

Chinese Digital Cultural Products Exports to the Foreign Market in the Digital Era

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Abstract. China's digital cultural products have gained significant achievements in the foreign market over recent years, and their successes are reflected not only by business data but also by consumers' reputation. Intercultural communication in the digital age, however, seems to have deviated from traditions. The reason why China has achieved such accomplishments naturally becomes an issue that deserves intense debate. Based on traditional Laswell's 5W communication model, this article will combine traditional communication and intercultural communication theories to analyze the reason why China can reach such achievements and what traditional communication theories, also communication mechanism, have been reconstructed by the digital age. This article concludes that the term "cultural discount" has been turned from a barrier blocking intercultural communication to a controllable, exploratory, and participable "variable" through strategic encoding facilitated by digital media technology. Additionally, Laswell's 5W model somewhat bears certain changes, resulting in a brand-new methodology for the conversion between "high-context culture" and "low-context culture".

Keywords: Intercultural Communication, Cultural Discount, Digital Culture Exports

1. Introduction

1.1. Dilemma of traditional theories and social backgrounds

The current global intercultural communication pattern is tolerating a significant upheaval in the digital age [1]. The Western countries previously and persuasively dominated the global digital cultural products markets by the merits of their technological and military advantages. The developed countries, instead, bear "cultural discount" [2] caused by "high and low context culture", especially under the steady structure of "Media Imperialism" [3,4]. Considerations proposed by traditional theories address the significant losses or changes of the originally contained information when a cultural product from a typical "high-context culture" like China is trying to enter the western "low-context culture" market.

Examining former successful cases from several countries proves certain types of influential cultural export methodologies, and an American company, Disney, is a salient and representative case of the American method, which extensively absorbs and integrates indigenous European culture, such as fairy tales, blending with American values, regenerating with advanced technology,

exporting globally along with the American economic boom after WWII. The success of Japanese culture exports shares essential similarity with American culture exports. In the 1970s, as Japan's economy soared, it actively exported its culture while absorbing and applying Western culture to cater to the Western market. However, the essence of its cultural export is to convey an inner core of "Western value" with a shell decorated by Japanese elements [5]. The success of South Korea's cultural export demonstrates the power of the "big government" specializing in South Korea's cultural industries. A governmental energized, highly industrialized, and highly standardized "K-pop" assembly line resonates rapidly and widely in the global market. Nevertheless, tags attached to that such as "industrialized", "standardized", and "assembly line" somewhat mean homogenized; South Korea fails to keep its own culture while generating and exporting cultural products [6].

On the contrary, Chinese digital culture products not only gain both commercial and computational success in the overseas market, but also retain distinct "Chinese culture" as the product's inner core and main selling point. This phenomenon practically indicates a potent breakthrough of the "cultural discount" theory and has explored a possibility of "high-low context" transmission that can maintain a high degree of cultural uniqueness and depth while still gaining global market recognition. This also marks the beginning of China's transformation from a culture-importing country to a culture-exporting country. However, existing studies mostly focus on descriptive phenomena or case analyses, lacking systematic and theoretical deconstructive analysis of this phenomenon from the perspective of communication mechanisms, as well as how high-context cultural products can be effectively transformed in the digital media environment.

1.2. Theme and significance

This article focuses on exploring the mechanisms of how Chinese digital cultural products break through the "cultural discount" barrier caused by "high and low cultural context", taking Chinese digital games and online literature as the main examples, conducting a discussion based on Laswell's 5W communication model. Research aims at revealing how digital cultural products overcome "cultural discount" while maintaining both their cultural uniqueness and depth, providing a brand-new method for the transmission between "high-context culture" and "low-context culture". Under the current condition of enormous geopolitical uncertainty, this study also aims to find a practical and sustainable path for China's digital cultural exports, theoretically supporting the switch of global intercultural communication relation from "contradiction" to "communication", thereby technically reinforcing global culture diversification.

2. Challenges of Chinese digital cultural products

As mentioned above, the current challenge of Chinese digital cultural products to win market share globally lies in how to overcome "culture discount" under a Western-dominated global media structure and eventually achieve the successful conversion from "high-context culture" to "low-context culture".

The very first and salient issue is the global media power inequality as pointed out by the theory of media imperialism, which is a term proposed by American Scholar Oliver Boyd-Barrett as early as 1977, who shares the belief that Western countries, mainly United States, have long held advantages in global media and cultural communication by virtue of their economic, technological, and military advantages. Even though China possesses a vastly different global status compared to decades ago, American tech giants still firmly occupy the largest market shares in global digital media platforms; therefore, preferences representing Western values have naturally been

incorporated into the foundation of platform algorithms. Things that have long been rooted in the general public's mind are things representing Western mainstream values and aesthetic standards. Thus, what must be broken through are both technological lockdown and public consciousness.

As a country that possesses a "high-context" culture, it is vital for China to consider a way to avoid "cultural discount" when exporting its cultural products to Western "low-context" culture countries. Taking "Black Myth - Wukong" as an example, some symbols in the game such as "the binding curse", "cause and effect reincarnation", and "previous life and present life" - which contain rich information in Chinese culture and as Buddhist elements - pose a challenge in terms of translation and understanding. The game's storyline is set against the backdrop of the Chinese classical literary myth, "Journey to the West", and incorporates Chinese classical philosophy and folk tales. For Western consumers, these might merely be "mysterious visual symbols" and "storylines hard to understand" from exotics, lacking the systematic cultural knowledge to support a comprehensive understanding [7].

3. New 5W communication model under the digital age

Digital technology offers an innovative approach for intercultural communication. Chinese digital cultural products' success in the overseas market demonstrates a complex communication mechanism that involves the cooperation of multiple active communicators, multiple platforms, and the allowance for participation. The reconstruction of the 5W communication mechanism by digital technology becomes the key to overcoming cultural barriers. The dissemination of information is no longer a simple unilateral output by a single active communicator; instead, it is participatory dissemination under the collaboration of multiple entities. In the traditional 5W model (who, what to say, which channel, to whom, what effect), each part of the process is no longer independent, and the boundaries of its functions have become blurred. For instance, the communication channel can also be an active communicator (who), and the audience (to whom) can also be an active communicator and a communication channel (which channel).

3.1. Evolution of communicators (who)

Firstly, the evolution of communicators (who) demonstrates the sharp shift from a single centralized entity to a collaborative network, which is a distributed network that consists of "company - community - algorithm - KOL". Fandoms can be transformed from passive consumers to active communicators (who). For example, players of NetEase's online RPG game "Where the Winds Meet" in the research group on Reddit actively undertake the functions of "decoding" and secondary dissemination. Platforms, usually deemed as a communication channel (which channel), can also become a new communicator with the assistance of algorithms. For instance, TikTok can actively make personalized recommendations based on user personas.

3.2. Encoding content (say what)

Communicators (who) actively reconstruct the content of communication (say what) through "strategic encoding", turning "cultural discount" into a "premium" on culture. This "strategic encoding" can be divided into three layers and the most superficial layer is the perceptual, or physiological, layer. Those companies firstly pursuit technological excellence to ensure aesthetic success, both visually and auditorily. The best rendering technology so far is one of the "hard techs" providing the audience enjoyable visual experience. The "Chinese martial arts" that attract Western

audiences are integrated into the game operation, and the music production combines traditional Chinese instruments with the performance of a Western symphony orchestra. This layer serves as a physiological attraction to the audience. Chinese companies present the redesigned cultural symbols as the second level, and those companies demonstrate a profound understanding of those traditional cultural symbols, especially the meaning behind them, whether as an abstract concept or an aesthetic aspect. In other words, Chinese producers precisely capture the essence of cultural symbols and accurately combine them with digital media features. When it comes to the deepest level of philosophical value and Chinese culture study, Chinese producers do not preach dogmatic principles, but create an environment embedded with "cultural Easter eggs" and a philosophical storyline allowing free exploration and discussion [8].

3.3. Media channel ecosystem

Furthermore, digital communication channels have formed a self-reinforcing "eco-system". Digital platforms (which channel), based on algorithms such as TikTok, Instagram, and YouTube takes the role of primary content disseminator and initial linkage with the public. Their auto-recommendation based on the users' data can accurately identify potential folks of interest, even creating an algorithm-based cross-platform and cross-content type recommendation network. After users watch Chinese short plays, they are recommended historical and cultural explanation videos. After understanding the basic background, they are then recommended more in-depth cultural analysis content. This "step-by-step recommendation" gradually lures consumers into Chinese culture, setting the stage for their final paying action [9]. In such cases, digital media platforms (which channel) can also be deemed as an active communicator (who). What is more important is the cross-platform interaction between digital communication platforms with different functions [10]. For example, a successful web novel initially serialized on Webnovel can lead to the production of a comic that can be broadcast on YouTube. A successful game initially released on the Steam platform can give rise to fan fiction that can be serialized on Reddit or Webnovel. The system also expands the contact area of potential users (to whom), providing them with more entry points. It also enables the "continuity" of the same product, enhancing user stickiness.

3.4. Final effect (what effect) leading a positive feedback loop

At last, the final consequences (what effect) is a positive feedback loop. The most direct indicator is the short-term business data, such as product revenue and the number of users. The deepest effect, however, is that consumers (to whom)' positive reviews eventually lead to an emotional connection and cultural value recognition with Chinese culture. Some users develop an interest in Chinese culture due to the product and thus start to systematically study Chinese, Chinese philosophy, and Chinese history. Ultimately, the communication effect expands to the ecological level, forming a sustainable ecological system where global creators participate in the re-production of content and the narrative mode of Chinese culture influences international creation. When new digital cultural products featuring Chinese culture enter the Western market, consumers will "extend their affection" from the previous products to this new product due to the positive impression and cultural "affection" for Chinese culture they had, thereby facilitating the faster circulation of this new product in the Western market.

4. Obstacles and inspirations

4.1. Obstacles

In recent years, unstable global geopolitics have added uncertainty to the process of cultural export. Some Western countries, considering international strategic competition, have become more stringent in their review of Chinese cultural products, have imposed more restrictions on platforms, and have driven public opinion towards certain areas more complex [11]. "China's Digital Culture Global Dissemination Development Report (2024-2025)" clearly states that geopolitical factors have become a vital variable influencing the effectiveness of overseas expansion. Although Chinese companies have made progress in reducing cultural discounts, a full comprehension of the cultural aspects of the digital products that the companies tried to convey is still a target hard to achieve. Overseas consumers' understanding of Chinese culture still mainly focuses on a very superficial level, considering it as aesthetical and exotic symbol. Most consumers have limited comprehension of philosophical concepts and value systems, having a low "cultural asset" to reach the depth. In other words, most consumers merely treat the elaborately designed, or "encoded", cultural symbols of business owners as simple and attractive exotic element and aesthetic symbols, to satisfy their "national culture imagination" of other countries. Furthermore, the current success in both business data and users' reputation is only demonstrated by certain hit products. How to establish a sustainable business model still needs to be explored. Data shows that the average lifespan of Chinese games in the overseas market is 2.3 years, which is lower than the average lifespan of Japanese games (3.1 years) and South Korean games (2.8 years). There is also plenty of space for improvement in indicators such as user retention rate and long-term payment willingness [12].

4.2. Inspirations

The long-time preserved hypothesis of the traditional cultural discount theory is that cultural differences prevent the audience from fully understanding the original connotation. The interactivity nature of digital media offers a chance to break this barrier: when cultural differences are designed as an attractive, immersive and free-to-explore "digital fantasy world" featuring puzzles and stories rather than "obstacles preventing culture communication", the differences themselves may become a source of "nation cultural imagination" for Western consumers towards other countries, and thus become an attractive factor [7]. In the digital age, cultural discounts can be controlled through encoding strategies, communication channels, and dynamic adjustments in interaction design. At the same time, the successful overseas expansion of Chinese digital cultural products provides an example for the transformation between high and low contexts. The transformation process can shift from one-time didactic indoctrination to a participatory and exploratory experience, allowing consumers to freely explore based on their own "cultural assets" and personal preferences. At the same time, this also indicates a shift in intercultural communication from "one-way output" to "joint exploration". The communicator does not attempt to make the audience accept the pre-determined cultural information but invites the audience to jointly explore the depth of the cultural world. The audience is not a passive recipient of information, but an active seeker of meaning, co-constructor, and disseminator. The communication effect is not a simple change in attitude, but an expansion of cognition and the establishment of an "open relationship".

5. Conclusion

5.1. Summary

By exploring the underlying mechanisms behind the successful cases of China's digital products overseas expansion, it has achieved a breakthrough in both traditional theoretical and digital-era communication mechanisms. Theoretically speaking, in the traditional "cultural discount" theory, "cultural discount" is no longer an insurmountable obstacle but a "navigable variable" that can confer competitive advantages through systematic encoding strategies. Business owners have successfully achieved this by means of "strategic encoding", successfully transforming the "cultural differences" that might have caused comprehension difficulties into attractive "cultural uniqueness", thereby providing new possibilities for the effective transformation of high-context and low-context cultures. By constructing a meaningful system that is accessible, exploratory, and participatory, the profound essence of high-context culture can be gradually understood and accepted by low-context audiences in a non-doctrinal manner, thereby achieving effective communication while preserving the core of the culture.

In terms of the communication mechanism, digital technology has restructured the traditional communication model. Digital technology has transformed the traditional 5W model from a linear, one-way communication process into a complex ecosystem involving multiple active communicators collaborating, multiple platforms interacting, and the audience being able to participate. In this new system, the functional boundaries of each part in the original 5W model become ambiguous; communicators (who), channels, audience (to whom), and even platforms can play each other's role. Eventual consequence is not only reflected on the short-term, superficial market data and public reputation, but a more essential "emotional and cultural bindings" tightly ties consumers' recognition, forming positive emotional feedback towards Chinese culture.

5.2. Future development

This article provides a new analytical framework for intercultural communication model theory in the digital age and a new methodology for "high-low context of culture" conversion. Future research can be further developed in the following directions. Firstly, it is necessary to conduct more comparative studies on both English-speaking and non-English-speaking markets, noticing the inner difference even within "low-context culture" and English-speaking territories. Another missing indicator is the long-term tracking data of the shaping effect of cultural exports on the cognitive structure and cultural identity of the audience. Research should also focus on how to expand the average life span of Chinese products and users' willingness to consume. The practice of Chinese digital cultural exports indicates that in the digital age, cultural differences can serve as the starting point of "cultural globalization" rather than the end point of communication. The success of China's cultural export illustrates important insights for building a truly diverse, equal, and innovative cultural ecosystem globally.

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