

# Cross-Media Industrial Expansion - Take "The Lord of the Rings" as an Example

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## ABSTRACT

This paper explores the extensive success of "The Lord of the Rings" (LOTR) as a prime example of cross-media industrial expansion. Originating from J.R.R. Tolkien's novels, LOTR has achieved significant commercial and cultural milestones through films, TV series, and video games, generating around \$20 billion in revenue. We analyze the principles of trans-media storytelling, where each medium—literature, film, and games—enhances the narrative world. The paper also highlights the fan economy's role in sustaining the brand through community engagement and user-generated content. Challenges in cross-media collaboration, such as content integration and copyright management, are discussed, with suggested solutions including advanced technologies like VR and AR. Case studies like "Pokemon GO" and virtual events in "Fortnite" underscore the innovative potential of cross-industry partnerships. Empirical analysis shows substantial revenue from licensed merchandise and spin-offs, validating the commercial viability of IP cross-field construction. The paper concludes by addressing future trends and challenges, emphasizing strategic planning to maximize the cultural and economic impact of IPs like LOTR.

## KEYWORDS

The Lord of the Rings; Cross-media industrial expansion; IP cross-field construction; Trans-media storytelling; Fan economy

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## 1. INTRODUCTION

The Lord of the Rings (The Lord of the Rings, as a classic representative of modern fantasy literature and film and television works, The Lord of the Rings) series has not only achieved a high status and attainments in the literary field, but also achieved great success in the commercial field. J.R.R. Tolkien (J.R.R. Tolkien) Since the creation of the novel The Lord of the Rings, this series of novels have achieved cross-field industrial cooperation in just a few decades through movies, TV dramas and video games, creating a commercial value of billions of dollars.

The Lord of the Rings film series is based on Tolkien's trilogy of novels of the same name, and is directed by New Zealand director Peter Jackson (Peter Jackson). The series has won 351 international awards and 284 nominations, including 17 Academy Awards. "The Lord of the Rings: The Return of the King" has won 11 Academy Awards, along with "Bin Xu" and "Titanic". In addition to the numerous awards and reputations, the trilogy has also declared a huge commercial success with \$2.917 billion at the box office, with both fame and fortune.

And when it comes to the Lord of the Rings series, produced by J.R.R. Tolkien's original novel is the cornerstone of all his achievements today. J.R.R. Tolkien (J.R.R. Tolkien, 1892- -1973) is a famous British writer and linguist, professor of English language and literature at Merton College, Oxford

University, who once taught Old English heroic poetry and English history. Understand the classical myth system of Tolkien, with its magnificent imagination and profound language, not to write a legend, an epic, but hope through their works to build a belong to the English world myth system — "The Middle Earth": happened in Arda (Arda) in the fictional magnificent world of epic and legend. Tolkien has shaped a complete and orderly chronological history of the Arda world, with a magnificent and detailed geographical landscape, and a precise system of gods in their own place. Both the Hobbit and the Lord of the Rings are set in the middle continent of the Arda world in the late Tertiary period. Here, the elves, human, hobbit, dwarfs, the tree people, and their language, traditions, customs, are closely related to each other; the tree, the song and the sigh, behind the story and legend.

Tolkien first wrote *The Hobbit* (a prequel to the *Lord of the Rings*) to tell his children a fireside story, a setting that first gave the Hobbit endless imagination. Tolkien also found an epic temperament beyond the imagination for the work in the gradual development of later stories. "*The Lord of the Rings*" has been selling well in the West for 75 years, selling more than 150 million copies.

The king of the Rings is the enduring IP, and there is still a steady stream of creative vitality. In recent years, the prequel series "*The Lord of the Rings*" launched by Amazon (*The Lord of the Rings: The Rings of Power*) has further expanded the story line of Middle Earth and attracted the attention and love of the audience, more than 25 million people around the world watched the premiere of the series; the series is as high as 64 million dollars, known as the most expensive American drama in history.

As the video game industry prospers, the *Lord of the Rings* has also released such great titles as *Middle Earth: The Shadow of the War* and *The Lord of the Rings: The Northern War*, which have generated significant profits. *Middle Earth: Shadow of War* has sold more than 400,000 units on Steam. Today, the total revenue of the *Lord of the Rings* series has reached a high of \$20 billion, ranking 20 in the global IP value list. The main purpose of this article is to analyze these successful practice cases and take the *Lord of the Rings* as an example to explore the great potential and feasibility of IP cross-field industrial construction.

## **2. LITERATURE REVIEW**

With globalization and advances in digital technology, the boundaries of the entertainment industry are increasingly blurred, and cross-media collaboration between novels, movies and games has developed a new business architecture. This collaboration not only breaks the traditional single-media model, but also creates a multi-level user experience and business revenue structure. This new business architecture is often accompanied by various business models, such as:

### **2.1. Trans-media Storytelling**

Cross-media narrative (trans-media storytelling) refers to conveying a story through multiple media forms, each media providing unique information and experience to build a more complete and fascinating narrative world. In his book *Convergence Culture: Where Old and New Media Collide*, Henry Jenkins (2006) notes that trans-media storytelling can enhance users' sense of engagement and immersion, as it encourages users to explore and interact between different media platforms. In the example of *The Lord of the Rings*, the original novel lays the foundation through its rich narrative and complex character shaping, while the film presents this narrative in visual form, providing a more intuitive experience for the audience. The subsequent video games further expanded the interactivity and immersion of Middle Earth, allowing fans to participate in a more personalized way.

Scolari (2009) pointed out in his research that this multi-channel narrative strategy enables the story to spread in a wider cultural context, enhancing its appeal and influence. Cross-media collaboration not only innovates in the narrative, but also creates significant commercial revenue. The *Lord of the Rings* franchise has grossed more than \$3 billion worldwide, and related video games, books, role-

playing games and other spin-offs have also generated significant money for copyright owners. Bode (2014) points out in its research that through cross-media cooperation, copyright holders can maximize revenue in different markets while reducing risks. In particular, the expansion of the game market has brought new growth points for the Lord of the Rings brand. According to Schneider's analysis (2015), the launch of video games has not only attracted fans of the original novels and movies, but also attracted a large number of young gamers, thus expanding the brand's audience. This strategy of market expansion shows the great commercial potential of cross-media collaboration.

## **2.2. Fan Economy in Cross-media**

Fan economy is an important part of cross-media cooperation. In his research on fan culture, Hills (2002) noted that fan engagement and loyalty play a key role in the continued development of the brand. "The Lord of the Rings" forms a huge global fan base through the combination of novels, movies and games. These fans not only actively consume related products, but also promote the further spread of the Lord of the Rings brand through various community activities (such as online forums, role-playing activities, etc.). These community events not only enhance the emotional connection between fans and the brand, but also expand the brand's influence through word-of-mouth and user-generated content. Duffett (2013) pointed out in its research that the activity of the fan community can significantly affect the market performance of the brand, because loyal fans are usually the best communicators and supporters of the brand

The trans-media success of The Lord of the Rings has not only achieved significant in business, but also had a profound impact on global culture. Thompson (2007) pointed out in his research that cross-media works can become part of specific cultural phenomena and have a wide impact on popular culture and social psychology. By constantly expanding its brand and story, The Lord of the Rings has become a part of global culture, with its influence far beyond the scope of the original novel. This brand extension strategy provides a useful reference for the cross-media expansion of other literature and film and television works.

## **2.3. Shortcomings and Countermeasures in Cross-media**

### **2.3.1. Shortcomings in cross-media**

Although cross-media cooperation brings many advantages, it also faces some challenges. First, content integration and coordination between different media platforms is a complex task, involving multiple aspects, including copyright, artistic creation and marketing strategy. Moreover, user expectations and needs are constantly changing with the technology, which requires brands to remain innovative and flexible in cross-media collaboration.

### **2.3.2. How to deal with the existing shortcomings of cross-media**

Although cross-media cooperation has brought many advantages in business and user experience, its challenges cannot be ignored. To effectively respond to these deficiencies, companies and creators need to adopt multifaceted strategies.

#### **(1) Adopt advanced technologies and tools**

As digital technology continues to advance, cross-media collaboration can use advanced tools and technologies to optimize the content production and dissemination process. For example, cloud computing and big data analytic can help brands better understand user needs and market trends, and thus conduct more accurate content creation and marketing. In addition, emerging technologies such as virtual reality (VR) and augmented reality (AR) also provide new possibilities for cross-media narrative, enhancing users' immersive and interactive experience. (Bolter, J.D., & Grusin, R. (1999). *Remediation: Understanding New Media*. MIT Press. Steuer, J. (1992). *Defining virtual reality: Dimensions determining telepresence*. *Journal of Communication* )

## (2) Improve the copyright management and legal awareness

Especially in the case of multiple creators and platforms involved, so in order to avoid legal disputes and copyright infringement, brands should strengthen copyright management and legal awareness. Specific measures include: working with professional legal teams to ensure legal compliance in copyright transfer and use license; establishing a sound copyright management system to track and record copyright information of various media platforms; enhancing copyright awareness of creators and employees to avoid unnecessary legal risks.

(Litman, J. (2001). *Digital Copyright: Protecting Intellectual Property on the Internet*. Prometheus Books. Copyright management and legal issues in the digital age are discussed. Lessig, L. (2004). *Free Culture: The Nature and Future of Creativity*. Penguin Books. It discusses the influence of copyright law on creative freedom and cultural development, and puts forward legal and compliant copyright management suggestions.)

## 3. EMPIRICAL ANALYSIS

The success of the Lord of the Rings series lies not only in its stunning visuals and fascinating storyline, but also in the huge IP (intellectual property) value behind it. Through cross-field industrial co-construction, this IP has shown great potential and feasibility in a global scope.

From literary works to film adaptations, The Lord of the Rings has successfully brought Tolkien's fantasy world into the eyes of modern audiences. The huge success of the film trilogy has spawned various derivative products, such as games, toys, clothing and memorabilia. These products not only enrich the experience of fans, but also provide a broad space for the further development of IP.

According to 2023 statistics: Globally, six IP revenues exceeded \$50 billion, and Pokemon held the top spot with about \$100 billion, with 67% coming from licensed products, video games and card games accounting for 19.5% and 12.1%. In second place, the Hello Kitty series generated about \$86 billion in revenue, including \$85.832 billion in licensed merchandise and \$26 million in comic magazines and music CD.

It can be seen from these data that the co-construction of IP cross-field industries is very successful. Licensed goods occupy the largest share, indicating that IP can greatly expand its influence and revenue streams through brand licensing and sales of related products. Video games and card games also contributed a considerable portion of the revenue.

### 3.1. Based on These Observations, We Can Speculate the Development Trend of IP Cross-Field Industry Construction in the Future:

(1) Authorized goods: With the largest proportion of revenue, IP may further expand more authorized goods categories and markets in the future. For example, with the launch of more cooperative brand products, limited edition collectibles, etc., it is expected that the authorized merchandise revenue may continue to remain between 60-70% in the next few years, and may even grow further.

(2) Video games: With the development of technology and increased player demand, the video game market still has a lot of room for growth.

(3) Card games: Card games, as a relatively stable and popular area, are expected to maintain a revenue ratio of between 10-15%. For example, IP cross-field industrial co-construction has broad development prospects in the future. With the progress of science and technology and the change of consumer demand, this field will show a more diversified and innovative trend.

## **3.2. Iteration in Technology: The Deep Integration of Digitalization and Virtual Reality**

Virtual reality (VR) and augmented reality (AR)

In the era of digital media, the rise of online platforms and social media has provided new opportunities for the cross-field co-construction of the Lord of the Rings IP. Through online interaction, virtual reality (VR) and augmented reality (AR) technology, fans can become more deeply involved in the fantasy world. For example, with VR technology, audiences can experience classic scenes and even interact with characters.

### **3.2.1. Pokemon GO**

Pokemon GO is an augmented reality (AR) game developed by Niantic and released in collaboration with Nintendo and Pokemon. The game uses AR technology to project virtual Pokemon characters into the real world, which users can capture in a real environment through their phone's camera. The success of the game not only enhances the awareness of the Pokemon brand, but also demonstrates the great potential of AR technology in IP cross-field cooperation, creating a new model for the integration of IP and mobile application technology.

### **3.2.2. Fortnite and Travis Scott virtual concert**

Fortnite is a multiplayer online game developed by Epic Games. In 2020, a Travis Scott virtual concert was held in the game, which attracted more than 27 million players.

Impact: The event demonstrated the potential of the meta-universe concept in IP cross-domain cooperation, providing a virtual platform for the seamless combination of music, games and social interaction, creating a new user experience.

### **3.2.3. Metacuniverse**

The rise of the concept of meta-universe (Metaverse) will provide new platforms and opportunities for IP cross-field construction. In the meta-universe, different IP can be seamlessly connected, and users can freely explore and interact in a cross-domain virtual space. Metacom is not only an extension of virtual reality, but also integrates social networking, entertainment, business and other fields, creating infinite possibilities for IP cross-field cooperation.

## **3.3. Diversification of IP Cross-Border Cooperation**

### **3.3.1. Peloton works with Disney**

Peloton is an interactive fitness service company that has worked with Disney to launch Disney animation-themed fitness classes. This cross-border collaboration has attracted not only fitness enthusiasts, but also Disney fans, expanding the user groups of both sides.

### **3.3.2. Cooperation between Kao and Disney**

Kao and Disney have teamed up to launch a children's shampoo called "Miaomiao Dragon," which has built-in Disney cartoon characters such as Winnie the Pooh and Mickey. This shampoo not only helps to clean their hair, but also allows children to feel the joy of Disney as they wash their hair.

### **3.3.3. Cooperation between Lenovo and Harry Potter**

Lenovo and Harry Potter have teamed up to launch a laptop called "Magic Book," which has built into Harry Potter content, such as magic spell, magic wand and more. This computer not only has high-performance features, but also allows users to feel the magic world of Harry Potter while using the computer.

### **3.4. Promotion of Culture and Tourism**

The development of theme parks and tourist attractions provides a new direction for the cross-field industrial co-construction of the Lord of the Rings IP. New Zealand's village of Hobiton has become a popular destination for fans around the world, attracting a lot of tourists to experience the scenes in the film. This immersive travel experience not only enhances the popularity of IP, but also brings significant benefits to the local economy.

In the new era of business, the famous IP's cross-field launch of product marketing and cross-border cooperation with IP, making IP break through the original field and maximize the value of IP, has been proved to be an effective business means, and often can create immortal miracles.

## **4. SUMMARY**

In today's era of highly developed digitalization and Internet, IP cross-field industrial co-construction has become a trend that cannot be ignored. IP (intellectual property), as an intangible asset, has great commercial value and cultural influence. By combining IP resources with other industries, it can not only expand its application scope, but also create more business opportunities and economic value.

First of all, IP cross-field industrial construction can realize the optimal allocation of resources. A successful IP often has a huge fan base and brand influence. By combining it with different industries, it can realize resource sharing and complementary advantages, and form a complete industrial chain. Such cross-field cooperation can not only enhance the market competitiveness of various industries, but also provide consumers with a richer and more diversified consumption experience.

Secondly, IP cross-field industrial construction helps to enhance the brand value. Through cooperation with other industries, IP can further expand its popularity and influence through the brand influence and market channels of partners. At the same time, partners can also use IP popularity and fan base to improve their brand image and market position. This mutually beneficial and win-win cooperation mode helps to maximize the brand value.

Moreover, IP cross-field industrial co-construction can stimulate innovation vitality. The collision and integration between different industries can often inspire new ideas and inspiration. This cross-field innovation cooperation can not only enrich the expression form of IP, but also bring a new experience to consumers.

"The Lord of the Rings is able to maximize its value across many fields. In the process of cross-field industrial cooperation, the Lord of the Rings team showed a high degree of innovative spirit and keen market insight. They not only perfectly restore the classic scenes and characters in the original work to the screen, but also constantly expand the boundaries of IP through games, animation, music and other forms. These derivative works not only enrich the narrative system of The Lord of the Rings, but also provide fans with more diversified interactive experiences, further deepening their emotional connection to IP. At the same time, the success of "The Lord of the Rings" is also inseparable from its strong brand influence and precise marketing strategy. Through well-planned promotional campaigns and cross-border collaboration, the team has successfully turned The Lord of the Rings into a cultural symbol of global influence. This brand effect not only attracts a large number of loyal fans, but also provides strong support for the commercial operation of IP.

Looking into the future, IP cross-field industry co-construction is also facing some challenges. First, cooperation between different industries needs to overcome cultural and technical differences to ensure smooth communication and collaboration between the two parties. Secondly, the cross-field development of IP needs to fully consider the market environment and consumer demand of various industries to avoid the waste of resources caused by blind expansion. Finally, the protection and rights protection of IP also need to be paid attention to to ensure that the legitimate rights and interests of IP are not infringed in the process of cooperation.

The cross-field co-construction of the Lord of the Rings IP will continue to deepen. As technology advances and the market changes, it is reasonable to believe that The Lord of the Rings will appear in our lives in a more colorful form. To bring us more surprises and moved. At the same time, its successful experience will also provide valuable reference and reference for the development of other IP, and promote the development of the whole cultural industry to a more prosperous and diversified direction.

To sum up, IP cross-field industrial co-construction has great potential and feasibility, but it also needs to overcome certain challenges. Through reasonable planning and scientific management, IP cross-field industrial co-construction will bring rich returns to all participants, and promote the prosperity and development of the entire cultural industry.

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