

Chapter 5

Case Studies

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CHAPTER 5

Case Studies

In this chapter, case studies are presented to analyze the economic contribution in terms of content exportation and ripple effects. Examples of cross-border success cases from certain countries are presented on the basis of the availability of statistics and related information.

1. Exportation of Contents

Exporting content and creative products/services can contribute to the economy in terms of domestic industry development and its sustainability. Export of contents is defined as selling products in each sector, such as TV broadcast programs, films, animation, games and music overseas. This includes revenues when TV programs are traded, or games and CDs/DVDs are shipped to other countries. There are various ways of exporting contents. However, this report does not focus on its definition in details, but rather overviews the current export trend of content products originating in the Asian region.

According to UNCTAD report (2010), during 2002-2008, trade in goods and services from the creative industries grew on CAGR of 14%. World exports of audiovisual content services, which amounted to 13.7 billion USD in 2002, reached 26.4 billion USD in 2008, much through trade in the form of rights transactions as the means for buying and selling creative content. In one of the highest exporting

countries, United Kingdom, in 2007, the creative industries accounted for 6.2 percent of the economy, measured as value added, accounting of 4.5 percent of total British exports.

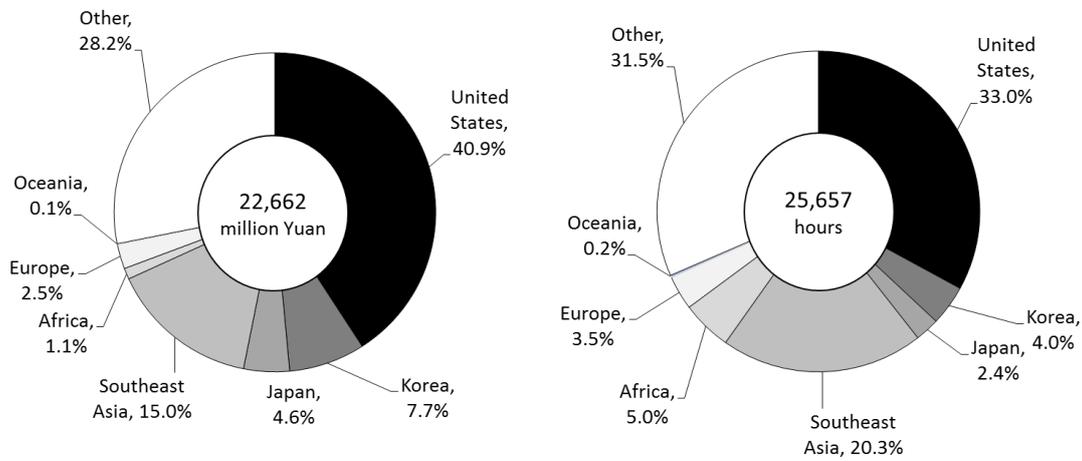
However, according to UNCTAD (2010), the exports of creative industry are dominated by developed countries. For audiovisual content the ratio is 89.5%, which is the highest among the creative product/service categories defined by the UNCTAD. In developing a pan-Asian content industry perspective, import/export of content is one of the key accelerating factors for the region. In this section, case studies of the export of contents originating in major exporting Asian countries are presented.

1.1. Content Export from China

With support from the Chinese government, such as promoting private companies to participate in overseas exhibitions, Chinese industry has had a variety of networks for exports established for around 20 years, for exporting TV programs such as news, drama, variety, documentaries and others, as well as films, covering over 100 countries or areas in five continents. Private companies like Beijing Star, Jiangtoon Animation, Shan Mao Cartoon, Beauty Media, Zhejiang Huace Media, and Huayi Brothers Media Group offer export services.

Figure 31 shows the statistics of export of TV programs originating in China for the year 2011. The left figure shows the breakdown of destination countries and regions for exported hours, which in total, add up to 25,567 hours annually. The right figure shows the breakdown of export revenues, which is 22.7 billion RMB in total. The most important export destination, in terms of hours as well as revenue, is the United States, followed by Korea and Japan.

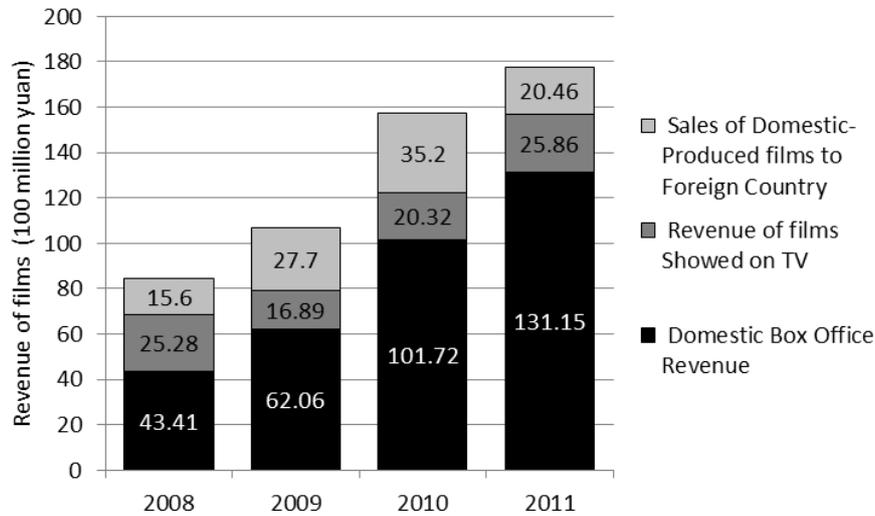
Figure 31: Breakdown of Exported TV Programs (Exported Hours / Revenue)



Source: Department of Planning and Finance of State Administration of Radio, Film, and Television (2012).

Figure 32 shows the revenue of the film industry in China. Domestic box office revenue, which is the major revenue component of the industry, has seen tremendous growth over the past years, and currently ranks third in the world, after the United States and Japan. Sales of domestically produced films to foreign countries also contribute to the overall revenue, comprising of over 10% of total industry revenue. For the year 2011, 55 films were exported to 22 countries or areas, with a box office of 2.046 billion RMB. Also, the copyright of a domestically-produced animation “Legend of a Rabbit” (2011) was sold to 65 countries or areas.

Figure 32: Breakdown of Exported TV Programs (Exported Hours / Revenue)



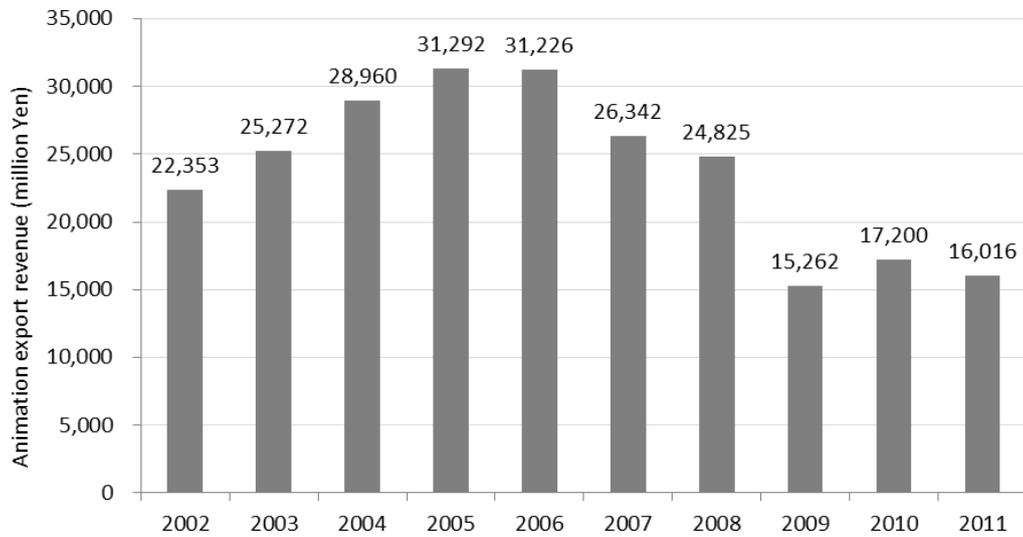
Source: Department of Planning and Finance of State Administration of Radio, Film, and Television (2012).

1.2. Content Export from Japan

It is considered that Japanese creative content has been one of the export products that has penetrated the global market for decades. Animation has been an especially successful product seen in many countries. Figure 33 shows the trend in export revenue for Japanese animation. During the last decade, the highest figure was seen in 2005 with 31.3 billion JPY, when successful cases such as Pokemon had been driving the animation market, both domestic and international. The export market has been declining, however, especially after the global economic turndown, and current revenue is about half of the peak figure.

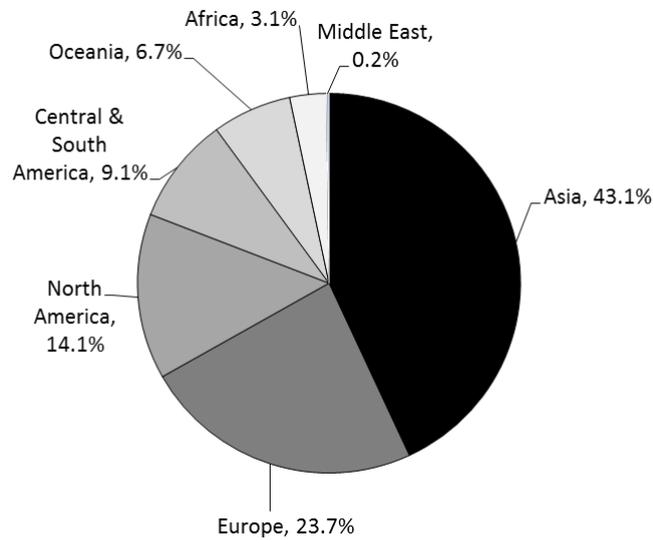
Figure 34 shows the revenue breakdown of export destination for 2011. Asia is the highest with 43.1% of the export revenue, followed by Europe (23.7%), and North America (14.1%). The composition is different, for example between Korea and Japan, where the main export market for Korean animation is the America region, and for the Japanese animation it is the Asian region.

Figure 33: Animation Export Revenue



Source: The Association of Japanese Animations.

Figure 34: Revenue Breakdown of Export Destination for Animation



Source: The Association of Japanese Animations (2011).

1.3. Content Export from Korea

It is known that the trans-cultural spread of Korea's popular culture, the so-called

Hallyu or the “Korean wave (K-wave)”, began gathering momentum in the mid-1990s. Since then, Korean content has been appreciated for its simultaneous universality and Korean culture. In return, the expansion of these markets invigorated Korea’s cultural industries to thrive and to systematize a foundation for further development. The Hallyu has flowed into other industry sectors such as food, fashion and computer gaming, drawing an increased base of tourists to Korea, and this is also one of the aspects of the economic ripple effect that is discussed in the next section. While the Hallyu phenomenon is broader than films and TV, these media play a very important role within Hallyu due to the emotional contribution such media can have. According to Oxford Economics, the total film and television exports from Korea were 0.4% of total service exports in 2011, and approximately equivalent to exports by the insurance and computer and information service sectors.

KOCCA (the Korea Creative Content Agency) describes the steps Korean audiovisual content had taken in terms of exports as shown in Table 13. It is shown that the sectors of content exportation as well as its destination has widened as time passes.

Table 13: Global Expansion of Korean Audiovisual Content

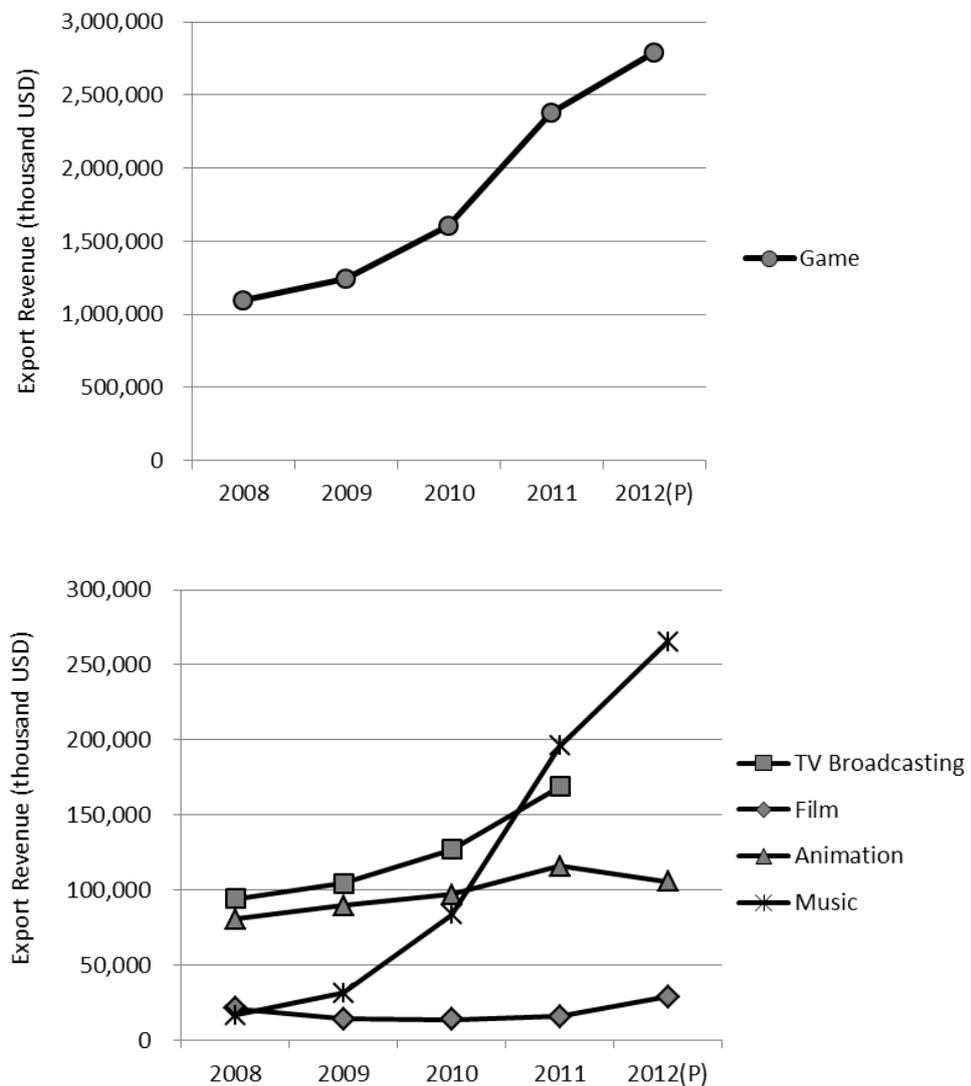
Step	1 st “Be introduced”	2 nd “Be intensified”	3 rd “Be diversified”
Period	1997-Early 2000s	Early 2000s-Mid 2000s	Late 2000s
Major Sectors	Broadcasting, Pop-Music	Broadcasting, Film, Pop-Music, Game	Broadcasting, Film, Music, Game, Comics, Character, Korean Food, Korean Language
Regions	China Mainland, Taiwan, Vietnam	China Mainland, Japan, Taiwan, Southeast Asia	China Mainland, Japan, Taiwan, Asia, America, Europe

Source: Hwang, Joon Suk (2012a).

Figure 35 charts the export statistics of the Korean content industry for the past 5 years. It clearly shows the stage development mentioned above. The highest

contributing sector in terms of revenue is the games market. Its yearly average growth from 2008 to 2012 was 26.3%. In terms of growth, the music sector has seen a tremendous growth since 2008, at which time it was the smallest among other products in terms of export revenue. It has since been doubling its revenue every year. As of 2011, music was the second largest contributor in Korean content export. Export of TV programs is also increasing; therefore it can be said, whether directly or indirectly, that certain synergy has been created among these sectors.

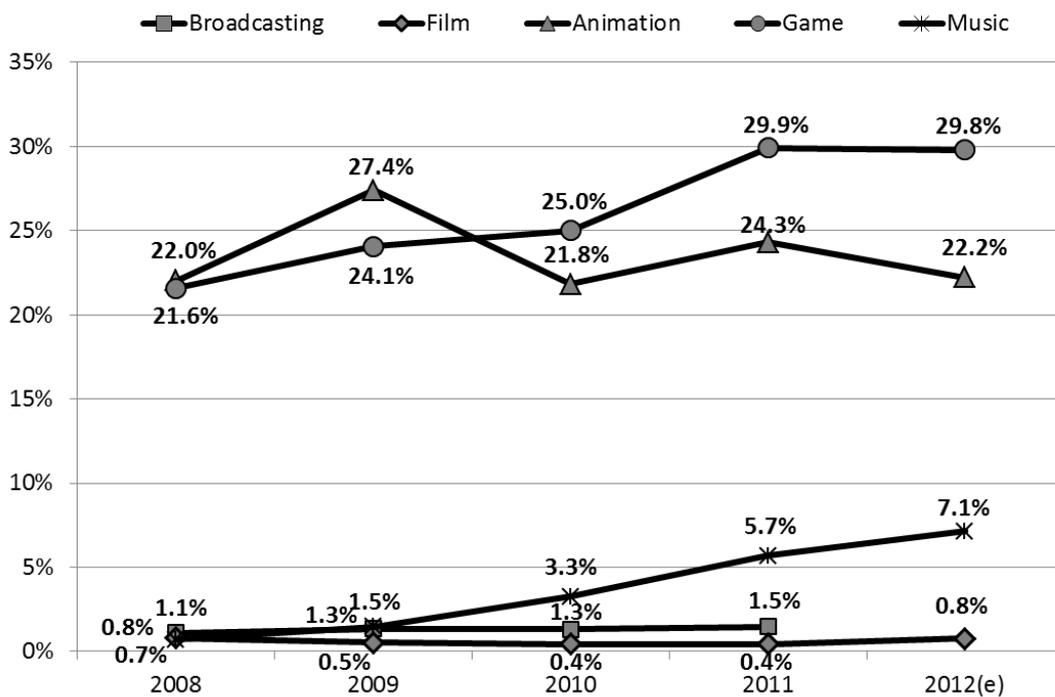
Figure 35: Export Statistics of Content Industry in Korea



Source: KOCCA (2013).

Figure 36 shows the ratio of export revenue to total industry revenue (domestic market + exports) for each industry. The export products can be divided into two groups, (1) Games / Animation and (2) Broadcasting / Film / Music. Export of the former group has more significance than the latter, contributing a quarter of the whole industry revenue. For the latter group, broadcasting, as the domestic market is relatively large export revenue still accounts for 1.5% (2011), and music is gradually seeing importance in exports.

Figure 36: Ratio of Export Value to Total Industry Value



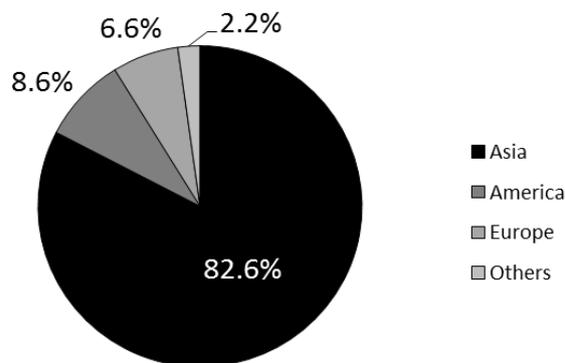
Source: KOCCA (2013).

Figure 37 and Figure 38 show the revenue breakdown of export destination for 2011 in total (including broadcasting, film, animation, games, and music) and for each sector, respectively. Figure 39 shows the revenue growth for 2008 to 2011. It

can be observed that broadcasting, games and music are mostly exported to countries in the Asian region. It is worth noting that currently Japan is the main market, generating 82.6% of its export revenue. The significant growth in the music industry is observed in several regions, as it expands its export market globally.

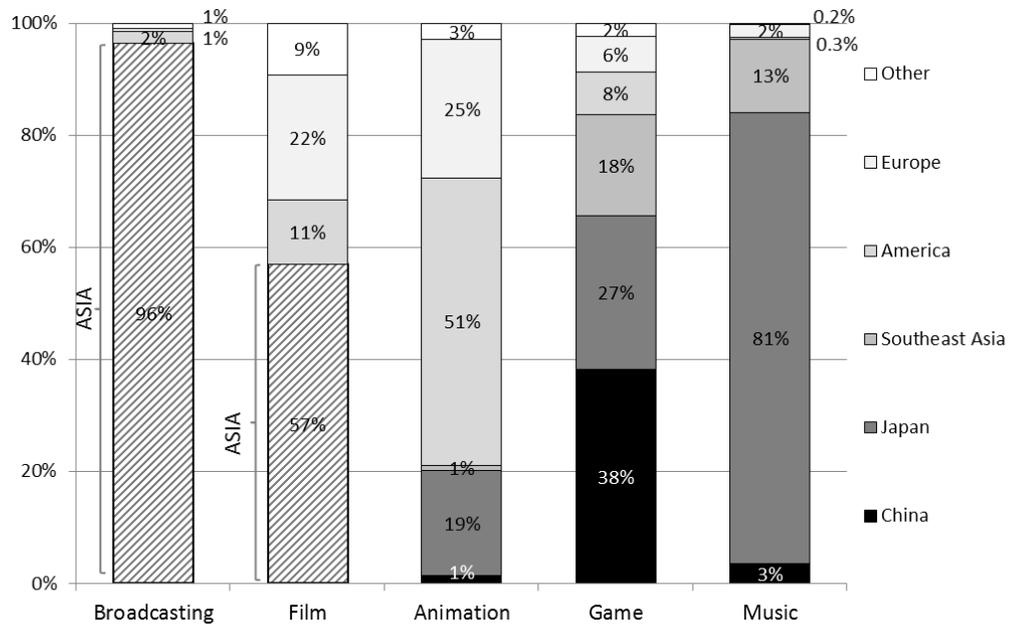
Film and animation has a certain share of revenue in non-Asian regions, such as for animation, 76% of export revenue is derived from America and Europe together. Although the revenue size tends still to be small, the Korean export strategy indicates that certain content can travel to non-Asian regions, and also that Asian countries can enjoy and contribute to the benefit of globally growing awareness of Asian content.

Figure 37 Regional breakdown of export in total (2011, revenue base)



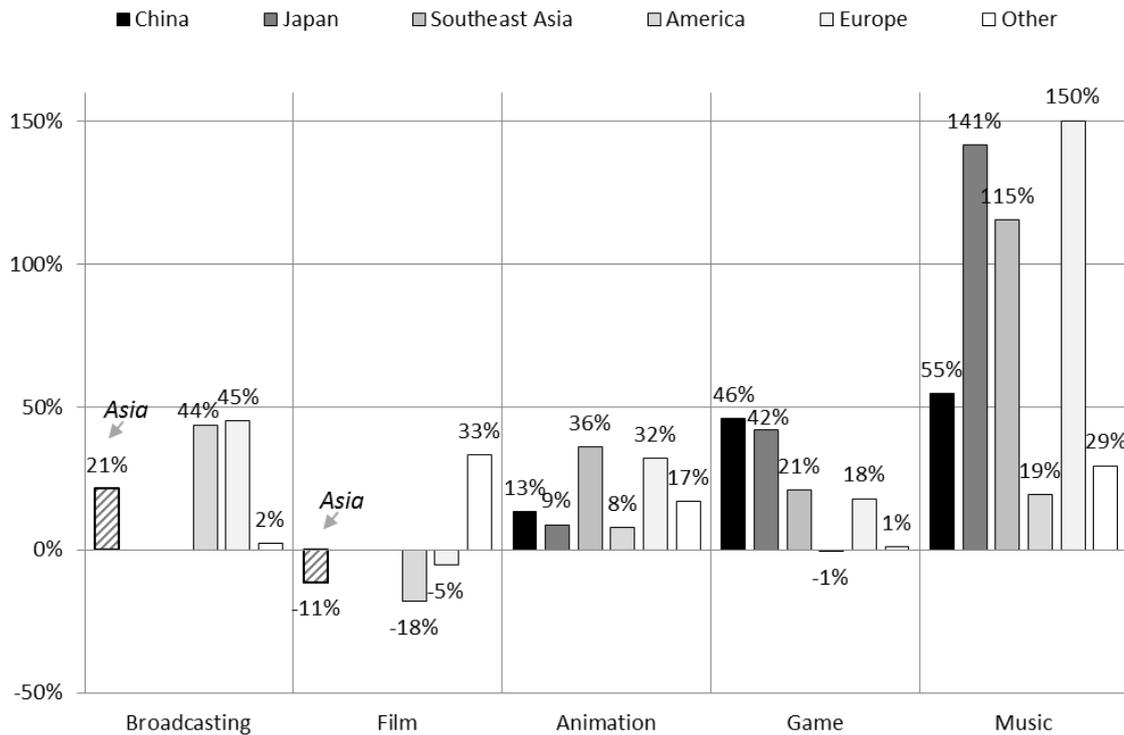
Source: KOCCA (2013).

Figure 38: Regional Breakdown of Export for each sector (2011, Revenue Base)



Source: KOCCA (2013).

Figure 39: Regional Export Growth (CAGR: 2011/2008, Revenue Base)



Source: KOCCA (2013).

1.4. Content Export from Singapore

Company case study : mm2 entertainment

mm2 entertainment, a production house operating in Singapore, as well as in Malaysia, has been producing and distributing variety and ‘infotainment’ programs customized for television stations and advertisers. In Singapore, mm2 entertainment mainly produces films, and in Malaysia, mainly TV programs. It also provides content distribution services for online and new media. It is a fully integrated company in terms of financing, production, and distribution.

mm2 entertainment made a success with its well-known box-office hit movie “Ah Boys to Men”, which earned 6.2 million SGD in total revenue in the 1st film, and 7 million SGD on the second, which traveled abroad to Malaysia. Its strategy is

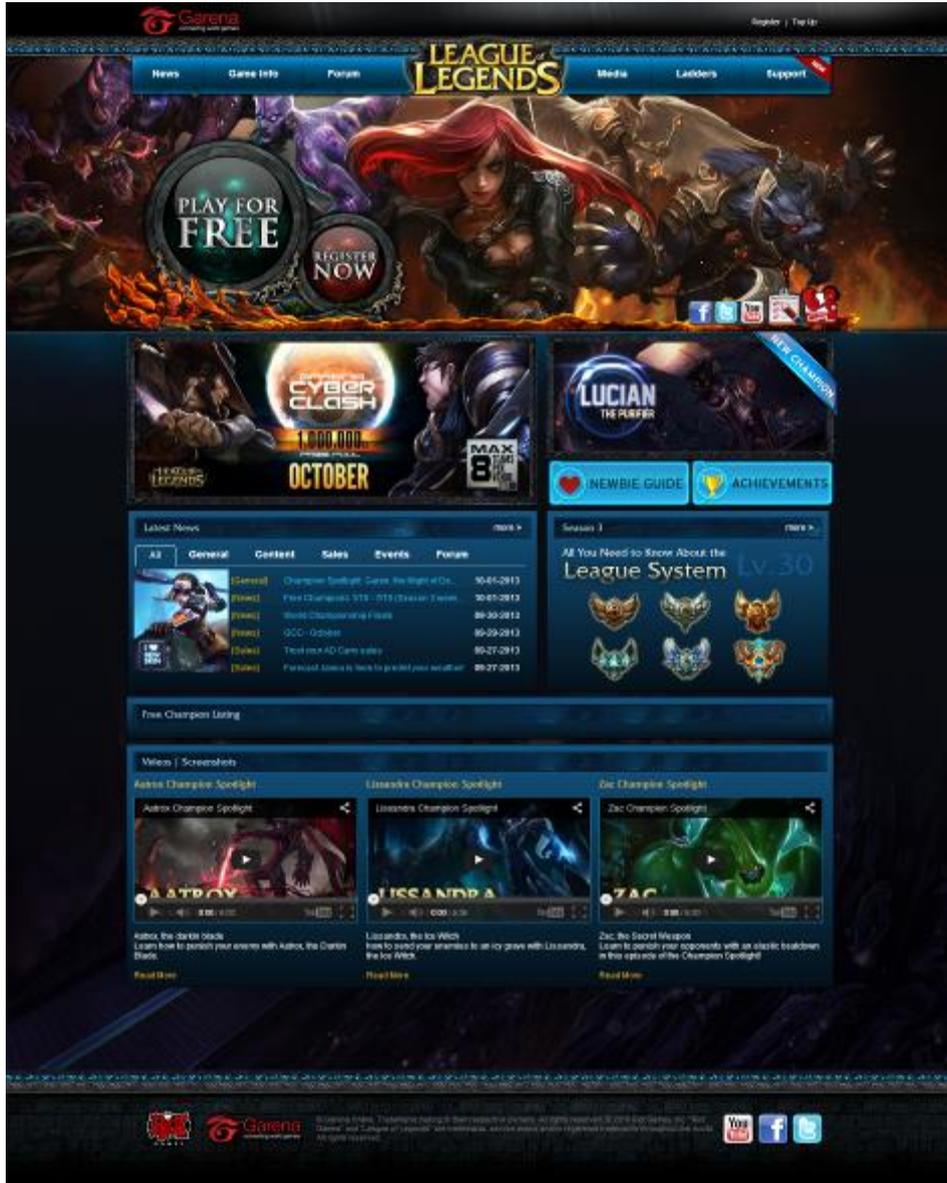
to look at Singapore and Malaysia as a single market, because the two countries share a similar culture and the audiences tend to accept the same content. mm2 entertainment produces and distributes in both markets, while supplying products to other countries such as Hong Kong. Its view of the market trend is that it has been seeing in both Singapore and Malaysia a tendency for people to go and see the movies, and pay for the content. Therefore piracy is not such a big issue for the company as it was few years ago.

mm2 entertainment had stated that the cost of production in Singapore on the contrary of the low budget, therefore it seeks to invite strategic partners in terms of investment, distribution, marketing and promotion. A Malaysian production company- Grand Brilliance - also invested in Ah Boys To Men.

Company case study: Garena

Garena, which was founded in 2007, helps to publish games and reach out to players in different markets. While Garena is not in the business of games development, it provides a hosting service of sorts for the online community and value-added services such as the selling of “virtual add-ons” which include weapons and other assets that enable players to level up. Stanford-educated Forrest Li, who is the CEO and founder of Garena, established the company in 2007 and within a year expanded Garena’s presence to Taiwan, Vietnam, the Philippines and the Commonwealth of Independent States (“CIS”). Most recently, Garena extended its reach to Thailand and Indonesia.

Figure 40: Image of Garena platform



Source: Garena (2013).

Benefiting from wide experience, the founders studied the rapid evolution of online games and were inspired to take the online gaming experience to a higher level. Garena launched its latest flagship online game platform, Garena+, in 2010. This is a social platform designated for online gamers to meet, chat and play games with each other. On Garena+, gamers are able to effortlessly discover and play

games while connecting with other gamers. Garena+ provides gamers with the ability to track gameplay, view the achievement of their buddies through a centralized buddy list, connect with clans and groups of similar interests on games, and voice chat with many gamers simultaneously through public or private channels. Since its launch, the monthly active users on Garena+ had surpassed the 1 million mark.

In addition to providing an e-sports playground for popular classics such as DotA and Age of Empire, Garena also introduced the latest premium online games on Garena+, including the award-winning League of Legends and other premium game titles, such as the first-person shooting game Black Shot and real-time strategy game Heroes of Newerth.

Today, Garena publishes and operates online games primarily in Southeast Asia and Taiwan, and has achieved more than 2,000% revenue growth over the period from 2009 to 2011. Ranked 15th in the Deloitte Technology Fast 500 (Asia-Pacific) 2012 for being one of the fastest-growing technology firms in the Asia Pacific region (and 1st in Southeast Asia). Garena made history by being the first Singapore interactive digital media company to enter Deloitte's Top 20 ranking for Asia.

Today, it has over 60 million registered users playing on its gaming platform and is able to support up to 675,000 concurrent users. The company has grown from 10 employees just 5 years ago to over 400 employees, with half of the technical staff in Singapore, and the rest scattered over 9 cities in Southeast Asia. Garena makes money from selling subscriptions, value-added services and virtual currency, and its revenue has grown 3 to 4 times since it was incorporated. One of Garena's main game offers, League of Legends, is distributed in Southeast Asia and Taiwan. In early 2013, Garena has reached a million players for League of Legends in Taiwan.

While there are many angles to Garena's success, the key success factors would include the items below.

- I. A radical change in business model. Previously the gaming industry was dominated by the "console-and-box" model whereby consumers would have to spend \$50 or more for a disc copy of a game. Garena has joined the industry in moving to the "free-to-download model" and built its revenues through the sale of virtual goods.
- II. A focus on its role within the value chain. While developers focused on the development of the gaming content, Garena seeks to bring about a better users 'experience' in all other regards such as software upgrades, transaction of virtual goods, etc...
- III. Investment in the social networks of gamers. Garena believes that the social interaction amongst its gamers adds value and 'stickiness' to its platforms. Hence it constantly upgrades its social interactivity elements such as a proprietary instant messaging service and other community or societal building tools.

Garena is a fundee of the Interactive Digital Media Programme Office (www.idm.sg).

2. Ripple Effects of Content Goods & Products

2.1. Categorizing the Ripple Effects

One aspect of the economic ripple effects generated by the content industry is the value added in different products, such as product planning and production within non-content industries. One typical example would be character merchandizing from a popular animated cartoon.

Audiovisual content, or screen-based content (including TV) is clearly a medium that has a huge impact on consumption. The economic impact of audiovisual content

can be consequently be much bigger than the estimated values given in previous pages.

Table 14: Categorization and Example of Ripple Effects

Category	Description
Character, Design	Product planning / marketing for apparel, toys, or general merchandizing through reconfiguration of content format and copyright management of programs and films
Fashion	Product planning / marketing for clothing and accessories after reconfiguration of content format and copyright management of programs and films. Cosmetics - celebrity marketing through contents (especially in TV drama) is one example.
Product	Promoting products through a non-traditional advertising technique (Product Placement Effect)
Culture	Product planning / marketing in related service market by expressing lifestyles of the film characters [Examples: “dance boom”, “soccer boom”]
Food	Attracting food –experience
Tourism	Consumption made by filming crew/ staff and tourists visiting film locations (lodging, meals, souvenir purchase and so on)
Transportation	Consumption made by filming crew/staff and tourists visiting filming locations on transportation
Other fields	Increase in recognition (rise in popularity) of the filming location, etc.

2.2. “Pleasant Goat and Big Big Wolf” (China)

One success story of content export from China, is the “Happy Lamb and Grey Wolf” or “Pleasant Goat and Big Big Wolf”, a Chinese animated television series created by Huang Weiming, Lin Yuting and Luo Yinggeng, and produced by Creative Power Entertaining. The show was aired in 52 countries in Asia and the Middle East region including, India and Singapore. In January 2009, the first Happy Lamb and Grey Wolf film - The Super Snail Adventure - was launched in China. It has broken the domestic box office record for a Chinese animated film, earning 30 million RMB during its opening weekend, and foreign versions also added to the success story.

The popular “Pleasant Goat and Big Big Wolf” has run to more than 800

episodes and spawned more than 1,000 products including food, clothing and stationery. The first movie broke domestic box office records for a Chinese animated film, earning 30 million RMB during its opening weekend.

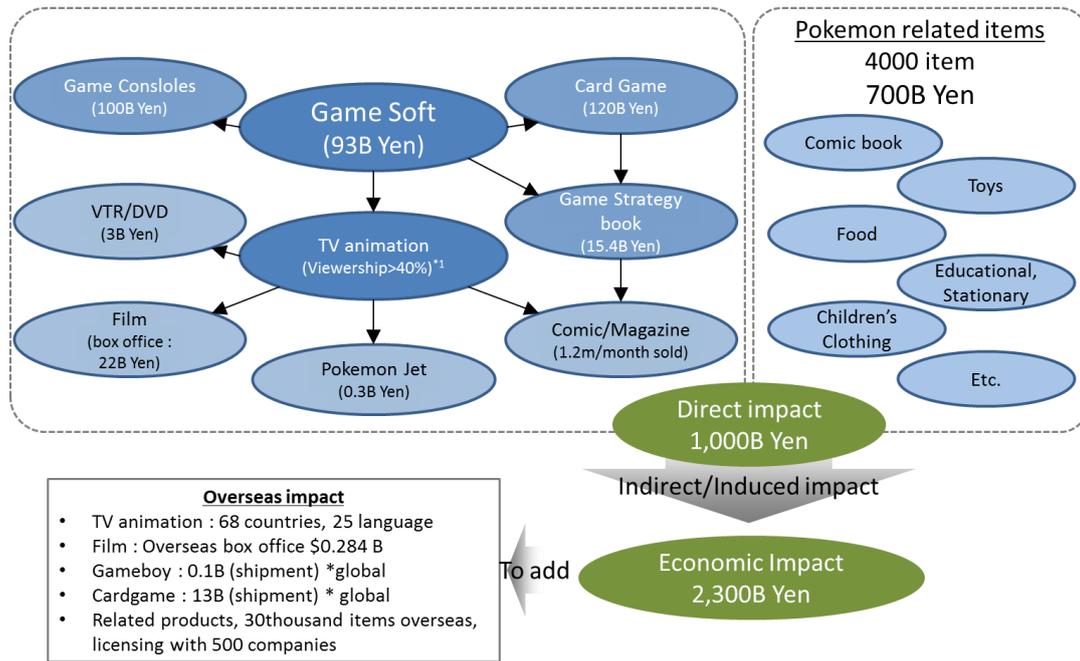
2.3. “Pokemon” (Japan)

Pocket Monster, or Pokemon, is one of the successful content businesses. It was originally produced in 1996 as video game software. It developed into a wide variety of business sectors, each raising a certain level of revenue. Pokemon then gave rise to a wide variety of derivative commodities and contents, including a card game, an animated cartoon, comics and many more. As shown in Figure 41, its economic effects accounted to 2,300 billion JPY, 20 times the revenue from the original content.

One main feature of the Pokemon business strategy was that it intended to create a synergy of multiple uses of the original content in order to boost Pokemon’s recognition and popularity in total. Simultaneously with the release of the game, the companies holding the rights made Pokemon appear in a comic book format as a regular series in order to increase the sales of both the comic as well as the game. One commodity after another from TV animated series, films, videos, and DVDs to watches, character goods and more, all created some form of synergetic effect, and taking it overseas built on its domestic success.

This best practice motivated the Japanese government to promote the Japanese content industry due to its huge success and the variety of its ripple effect.

Figure 41: Ripple Effect in Pokemon Business (2003)



Source: Ministry of Economy, Trade and Industry.

2.4. “Daejanggeum (A Jewel in the Palace)” (Korea)

‘Daejanggeum’ or ‘A Jewel in the Palace’ a 2003 Korean drama series directed by Lee Byung Hoon, brought enormous profit to Munhwa Broadcasting Corporation (MBC) by becoming a leader of the Korean wave in the period drama section. It set a milestone for Korean period drama by exporting to 87 countries, not only in Asia but even in Europe, Africa and the Middle East.

Popularity is related to profit. In certain countries, the viewing rate of ‘A Jewel in the Palace,’ reached over 80%. The number of inbound tourists to Korea has also increased. An economic research center in Korea analyzed that the economic effect related to ‘A Jewel in the Palace’ would reach 1 trillion KRW. MBC made a profit of 12 billion KRW only from the broadcasting rights of ‘A Jewel in the Palace.’ The profit to the value added industries cannot be ignored. ‘A Jewel in the Palace’ has been used in many industries including tourism, medical, beauty, wedding and food.

Hunan Broadcasting System, China made a high advertisement profit from ‘A Jewel in the Palace’ and intends to buy the broadcasting rights of the next season. Production of another season is, however, doubtful. The script writer, actress and other staff have no intention of producing a further season. Some do not want ‘A Jewel in the Palace’ to be too commercial. Apart from the commercial aspect, ‘A Jewel in the Palace’ is regarded as a masterpiece, helping to share Korean traditional culture with people from other countries and different cultural backgrounds. Some key figures are shown in Table 15.

Table 15: Ripple Effect from the Korean period TV drama, “A Jewel in the Palace”

Item	Figure
Production inducement coefficient	at least 63 billion KRW
No. of exported countries	87 countries in Asia, Europe, Africa
Economic effect	1 trillion KRW
Profits from exporting broadcasting rights	12 billion KRW
Ripple effect industries	Tourism, medical industry, beauty, wedding, food

Figure 42: Image of “Daejanggeum (A Jewel in the Palace)”



Source: Image provided by MBC (Munhwa Broadcasting Corporation).

2.5. “Gangnam Style” by PSY (Korea)

In 2012, Korean musician PSY became a world star. His music video ‘Gangnam Style’ had unexpected popularity worldwide. Revenues were amazing. One of the Korean media reported that PSY’s sales revenue was more than 33 billion KRW and the net profit, 15 billion KRW. If the amount of intangible value were included, the amount would be much higher.

When ‘Gangnam Style’ ranked second in the Billboard Chart Hot 100, a professor from Sungshin Women’s University in Korea analyzed the economic value of ‘Gangnam Style’ as being more than 1 trillion KRW. Besides being on the 2nd Place on the Billboard Chart for 7 weeks, ‘Gangnam Style’ was also ranked Number One in the Official UK single top 100 chart, and in music charts in many other countries. Pop columnist DJ KIM said on a radio show that PSY had done the work of hundreds of diplomats by himself. In the global financial newspaper, the Financial Times, an article entitled, ‘Gangnam Style Boosts South Korea Brand’ was published.

In acknowledgement of his contribution, PSY won a special award from the 2012 Korea Popular Culture Artist Awards, the Okgwan Order of Culture Merit from the Korean Ministry of Culture, Sports and Tourism.

While it is difficult to calculate the intangible value of PSY, it is possible to estimate the amount based on the inter-industry relation table published by the Bank of Korea. Using 1.908 of the production inducement coefficient in the 2010 inter-industry relation table and 33 billion KRW of sales revenue, the effect on production inducement is 62 billion 964 million KRW (33 Billion x 1.908). Furthermore, the effect on value-added inducement can be calculated as 27 billion 654 million KRW (33billion x 0.838). As the number employee increased by 21 per 1 billion KRW

investment in relevant industry, the effect on labor inducement is assumed to be 693 people.

PSY's economic effect can also be seen in terms of advertisements and stock analysis. After the hit of 'Gangnam style,' PSY appeared on 10 advertisements including LG U Plus (Internet Service Provider), NongShim Black Cup Noodle and etc. According to the research company, AC Nielsen, the sales of instant Black Cup Noodles by NongShim recorded 2 billion KRW in October, 2012 after PSY appeared in its advertisement. This was a 30% increase on the 1.5 billion KRW sales in the previous month. Their sales ranking in the cup noodle market moved up to 6th from 8th. Also, the communication company LG U Plus used PSY as its advertisement model and the advertisement was nominated as the most memorable advertisement by consumers.

The Korea Tourism Organization has been using PSY to promote their tourism campaigns, such as Bulgeum (enjoying Friday night), the Olle Tour and Myeongdong Cosme Road. They are also using PSY in their foreign TV advisements, in hopes of grabbing viewers' attention. The Korea Tourism Organization has also developed an online campaign called 'PSY's WiKi Korea Dictionary'. This campaign quizzes foreigners on popular Korean products, Korean culture and Korean landmarks. These 27 questions educate the user by display animations, video clips and various audio cues.

These major figures are shown in Table 16.

Table 16: Major Figures from the Effect of PSY’s “Gangnam Style”

Item	Figure
Effect on production inducement	at least 63 billion KRW
Sales	33 billion KRW
Net profit	15 billion KRW
Billboard Chart	#2
Official UK single top 100 chart	#1
Economic Value	Over 1 trillion KRW
Effect on production inducement	62,964 million KRW
Effect on value-added inducement	27,654 million KRW
Effect on labor inducement	693 people
Advertisement revenue	about 5 billion KRW
Increase on sales of the PSY’s advertised product	Cup Noodle: increased by 30 % from 1.5 billion KRW to 2 billion KRW
Stock increase (YG Entertainment)	47,600 KRW (July 2012) ⇒ 100,000 KRW (October 2012)

Figure 43: Image of PSY’s “Gangnam Style”





Source: Image provided by Korea Tourism Organization

2.6. “Upin & Ipin” (Malaysia)

The success of an animated film ‘Geng: Pengembaraan Bermula’ by a Malaysian local production house, Les’Copaque Sdn Bhd, and its side project Upin & Ipin, which is now the most popular TV animation series in Malaysia and also in Indonesia, are a new phenomenon in the local film industry. Les’ Copaque is an animation pioneer in Malaysia and a film production company that was established in 2005 to bring Malaysian stories to the world. It is a Multimedia Super Corridor (MSC) status company, and has been producing high quality 3D animation for television serials as well as advertising and public service messages. Figure 44 shows the image of the animated film.

Figure 44: Geng: Pengembaraan Bermula / Upin & Ipin



Source: Image provided by Les' Copaque (2013).

Recognizing the difficulty of penetrating the international market (US and European in particular), they have initially focused on the local market, producing animation including moral themes designed to educate children. The series has been on air successively, on Media Prima's Channel 9, Indonesian public broadcaster TVIR, and is now available on ASTRO's Disney Channel, as well as its dedicated channel on YouTube.

As a fully vertically-integrated production house, the key success factors of Les' Copaque, are that 1) they have built a strong intellectual property (IP) of their own, 2) a strategic business model starting from DVD sales, merchandising (selling products at PETRONAS gas stations, restaurants, and online), advertisements from sponsors (product placement) etc., and 3) a reliable partner in the overseas market (in this case, DNA in Indonesia). Initially, they have relied on government funds, as is

common for most players in the industry, but now approximately 50% of their revenue comes from production, and the rest comes from merchandising and other businesses, which is similar to the Disney model. The company has been in negotiations to set up an Upin & Ipin Theme Park in Sepang, in the State of Selangor, Malaysia. It is expected to open in 3 years' time, featuring park rides and other attractions centered on the Upin and Ipin brand. Les' Copaque is open to exploring business opportunities with international partners who are interested in new avenues for the established brand and market presence of over 300 million consumers.

2.7. “Lost in Thailand” (China and Thailand)

“Lost in Thailand” is a 2012 Chinese comedy film directed by and starring Xu Zheng, Wang Baoqiang, and Huang Bo. The film has grossed more than 200 million USD at the Chinese box-office to date. The film premiered on December 12, 2012. On January 1, 2013, the film crossed over the 1 billion RMB mark, the first in Chinese film history. It beat James Cameron's 3D re-issue of “Titanic” which grossed 975 million RMB and the previous Chinese record holder “Painted Skin: The Resurrection” which grossed 727 million RMB.

In addition to its success in China, the comedy film has produced ripple effects in Thailand, where the story was set. The box office hit is said to have had similar effects to Korean pop culture, which has influenced Thai society. For example, due to its success, it is said that a great number of tourists from China are being attracted to visit Thailand. According to the Tourism Authority of Thailand (TAT), 300,000 Chinese tourists visited Thailand in February 2013, up from 200,000 in February 2012, a 50 percent increase. Media also reported that 384 charter flights were planned to carry Chinese tourists to major tourist destinations across Thailand, such

as Chiang Mai, Phuket and Samui, during February 2013. It is said that in Chiang Mai alone there were 26 charter flights scheduled during the Chinese New Year. Also, according to the Kasikorn Research Centre, Thailand will be a major destination for Chinese tourists during the Lunar New Year period, thanks to the hit film. The research forecasted the number of Chinese tourists to grow by 37.9 percent to at least 800,000 in the first quarter, compared to the previous year. It was expected that the tourists would spend 29.6 billion THB in total, a 44.4 percent increase year on year.

This case study describes an important example of a ripple effect originating in one country (China) benefitting another country (Thailand), widening its effect to related industries such as tourism.