Although Hollywood has long been editing films to satisfy government censors, more recently, it has been dropping in unique scenes to cater specifically to the non-U.S. audiences it is targeting. Studios are also adapting their scripts to better appeal to global audiences. For example, although the remake of the movie *Red Dawn* (2012) was a box-office flop, with proceeds of a mere $51 million on a budget of $65 million, producers revised the script to avoid alienating Chinese moviegoers (and to satisfy Chinese censors). Instead of a Chinese army invading the West Coast of the United States, audiences now saw a North Korean army. Moreover, Hollywood has begun casting foreign actors in leading roles. For example, the film *G.I. Joe: The Rise of Cobra* prominently featured South Korean movie star Byung-hun Lee and South African actor Arnold Vosloo. Lastly, Hollywood has been known to pull the plug on projects that seem too U.S.-centric. For instance, Disney's *Wedding Banned,* a romantic comedy about a divorced couple trying to prevent their daughter from getting married, was axed in the advanced production stage despite several marquee stars (Robin Williams, Anna Faris, and Diane Keaton) because of perceptions that it would not succeed outside the American market.

Hollywood's Global Challenges

The fact that roughly $7 out of $10 of Hollywood's revenues come from international ticket sales is a bit surprising given the challenges Hollywood faces in some international markets. One challenge is potential government interference with content. For example, in China, before a film import gets seen by the public, it must undergo screening by government censors. The Chinese release of the Oscar-award winning film *Django Unchained* was temporarily canceled due to "technical reasons," which were interpreted to mean excessive violence and sexual content. By the time the film was recut and released, it performed poorly, in part because many Chinese filmgoers had already seen the unedited version of the film on pirated DVDs.

This brings us to another challenge that Hollywood studios face in their effort to go global: *piracy*. Responses to piracy can vary, as in the case of the European Union (EU), where, for instance, Britain and France impose fines on producers and buyers of pirated content, but Spain does not—in fact, Spain has long been a safe haven for the distribution of illegal movies (and music). Although Spain did pass a law in 2011 to provide better protection of copyrighted material, when nearly 50 percent of the country's internet users admit to illegally downloading copyrighted content (twice the EU average rate), that makes enforcement of the law notoriously difficult. Piracy results in lost revenue, which is one reason movie studios are moving toward simultaneous, worldwide release of anticipated blockbusters—the hope is that this tactic will cut down on those revenues losses.

China is also infamous for rampant infringement of copyright, resulting in a flourishing market for bootleg content. A Chinese government report in 2010 found that the market for pirated DVDs was $6 billion. As a comparison, the total box-office revenues in China in the same year were a mere $1.5 billion. One reason is that ticket prices for movies in China are steep and movies are considered luxury entertainment that few can afford. Another reason that black-market sales in China are so high is that legitimate sales often are not allowed. China allows only a few dozen new non-Chinese movies into its theaters each year. Additionally, it has strict licensing rules on the sale of home-entertainment goods. As a result, there is often no legitimate product competing with the bootleg offerings available via DVD and the internet in China.

With the move from physical media such as DVDs and Blu-ray discs to online streaming, Chinese streaming and video-on-demand services are also growing rapidly. In 2016, PPTV, a Chinese online streaming website, secured the post-theater rights to *Warcraft* for $24 million, indicating a potentially new source of revenues for Hollywood.