.

Therefore, a possible solution should not only focus on delivering revenue to the creators, but also to educate people to have the correct and legal knowledge of IP and copyright. Developing new talent should focus on a business model to reward creators at the beginning of their careers and should be a commitment that looks at long-term benefits for the industry and not only at short-term economic gain. The focus on quick economic benefit will bring, in the long-term, a homogenization of content, a loss of profits, and will not help the Chinese goal to develop films that appeal to a global audience and enhance its soft power beyond China (Richeri, 2016).

Li Chengwu, the deputy director of Copyright Management Division of the State Administration of Press, Publication, Radio, Film and Television (SAPPRFT), points out that online payments and copyright purchases are inevitable means of promoting the development of microfilm in the future (Wenzhou Net, 2015). Chinese online platforms and government could act as important supporters to develop a system that can nurture talent as well as educate consumers to pay for content. As has been the case with the development of subscription-based business models, viewers' could be attracted to high quality and exclusive content and pre-pay viewing schemes. As the example of the *Hip-hop Trilogy* shows, if the quality can be guaranteed, the audiences will not object to paying a nominal fee for content. As suggested earlier, the degree to which the Chinese audience is prepared to pay for access to high quality microfilms could be tested through a comprehensive survey of users.

Platforms could develop spaces for microfilm makers to present their films online, with the audience paying through Chinese popular online payment systems such as Alipay and

Wechat wallet. With the establishment of the microfilm micro-payment business model, film creators could use the money generated from China's huge online audience to further their talents. As suggested by Klimis and Wallis (2009), this system could be managed by collecting societies, and would therefore be an incentive for China to build them up from their present nascent state (Zhang, 2016). In addition, due to the size of the Chinese market, it would not be surprising if more established filmmakers could easily reach big audiences and hence earn a substantial amount of money.

Because such a system would allow both audiences and filmmakers to know exactly where the money is being allocated, this would instil trust between the public and the platforms and help educate the public about respecting, protecting, and paying creators for their work. While there might not be an immediate economic gain for platforms, there is a good chance that, in the future, both economic and cultural benefits can be obtained. Creators developed through such a system could be willing to pay back by investing in the platforms that helped them to be discovered. Film industries might be interested in investing in platforms once they see the benefit of having a repository of good quality independent microfilms that will function for them as a one-stop-shop to select crew members. Governmental institutions could also support those platforms that demonstrate their ethical engagement in the development of talent and enhancement of the Chinese film industry.

While government sponsorship of such a platform might seem antithetical to the promotion of independent microfilm making, it would be consistent within a regulatory regime where infringements of copyright and monitoring of content are both dealt with by SAPPRFT (Feng, 2017). Indeed, despite the strides China has made in recent years to

drastically curtail copyright violations in the online film industry (Gu, 2018), most notably through the opening of three dedicated IP courts in Beijing, Shanghai and Guangzhou in 2014-2015 (Chon, Hausman & Shmailov, 2016), protection of IP in and of itself will not necessarily benefit creators. This is because the immense monopoly power that digital platforms have accrued enable them to dictate contractual terms to all but the most popular of artists, which means that even the most sophisticated of micro-payment systems can channel substantial sums of money to artists only if the platform owners enable this distribution (Srnicsek, 2017; Klein, Moss & Edwards, 2015). Flew, Leisten, and Hearn (2006; cited in Klein et al., p. 81) described a levy-based model which would enable government to “tax” access to online content, and then distribute the revenue in a way that would be fair to original creators. More than a decade later, the technology exists to enable such a system and the government-sponsored platform advocated in this paper could put this into practice. While it is still to be understood how serious are online media platforms and the government in their aims of developing such infrastructure, a system that can support and develop talent, as well as educate the audience to pay for independent microfilms, can only generate a healthy environment that is viable for all.

As discussed earlier, though, the growth of the microfilm market is also dependent on all participants having a common understanding of what actually constitutes a “microfilm”. If the situation in China seems confused in this regard, the international understanding of what microfilms are is not different. In the website of the Nottingham International Microfilm Festival (NIM) for example, it is possible to read contrasting definitions of the term “microfilms”. This is described in a webpage as a video format that “provide all types of talented individuals the opportunity to craft imaginative and engaging short

stories for audiences to enjoy everywhere, from cinemas and TVs to exhibition spaces and online” (Sergi, n.d.); and in a different page of the same website as a format which “the whole life cycle from development to exhibition depends upon the internet, portable devices and their users. The cinema and television have no role in the exhibition” (Abbasi, n.d.).

There is not even common agreement about their length. In the UK, the Nottingham Screen Partnership define them as short videos of a maximum duration of 3 minutes addressed “to busy consumers who wish to view short content during the daily commute to work or when they have a few minutes spare time” (Bound, 2018, p.12), while an Australian group of filmmakers define them as “short films of less than 5 minutes (without title and credits)” (The Best Microfilms, 2017).

For some of the Chinese professionals interviewed in this research it is clear that microfilms are not short-films. These have different business models and distribution channels. Professor B stated that “the traditional short films is supposed to work and spread as an art work for communication in the specific art circle. But the microfilm we talk about is popular, it belongs to the masses so it is suitable to spread online and for making profits”, it is unclear, however, how these products could make a profit.

This confusion on the definition does not seem to auger well as the lack of a clear definition of the term is accompanied by the lack of clear business models to monetise them. On the one hand this is weakening its opportunity to export globally a new content format for commercial purposes and restricts the potential for cooperation between microfilm makers in China and international video SMEs. On the other hand, this is

undermining China's potential to foster its short movie industry and develop talents for the film industry.

As a starting point our recommendation would be to differentiate microfilms from short-films. Promotional short format movies of a maximum of 5 minutes developed to be mainly presented on smartphones and addressing an audience of consumers should be considered micro films. What we called here independent microfilms, and what our research is mainly interested in, should be simply considered short films.

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### **Data Access**

Anonymised transcripts of interviews can be accessed by contacting ...

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