

## 9<sup>th</sup> China Art Festival, Guangzhou

### How to promote Chinese productions In the European market

Lecture by Gerhard Feltl

#### *Slide 1*

Distinguished Guests,  
Ladies and Gentlemen,

I am greatly honored to have the privilege of speaking today to you at the 9<sup>th</sup> China Art Festival co-hosted by the Ministry of Culture of the People's Republic of China and the local government.

Whenever I have the opportunity to visit China, I am extremely impressed - not only by the great cultural heritage which you have, but also by the enormous progress your country has made and is making in the areas of economic development, science and culture.

This year - known as the Year of the Tiger - will be a very special one: Your country will host Expo 2010 in Shanghai and you will also stage the 16<sup>th</sup> Asian Games here in Guangzhou in November.

During the next 40 minutes I shall present a brief glimpse of Austria and Vienna (located within the European market) and provide some perspectives on the European entertainment and art businesses and related industries.

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Austria, which until 1918 was a multinational empire of about 53 million people, is today a relatively small country of about 8 million people. It is situated in the very center of Europe, and in our national anthem it is referred to as the „heart of Europe“.

Austria's capital is Vienna. With a population of 1.7 million inhabitants, it is rather small compared with the many major metropolitan areas of China. But it is a vibrant city of culture whose residents and visitors alike enjoy a good quality of life. Thanks to its position as an economic hub linking East and West, Vienna has also gained a well-deserved reputation as an excellent location for business. Science and research also have long-standing traditions in Vienna and today about 35.000 people in Vienna work in more than 1.100 research units.

Vienna is not only the place where world-famous composers - Mozart, Beethoven and Strauss - to mention just a few, created their music. There is much more than culture: Vienna has a rich and varied tradition as a city of science, creativity and innovation. 21 Nobel laureates were born, lived or studied in the city, which has always been one of the melting pots of Europe and has attracted creative minds.

Vienna is also the 3<sup>rd</sup> seat of the United Nations – home to the International Atomic Energy Agency. It is also the base for of many companies doing business with the new markets of Central and Eastern Europe - an area encompassing a total of 200 million consumers. Here, in the heart of Europe, we recognize and maximize opportunities for cross-border cooperation.

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Vienna has managed to preserve its historical charm, and through careful planning, redevelopment and new urban initiatives has also become a modern city. The Danube River, which is almost 3.000 km long and runs through Vienna, is the biggest river in Europe west of Russia, connecting 10 nations.

The capital boasts world famous sights - like St. Stephens cathedral, Schönbrunn castle, the Belvedere palace and the State Opera. Vienna also offers attractive concert halls, theaters, opera houses and entertainment venues and more than 100 smaller theaters.

The international consulting company “Mercer” stated in their global survey in 2008, that Vienna has the highest quality of life of all the capitals in the European Union, and is the second highest ranked on a worldwide scale.

For these who are interested in this subject, more information is available in the Exhibit.

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We have a year-round program of major events including the highly acclaimed “New Year’s Day Concert” which celebrates the beginning of each year.

This is followed by the “Vienna Art Festival” which takes place in springtime. This Festival was founded in 1951, almost sixty years ago, with the objective of showing the world that the city - heavily damaged by World War II - was able to recover and to actively promote, once again, high quality performing arts and cultural programs.

Every year in May and June, the Festival presents a broad range of cultural events and offers a multitude of performances including all types of music, theater, art and literature. Many world-class artists make their appearances in this program every year.

The outdoor opening ceremony, held in front of the City Hall, is a popular free event attended by thousands of local fans and foreign visitors.

I served for several years in an honorary capacity as Vice President of the Vienna Art Festival. Bearing that in mind, you will understand my genuine interest in and respect for your prestigious Art Festival here in Guangzhou.

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Let me now focus on the institution I represent - namely the “Wiener Stadthalle”, which has established a reputation as one of Europe’s first urban entertainment centers of international standing. The facility was built between 1953 and 1958 with the clear objective of responding to the cultural, business, and leisure requirements of a big city. The varied program of national and international events held there promotes tourism and thus benefits Vienna in many ways.

The “Wiener Stadthalle” was designed by the famous Austrian architect Roland Rainer. The facility features an impressive steel roof over the main hall, which immediately identifies this iconic building.

The venue comprises 4 arenas of different sizes and capacities and includes a theater, an ice-rink, an indoor swimming pool suited for international competitions, and various restaurants and cafés. The maximum seating capacity is 20.000 and the annual attendance is about 1.2 million spectators.

During a half century of operations, more than 63 million people have experienced thousands of concerts, shows, sports events and other happenings at our venue. State of the art-equipment and experience gained in hosting mega-events of all kinds provide us with the ability to accommodate a wide variety of activities: From a concert hall to an ice-rink, from a cinema to a TV-studio or even a place of worship. More than 80 World Championships and European competitions have been hosted there.

One of our most recent events was the European Judo-Championship held at the end of April 2010; the Russian Prime Minister Wladimir Putin was the guest of honour.

We also manage a 56.000 seat soccer stadium and one of the largest outdoor swimming facilities in Europe.

Our venue is honored to be a founding member of the “European Arenas Association” which includes the leading venues in Europe. It is a member of the US-based “International Assembly Group” and other related organizations which give us an active presence in the professional and technical network of entertainment venues.

Consequently, one of our strategic goals is business development in the entertainment sector including the creation of new formats and co-productions.

With this professional background, I have been invited to elaborate a little bit today on the many opportunities and challenges of presenting international entertainment productions in the European market.

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I'll return to that point in just a few minutes. However, as a preface to this matter, and to provide some context to my speech - let me briefly comment on the historical relationship between Austria and China.

Austria, due to its size and central European orientation, has never been a colonial power, although we have a long history of international trade and commerce. In the beginning of the 18<sup>th</sup> century, the first Austrian ships dropped anchor at what was then called Canton. Trade developed quickly between Austria and China with porcelain, silk and tea being commodities which were eagerly sought by European buyers.

During that period, the Chinese called Austria the „double-eagle-land“.

Austrian ships sailed from Ostend (now in Belgium) under the Yellow imperial flag - which was respected by the Chinese port authorities.

The introduction of the red-white-red flag in 1786 caused some confusion when an Austrian ship arrived in Canton because the new design was not recognized by the port authorities. But the ship captain was a smart man and solved the problem by attaching the former double eagle to the new flag. With this modification, the merchant ship „Carolina“ was allowed to enter the port of Canton in August 1821.

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Another important date in our joint history was the participation of China in Vienna's World Exhibition of 1873. China was represented at this important event with an excellent exhibit of art, food products and agricultural technology.

More than 130 years later, the Shanghai Expo 2010 will explore the theme of how to achieve a „Better City, Better Life“. Expo organizers have set the ambitious goal of attracting 70 million visitors to the event which will be the highest attendance recorded at an Expo, and I wish to extend to you my sincerest wishes for a successful and stimulating Expo 2010 in Shanghai.

By the way: The motto of the Austrian participation in Shanghai will be „Feel the Harmony“.

This motto captures both the Chinese and the Austrian national characters: the most important goals of our societies are fostering economic progress, promoting social and cultural well-being, encouraging harmony and prosperity, and supporting innovation and cultural exchange.

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Returning now to the main focus of my presentation to you today, I will provide some insights on the matter of *“How to promote Chinese entertainment productions within the European market”*.

To do this systematically, we first have to define the European market as well as to reflect upon the different lifestyles and attitudes of the people and on product quality and image - in order to recommend effective marketing methods.

In spite of the emerging phenomenon of „global culture“, the European Market - as all of us know - is not uniform.

As you can see from this map, Europe stretches from a cool and for many months dark and quiet North to a warm, bright and lively South - with a moderate zone in between. Consequently, people are quite different in their language, culture, temperament and attitude.

But all of them - men and women, young people and the increasing ranks of senior citizens - have similar interests (if they can afford to pay for them) in fun, suspense and spectacular and interesting offerings.

The basic task of the creative industry - with all its production and performance companies, authors and actors, and other performing arts-related businesses - is to respond to this demand bearing in mind that live events will always be the most attractive and compelling form of entertainment.

To support and accommodate the various interests and entertainment aspirations which the population has, Europe has scores of venues - many with a capacity of about 20.000 seats. The leading arenas are organized in the “European Arenas Association” - representing a total of approximately 400.000 seats.

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Many productions exhibited in Europe are created and audience-tested in the USA and the UK. Actually, the continent is inundated with shows, stage productions, plays and movies - and most appeal to many segments of the population. But as a recent survey by the renowned “Nielsen Company” indicates, purchasing decisions will be increasingly affected by factors such as proliferation, preferences and innovation – with new plots, new technology, creative packaging and emphasis to build rapid awareness.

Globalization has opened up a world of choice, making it much easier for all of us (wherever we live) to indulge in our passion for foreign products and new experiences and productions.

The biggest question facing the entertainment industry today is: to what extent will the global financial crisis affect consumer spending – and thereby our business? Consumers are concerned about job insecurity and the significant losses they have experienced in the value of their investments. Discretionary spending is being cut, and many families are hesitant to purchase consumer electronics and show tickets and are reducing the frequency of their visits to entertainment venues.

Connecting with a multi-cultural, multi-lingual society is affecting the way the message (or the content) is presented to our visitors. With time at a premium, attractions must provide a menu to address the primary questions in our customer's minds: "Why should I give you some of my time and money?" It is no longer sufficient to simply "present it, and they will come": Customer power is replacing marketing power.

All types of productions are currently available in the European market. Thus, to enter this highly competitive environment requires careful analysis, market research, and creative design and packaging - in order to avoid offering just „*more of the same*“.

To be successful, a new show must be different and clearly adapt the basic idea to western culture. The show must stand out from existing show formats and appeal to as many target groups as possible: men and women, young and old, city and countryside. This requires a distinction both in content and form, as well as commitments to substantial marketing and advertising budgets.

In addition to being different, productions must also be authentic and convey their true spirit.

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In developing productions for the European market, consideration should be given to determining the extent to which traditional Chinese art style elements should be incorporated. It will also be important to determine when it will be more appropriate to build upon plots and stories which are familiar to the audience as opposed to presenting something totally unfamiliar and risking potential confusion and possibly rejection.

Mrs. Liyuan Wang-Scheerer elaborates in her interesting doctoral thesis "Shows from China" (published 2007 in Germany) on that very topic. And Mark Leslie of "Martello Media" referred in his remarkable presentation at TiLEforum (which stands for Trends in Leisure and Entertainment) to the need for attractions to be culturally acceptable to all visitors – reminding the conference attendees of the increasing number of people in China who are achieving middle class status. This increase in the potential numbers of spectators/customers for cultural events will have an impact on both the Chinese and international markets in the near future.

Because this process takes some skill and judgment, the primary teacher is experience and not a set of firm rules. And in the end, as we often say in Austria: "The proof of the pudding is in the eating."

At this point, let me provide you with some information about a very promising cooperative effort between the highly acclaimed companies “China Heaven Creation” and “Wien-Holding” and the company I’m representing.

Our mutual interest is to create a joint-venture company to promote high-quality productions of various types in both Continental Europe and China. Our first project, “Chun Yi” shall be adapted as a tour production to be presented in continental Europe. This cooperation in the performing arts – comprising dance, singing and acting - could serve as a centre of excellence for young talents. This effort has many potential benefits for all involved as various studies have documented the close relationship between the arts and social intelligence, and social integration.

I appreciate this opportunity very much because it has the potential to lay the foundation for a comprehensive, long-term partnership between our organizations.

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“There’s no business like show business”: Cultural industries, show productions and art festivals are a valuable investment - not a cost and the best way to improve profit margins is through providing added value to otherwise standard productions. Access to new technologies and the transfer of know-how and expertise have never been easier.

In the ever-changing industry of shows, entertainment and productions - transformation is constant. Enter the world of fan sites, MySpace, FaceBook and ticket brokers, and you begin to appreciate the changing world in which we live today.

In order to succeed in this customer-driven global economy, it is necessary to possess “3 golden assets“ - namely: concepts, competence and connections.

New *concepts* are the lifeblood of innovation and should be running through the arteries and veins of every company.

Building *competence* is another essential asset contributing to delivering world-class performances. Knowledge of existing techniques, life-styles and consumer attitudes is fundamental. Reflecting them in the content provision and production process is another important aspect on the agenda.

The 3<sup>rd</sup> asset is the *connection* between those who produce and design things, and those who invest in them. Great design is the magical confluence of beauty and function. There is, however, another crucial element in this equation which is the emotion a show or a concert must evoke.

Hence, connections must be established among those who develop show productions and those who want to exploit them for the market. Connections also apply to ways of thinking that will be needed in the future.

With regard to this presentation: The product must be carefully based on an interesting story and rely on the fascinating myths which are part of Chinese culture.

Producers should not hesitate to employ the services of experienced agents and the support of market research - which can provide a sound understanding of the motives of the audience to attend a show, reflecting the different national tastes of the European market. Online-Market Research is another important tool and, with its multi-media possibilities, can provide important insights to inform the production design process.

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Once all of the necessary background work has been done, the next step is to start marketing the production. But given the diverse nature of the audience, marketing is a relatively complex job.

Co-productions are vital in this context. Modern digital distribution channels should be considered. Logistics must be worked out. Promotion measures must be conceived. Advertising and promotion are challenges, given the realities of saturated markets and increasing competition. Advertising efficiency and consumer involvement have gone down rapidly. Without adapting to the new patterns of reaching potential customers, marketing efforts will no longer be effective. New means of communication must be sought. Both "Sponsorship" and "Naming Rights" are promising high-impact marketing tools.

Many companies hesitate to invest the necessary resources in branding, image building, and "below and above" the line advertising.

But the bottom line for all the well-intentioned and well-resourced marketing efforts is the production itself: Product quality is still the most important element in the marketing mix.

At this point, let me quote the great philosopher Confucius who once noted - as shown on this slide:

*"If names be not correct, language is not in accordance of things - and affairs cannot be carried on to success".*

Success in the European market has to do with good branding. And good branding - based on the international experience of design consultants and advertising agencies - goes hand in hand with the image of the respective country entering the European market.

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No doubt: on a global scale, a completely new impression of China is emerging. China is no longer conceived of by the world as a workbench, but as a rapidly improving partner in quality production and trade. The present political and economic concept of the People's Republic of China allows for an extensive exchange of products, services, innovation, new technologies and cultural achievements.



This Art Festival, the Olympic Games 2008 and especially Expo 2010 in Shanghai are important milestones in this process.

I am proud of the work of some of my fellow citizens - such as the architecture of Hans Hollein and Coop Himmelblau in Shenzhen, which will contribute to shape the skyline of this important city.

Other examples of cultural exchange with China are the visits of various Viennese Orchestras, Dance Companies and Choirs. What still can be improved upon are co-operation and co-productions in the field of show-business and education. Plans for such activities have already been drawn up.

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Very promising initiatives have been enabled by "Focus" - a very attractive and successful program initiated by the Ministry of Culture of the People's Republic of China. It has the objective of honoring the activities of outstanding companies in the field of performing arts and entertainment productions.

One of these outstanding Organizations is "China Heaven Creation" with its President Dr. Cao - to whom I owe my gratitude for the invitation to speak before you today.

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I have tried to outline an approach for Chinese companies to enter the European market successfully.

In summary, the key to success is to reflect cultural heritage, preserve identity, invest in creative industries and promote cultural exchange and active partnership - based on candid sharing of information, understanding and mutual respect.

The City of Vienna, the Vienna-Holding-Group and my company are ready for such a dialogue and partnership. We look forward to a long and fruitful future together.

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Thank you for your attention