

From Restricted to Shared: The Intersectional Pleasure Mechanisms in Chinese Horror Games (2001-2024)

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ABSTRACT

This study examines how Chinese horror games developed under strict regulation from 2001 to 2024. It built a framework with three parts: regulation policy, platform distribution, and cultural narrative. The research analyzed games from three periods to show how these forces work together. The findings show that regulation pushed developers to use psychological horror instead of visual shocks, creating restricted pleasure through sustained tension and strategic pleasure through interpretive engagement. Platform distribution transformed private horror experiences into shared social entertainment, which created shared pleasure. Finally, developers moved from folk symbols to social themes. This helped games reach global players.

This work demonstrates how restrictions can catalyze creativity. Chinese developers internalized regulations as narrative drivers while leveraging platforms to reconstruct consumption patterns. This study contributes to game studies by providing a theoretical framework for analyzing how cultural industries in controlled markets achieve international distinctiveness through creative adaptation rather than imitation of Western and Japanese paradigms.

Keywords

Chinese horror games, content regulation, censorship, platform, cultural narrative

INTRODUCTION

In recent years, the Chinese game industry has experienced rapid development and started to catch the world's attention. Since 2001, Chinese horror games in particular have found their own voice, blending local culture with influences from the West and Japan. They have moved from underground circulation to attracting international attention for their distinctive approach to horror. However, since the implementation of the *Administration of Electronic Publications* in 1996, China's game industry has faced strict content review standards, especially for horror games, which are considered types that may harm the physical and mental health of minors and are therefore strictly regulated.

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Despite these regulations, Chinese horror games, represented by *Paper Dolls* (Beijing Litchi Culture Media Co., Ltd, 2019), *Firework* (Shiyong Studio, 2021), and the *Paper Bride* series (HeartBeat Plus, 2020), have attracted widespread attention both domestically and internationally. For instance, *Firework*'s sales data in 2021 reached 300,000 copies, and despite releasing the English version ten months later, it received overwhelmingly positive reviews from international players, maintaining a "Very Positive" overall rating. More significantly, these games have sparked discussions in international gaming communities about Chinese horror aesthetics and narrative approaches. This phenomenon challenges traditional cultural production theory, which assumes that strict control inevitably leads to the exhaustion of creativity. However, Chinese horror games demonstrate a different reality.

To analyze this phenomenon more precisely, this study defines Chinese horror games as video games developed by Chinese developers that generate horror experiences through indigenous cultural narratives—including folk traditions, collective memory, and social anxieties—which carry particular resonance for Chinese-speaking players/audiences.

Research Problem and Purpose

Past studies on Chinese horror games have primarily focused on single analytical dimensions, whether examining folk symbolism and aesthetic experience from cultural perspectives (Gao 2022; Wang 2023; Ning 2025), analyzing virtual space production through political economy frameworks (Zhou 2022), or investigating narrative structures and storytelling techniques (Lu 2023). These approaches often overlook critical factors such as international market dynamics, China's unique censorship standards, and the influence of Western and Japanese horror games on local creation. More importantly, they cannot explain a core paradox: How did strict censorship shape the development of distinctive localized innovations in Chinese horror games? This study does not assume a deterministic causal relationship but rather examines how developers strategically responded to regulatory constraints through creative adaptation.

Existing literature on censorship concentrates mainly on rating systems and violence control (Gao 2022; Ivory and Sriram 2009; Wojciechowski 2010; Shiratori 2003; Muller 2015). Scholars have examined how regulation affects foreign games entering the Chinese market (Zhang and Chiu 2020) and conducted systematic analyses of China's censorship system (Ye 2015; Dai 2019; Cheng 2016), yet these studies mostly remain at the macro policy level, with few investigating how developers employ micro-level narrative strategies to circumvent specific regulations. Research on distribution platforms primarily focuses on viewer/player connections and economic benefits (Lee et al. 2025). Although Chaiyanan and Teeravarunyou (2023) indicate that contemporary audiences prefer streamer-mediated content for emotional buffering, and Pan (2025) demonstrates how Danmaku culture transforms death fear into collective humor, current literature rarely examines how these preferences inversely shape game design. As for cultural narrative, studies have analyzed folk symbols and collective trauma in games (Gao 2022; Zhou 2022; Wang 2023; Lu 2023), yet these studies remain limited to textual interpretation without explaining how cultural strategies respond to censorship pressure or achieve cultural resonance through platform mediation.

Based on these research gaps, this study explores how Chinese horror games strategically utilize local cultural narrative to build distinctive creative approaches under strict censorship and global platform distribution. Through historical analysis of three developmental stages, Dawn Period (2001-2016), Transition Period (2017-2023), and Expansion Period (2024-), this paper examines how censorship, platform distribution, and cultural narrative dynamically interact to generate strategic pleasure and shared pleasure. This three-dimensional framework reveals a pleasure transformation mechanism wherein streaming ecology converts restricted pleasure into shared pleasure, demonstrating how Chinese developers internalized policy regulations as narrative driving forces and forged a unique creative path distinct from Western and Japanese models.

THEORETICAL FRAMEWORK: THREE FORCES AND CORE PLEASURE TYPES

This study constructs an analytical framework based on three interconnected forces, which are policy regulation, platform distribution, and cultural narrative, that dynamically shape Chinese horror games throughout their development history.

The Three Forces

Policy Regulation — The Force of Restriction

Policy regulation refers to a top-down content management mechanism. It includes several components: government content review (such as prohibitions on promoting superstition, gore violence, and sensitive political content), the Banhao system for online game publication (known as the Publication number or ISBN system), and developer self-regulation arising from gray areas in the review process.

Policy regulation establishes content boundaries that constrain the expressive range available to developers, particularly regarding supernatural and violent content. These constraints fundamentally shape what kinds of horror can be shown and how developers must present their stories. Traditional horror games typically present supernatural elements such as ghosts directly, but Chinese developers often face difficulties in doing so. This forces them to reconstruct their narratives by internalizing fear sources into social or psychological factors rather than supernatural ones.

Platform Distribution — The Force of Mediation

Platform distribution in the Chinese horror game industry consists of two primary dimensions: offshore digital distribution platforms, such as Steam, and video or streaming platforms, including Bilibili and YouTube. To contextualize how these platforms operate these platforms, it is necessary to examine the broader distribution channels. Chinese horror games have utilized six main platform types throughout their development(Huang 2025): (1) official releases with mandatory license (Banhao), (2) PC gaming platforms such as Steam, (3) mobile platforms including App Store and TapTap, (4) indie game distribution sites like ITCH.IO, (5) online forums such as Baidu Tieba and RPGMaker forums, and (6) cloud storage services for direct downloads.

In the Dawn Period (2001-2016), platforms (5) and (6) were predominant, with games primarily circulating through non-commercial community channels and direct downloads. The Transition Period (2017-2023) saw rapid growth in platforms (2) and

(3), establishing viable commercial circuits due to Steam’s increasing popularity and the growth of mobile platforms. The In-App Advertisement (IAA) model emerged as an effective monetization strategy that circumvented Banhao requirements. In the Expansion Period (2024-), all platform options coexist, allowing developers to select optimal combinations based on market strategies. Multilingual support and simultaneous international releases have also become standardized practices.

Across these six platform types, platform distribution transforms how horror content circulates and how audiences engage with it. Steam and mobile platforms primarily serve as distribution channels, enabling developers to bypass domestic regulations and directly monetize their games. In contrast, video and streaming platforms such as Bilibili and YouTube play a distinct mediating role by transforming private horror experiences into social content. Yunwanjia¹ can observe, interact with, and quantify this content without directly participating in gameplay.

Scully-Blaker et al. (2017, 2034) describe how this mechanism shifts the game experience from “playing along” to “playing for” an audience. Toniolo (2020, 63) examines how YouTubers utilize survival horror games such as *Amnesia*, which feature helpless protagonists and scare mechanisms, to display exaggerated emotional reactions that enhance and optimize their online personas. This process transforms private horror into shared pleasure and measurable social interaction.

Cultural Narrative — The Force of Realization

Cultural narrative refers to developers’ strategic use of local elements as core game symbols. These include folk customs (such as ghost marriage, opera, and funeral rites), social memory spaces (such as old mansions and rural towns), and deep social anxieties (such as family trauma and social incidents).

Cultural narrative provides the symbolic resources through which developers create meanings that resonate specifically with Chinese-speaking audiences. Under policy regulation, local narrative becomes the primary resource for expressing horror within acceptable boundaries. Within platform distribution, cultural narrative provides distinctive visual elements and emotional connections that differentiate Chinese games in global markets.

Luo (2024) argues that Chinese horror games are creating a new subtype called “Fearful Realism”. Players collect information to piece together stories. The ghosts in games are not supernatural monsters, but suppressed memories or social trauma behind feudal superstitions. Indeed, anti-superstition has become a recurring theme in some Chinese horror games, allowing them to balance official policy discourse with market demand and thereby gain legitimacy.

Three Core Pleasure Types

Based on the production-of-culture perspective (Peterson and Anand 2004), this study understands “pleasure” as more than just players' immediate feelings. It comes from how creative limits, industry practices, and audience reception work together. In this framework, culture is shaped by everyday processes like how laws and industries interact, rather than just reflecting social values.

Each pleasure type works on two levels: how it's produced and how it's experienced. This dual view is necessary because, in controlled markets, how games are made directly affects how players experience them. "Strategic pleasure" describes how developers work around regulations to express meaning and how players feel satisfied by understanding these hidden meanings. This thinking process is a key part of the gameplay. Similarly, "restricted pleasure" does not mean the industry is underdeveloped. Instead, it describes the unique experience created when regulations force horror to become psychological tension rather than visual shocks.

This approach shows that regulations do not just limit expression, they also shape what kinds of satisfaction games can create.

Restricted Pleasure

Restricted pleasure describes both the limits developers face and the unique experience these limits create for players.

At the production level, policy regulation controls violent, gore, and supernatural content. Developers need to compress horror from explicit visual shocks to psychological suggestion. When monsters cannot be shown directly and ghosts cannot kill directly, horror is compressed into atmosphere and psychological tension.

At the player experience level, this compression creates a unique type of pleasure. Traditional horror games rely on somatic arousal, fear triggered by physical instinct (Hawco 2023, 387). Jump Scares force immediate fear responses through sudden changes (Clasen et al. 2018). However, Chinese horror games work differently. Players experience something more lasting: constant anxiety in an oppressive atmosphere they cannot see but can feel.

Konaka (2014, 15) analyzed audience reactions to the 1998 film *Ring*. He found an unconscious defensive behavior pattern: viewers first lean forward with attention, then lean back to avoid perceived threats. This psychological defense mechanism explains why Jump Scares work by using instant changes in sight and sound to trigger fear responses. In Chinese horror games, this mechanism operates continuously rather than in brief bursts. Horror becomes a continuous state rather than separate moments of shock.

The restriction itself shapes the experience, characterized by ambiguity, suggestion, and sustained dread rather than shock. This form of horror relies on psychological tension rather than visual confirmation of threats. This distinctive aesthetic comes from censorship constraints and creates a distinctive form of engagement. The constraint produces not weakened horror but transformed horror.

Strategic Pleasure

Strategic pleasure describes the intellectual satisfaction that emerges from interpreting narratives shaped by the tension between policy regulation and cultural narrative. Habel and Kooyman (2014) observe that agency in survival horror games manifests not merely in combat but more significantly in obtaining and interpreting information.

In the Chinese context, developers often circumvent censorship by expressing horror elements through social reality or psychological metaphor. For instance, ghosts are explained as inner demons, mental illness, or collective hallucination. However, this approach is not merely a unidirectional evasion strategy but rather creates a double-layered text. During gameplay, players often deploy local cultural knowledge to interpret these symbols. When players successfully understand the intended meanings concealed within regulatory constraints, they experience a unique, tacit intellectual pleasure.

Crucially, this interpretive act is a core source of enjoyment. Players are not just “playing” but also “reading” the game. They understand metaphors, identify social critiques, and reconstruct hidden narratives. This aligns with Murray’s (1997, 126) argument that agency and active participation constitute fundamental sources of pleasure in digital media. The pleasure comes not from what is shown but from what players must actively uncover. Juul (2013, 9, 45) argues that “failure brings about something positive” in games, it motivates players to reconsider strategies and ultimately feel more competent when they succeed. In Chinese horror games, players experience analogous satisfaction when they successfully interpret narrative layers concealed beneath censorship constraints.

Shared Pleasure

Shared pleasure comes from social interaction and performance. It is group satisfaction that emerges after media platforms get involved. When horror games become streaming content, individual closed fear experiences get rebuilt.

Chaiyanan and Teeravarunyou (2023) found that the vast majority of viewers (94.1%) prefer watching horror streams with commentary, as it provides information while diluting fear. Streamers’ exaggerated screams and performative personas extract viewers from immersive fear, transforming it into a safe observational experience (Moore 2020; Xylakis et al. 2024).

Pan (2025) conducted micro-behavioral research on *Little Nightmares* (Tarsier Studios 2017) and identified streaming bullet comments (Danmaku) as crucial to this transformation. When game characters suffer gruesome deaths, screens flood with “hahaha” comments that instantly dissolve the gravity and oppression of death. This shared experience of collective fear or watching streamers fail transforms anxious empathetic horror into group humor and celebration grounded in shared cultural symbols.

Chinese developers responded to this media feature by proposed corresponding production strategies. Take 2D side-scrolling horror games as an example. Compared to 3D first-person view, they have natural limits in chase scenes and horror presentation. The perspective is fixed and immersion is relatively weaker. But developer Lu Hao sees this as an advantage. Lu stated: “Audiences have different horror tolerance levels. If you control horror levels slightly below players’ psychological threshold, more potential cloud players stay in a state where fear and curiosity coexist. Then they dare to try the game.” (Chongzuo 2020)

This design fits the threat simulation safety framework proposed by Clasen et al. (2018). It lowers the entry barrier for the public. More potential players can participate in game interaction through platforms, therefore extends the game’s life

cycle. Although 2D presentation sacrifices some direct sensory stimulation, it effectively attracts mild players who reject extreme gore content. Through unique art atmosphere combined with narrative presentation, this design not only avoids regulation risk, but also expands the audience base through media distribution.

Methodological Argument

This study is not a general history of the Chinese game industry. It is a methodological argument based on independent games. Below we explain why we choose independent games, the specific case selection criteria, and the logic for historical periodization.

Why Focus on Independent Games?

This study focuses on independent games rather than large commercial games for three reasons. First, independent teams have limited resources and lack buffer capacity to respond to policy changes. They must evaluate policy risks carefully in creative decisions. In contrast, large commercial online games possess legal teams and modification resources that enable adjustments under regulatory requirements.

Second, independent games depend heavily on overseas platforms like Steam for distribution and monetization. This makes the dual impact of platform policies and domestic censorship directly visible in their development and commercial strategies.

Third, independent games are more willing to experiment with narrative, unconstrained by large corporate business considerations. Independent developers are more likely to experiment with cultural narrative through methods such as metaphor and suggestion while seeking expression within regulatory boundaries. This distinctive condition makes independent games an ideal sample for observing how institutional constraints, platforms, and creative production interact.

Case Selection

This study selects several core cases: *7 Days Salvation* (DINGOO GAMES 2009), *Firework*, *Paper Dolls*, *Paranormal HK* (Ghostpie Studio 2020), *Paper Bride*, and *Karma: Dark World* (POLLARD STUDIO LLC 2025). The selection criteria prioritize representative significance within specific historical stages rather than sales figures or popularity. These works demonstrate how Chinese horror games constructed different expressive strategies (strategic pleasure) and distribution modes (shared pleasure) across the Dawn Period, Transition Period, and Expansion Period through responses to censorship, utilization of platform distribution, and deepening of cultural narrative.

First, this study selects *7 Days Salvation* and *Firework* as typical representatives of strategic pleasure in different periods. As a Dawn Period work, *7 Days Salvation* tells the story of thriller novelist Ken. He explores a villa for seven days and discovers all horror comes from his own psychological projection. It established the early narrative pattern of psychological metaphor. It shows how early creators explored narrative under technical and market constraints. *Firework* represents the mature form of strategic pleasure in Transition Period. It follows rookie officer Lin Lixun investigating a mysterious incident that reveals a family tragedy. He uncovers truths about feudal superstition and human trafficking. Developers employed narrative strategies to

transform sensitive supernatural themes into social discussions, providing players with intellectual pleasure through interpretation.

Second, for the establishment of shared pleasure mode in the Transition Period, this study selects *Paranormal HK* and *Paper Bride*. *Paranormal HK* describes a paranormal TV show crew. They encounter supernatural events while filming in Kowloon Walled City. *Paper Bride* focuses on strange events on a wedding day and the folk elements behind them. These works reflect a design shift driven by video platforms. They use recognizable visual symbols (such as paper dolls, opera and five elements) and jump scares suited for streaming. They illustrate how streaming ecology transforms horror experiences into social media content.

Finally, to analyze the deepening exploration in the Expansion Period, this study focuses on two works: *Dread Flats* and *Karma: Dark World*. *Dread Flats* features a streamer filming an apartment known for disappearances, integrating platform culture into the narrative context. However, its core gameplay remains traditional survival, suggesting the platform integration culture is mostly narrative packaging.

Karma: Dark World builds a dystopian world full of oppressive surveillance and Brain Dive technology, acquiring information and experiencing sensory phenomena through memory synchronization. The game is set in a fictional 1984 East Germany ruled by Leviathan Corporation. Players play as Daniel, an agent of the Thought Bureau. Through Brain Dive, he dives into suspects' memories. He seeks truth in nonlinear fragmented narrative. This work jumps out of the comfort zone of folk symbols. It transforms social rules and survival anxiety in collective memory into universal horror mechanisms. It represents an important attempt for Chinese horror games to break through regional limits and explore deep social issues in the Expansion Period.

Criteria for Historical Periodization

This study divides development from 2001 to 2024 into three stages. The division is based on three factors: technical development of the Chinese game industry, changes in the regulation system, and changes in work content. These are the key nodes where the three driving forces (regulation policy, platform distribution, cultural narrative) change their relationships.

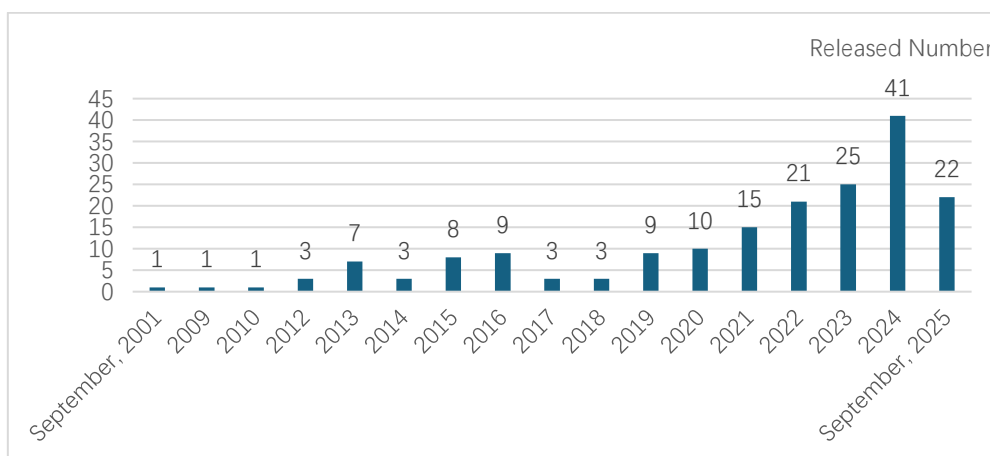


Figure 1 : Annual Release Numbers of Chinese Horror Games from September 2001 to September 2025 (Author's statistics)

The Dawn Period (2001-2016) exhibits sparse production numbers (see Figure 1) and widespread imitation, with media absence as its defining characteristic. Steam had not yet achieved widespread adoption, the streaming industry had not emerged, and the market lacked effective distribution channels. Under ambiguous censorship standards, works drew primary influence from Western and Japanese games during market exploration. As a result, censorship policy became the dominant constraining force, subjecting horror games to prolonged underground circulation.

The Transition Period (2017-2023) marks Chinese horror games' progression from exploration to maturity, divisible into two phases. The first half (2017-2019) constituted the industry's turning point, as the success of *Detention* (2017) and *Paper Dolls* verified for the first time the commercial viability of employing traditional cultural elements to construct horror experiences. The second half (2020-2023) represented an establishment phase, with successive successful works like *Paranormal HK*, *Paper Bride*, and *Firework* securing this genre's market position. The critical variable was deep media involvement. Steam popularization combined with streaming's rise constructed a commercial circuit fusing cultural horror with streaming distribution, fundamentally changing player experience.

The Expansion Period (2024-) is characterized by the gradual solidification of previously established patterns. Media internalization and cultural narrative deepening have become industry standards. With growing numbers of similar works, the market confronts severe homogenization competition, making singular scare tactics no longer sufficient. The industry consequently enters a differentiation-seeking phase, with developers exploring deeper cultural issues. The period's most notable feature is accelerated overseas expansion, with work quantities demonstrating marked growth compared to preceding years (see Figure 1).

The representative case is *Karma: Dark World* (2025), which launched with support for 11 languages and full Chinese-English voice acting, explicitly targeting the global market. By situating its narrative in fictional East Germany employing 1984-style² totalitarianism, it further expanded the thematic boundaries of Chinese horror games. Nevertheless, despite industry scale expansion, horror games remain a niche market, with production surge generating quality inconsistency challenges.

DAWN PERIOD (2001-2016): POLICY RESTRICTION AND THE EMERGENCE OF RESTRICTED PLEASURE

This paper divides Chinese horror game history into three stages, with the Dawn Period representing the underground phase. External censorship pressure dominated and forced the industry to the margins, while the structural absence of media platforms broke the commercial loop. Chinese developers faced multiple pressures: lack of funds and distribution channels, and policy red lines. Under these constraints, they created restricted pleasure—a suppressive aesthetic experience generating high psychological tension through restricted viewpoints, abilities, and narratives. To survive, developers shifted from simple visual imitation to psychological narrative exploration, giving birth to the embryonic form of strategic pleasure.

Media Absence: Underground State in a Distribution Gap

The core dilemma for Chinese horror games in the Dawn Period was the structural absence of platform distribution. During this period, distribution media underwent

significant technical evolution. In the early 2000s, games mainly relied on CD-ROM discs distributed through offline channels. From 2009 (represented by *7 Days Salvation*) to 2016, as the internet became widespread, distribution gradually shifted to digital installer downloads from forums or websites. However, regardless of whether the medium changed from physical to digital, independent developers never established an effective commercial loop.

Therefore, horror game developers faced a double blockade. On one hand, they could not enter legitimate offline bookstores or software stores for sales due to the lack of an Banhao. On the other hand, they were also excluded from the mature payment systems of mainstream online game companies. This gap in distribution channels meant that even if developers created excellent local works, these struggled to circulate commercially and remained largely underground. They were difficult to convert into actual economic returns.

Imitation and Shift: From Visual Horror to Psychological Narrative

In the early Dawn Period, Chinese developers commonly explored horror expression by imitating Western horror movies or Japanese classics like *Resident Evil* (Capcom 1996) or *Silent Hill* (Konami 1999). However, directly transplanting Western visual horror such as gore or zombies had serious problems under the Chinese game content regulations. The failure came not just from limited game development capabilities. It came more from censorship regulations on supernatural content and excessive violence.

To avoid risks, games were often forced to cut direct visual impact, which greatly reduced sensory-level scares. However, this forced concealment accidentally created restricted pleasure. When monsters cannot be shown directly and ghosts cannot kill directly, horror gets compressed to the psychological level. Players experience something in an oppressive atmosphere they cannot see but can feel. They get a more lasting anxiety and unease than direct scares.

As developers tested censorship boundaries, they gradually realized simple imitation could neither pass censorship nor succeed commercially. They need to find a method that both passes censorship and delivers horror. Narrative features began showing aesthetic imitation of Western and Japanese classic horror games. This imitation was not simple copying but was active tribute to psychological horror narrative. Developers began shifting their approach. They stopped presenting ghosts as real supernatural beings and instead explained them as characters' psychological problems, hallucinations, or inner demons. This strategy helped them avoid censorship while also creating deeper narratives. In this approach, horror came from the human mind rather than from monsters.

When players experienced these works, the source of pleasure shifted. It moved from getting startled to understanding what the author was suggesting. This interpretive process is the embryonic form of strategic pleasure. It proved that even under double pressure from lack of commercial returns and policy regulations, cultural creativity could still find paths to players through narrative strategies.

Case Analysis: *7 Days Salvation* — Aesthetic Imitation and Narrative Breakthrough in a Distribution Gap

As one of the most representative domestic horror games in the Dawn Period, *7 Days Salvation* (hereafter *7 Days*) reflects the media dilemma and creative features Chinese independent developers faced. This 3D adventure game on Symbian platform reached a relatively high standard and was nominated for International Mobile Gaming Awards 2008, yet never transformed into commercial success.

This commercial dilemma came from channel environment regulations and rampant piracy culture. In the distribution system dominated by publishers, developers faced extremely low revenue sharing and lost legitimate profit channels. Rampant piracy further squeezed survival space. Because of this, *7 Days* became a typical sample of underground state and embryonic strategic pleasure.

In 2009, *7 Days* faced the distribution gap period. Steam had not yet become popular in China. Payment awareness in app stores has not been formed yet. Although the game had relatively high production standards, it lacked efficient distribution media and could only rely on mobile phone forums. Dingoo Games gained reputation from the player community, but this was limited to hardcore players.

At the narrative level, *7 Days Salvation* showed aesthetic imitation unique to the Dawn Period. Different from later works' excavation of local folk symbols, its aesthetic style paid tribute to *Silent Hill*. The game used inner and outer world switching, similar to the fog world and otherworld, explaining horror as the protagonist Ken's psychological projection.

This approach has double significance. It demonstrated active imitation of psychological horror narrative techniques, using concrete monsters to metaphorize mental dilemma. It also provided soil for strategic pleasure. During gameplay, players not only experience tension from avoiding monsters but also conduct intellectual interpretation, understanding which forgotten memory each monster represents.

7 Days proved that even in a harsh environment lacking distribution channel, Chinese developers could build deep narrative through cultural strategies. Although limited by the distribution gap, it established the narrative paradigm that horror comes from human, providing the earliest practical sample for later domestic horror games to find balance between censorship and expression.

TRANSITION PERIOD (2017-2023): CAPTURING ATTENTION AND VIABLE COMMERCIAL MODELS

If the Dawn Period solved the survival problem of how to tell stories under regulations (the birth of strategic pleasure), then the Transition Period faced a core challenge: how to reach players and audiences. This section demonstrates how streaming platforms (Bilibili, Twitch, Douyu, etc.) transformed players' private strategic pleasure into mass shared pleasure while pushing developers to introduce new design strategies in cultural narrative.

Breaking the Commercial Loop: From Support Tool to Core Driver

From 2017 onwards, the environment of Chinese horror games changed fundamentally. With the popularization of offshore digital distribution platforms like Steam and the rise of streaming platforms like Bilibili and Douyu, platform distribution was no longer just a promotion tool. This transformation mainly showed in two ways: rebuilding commercial channels and shifting value focus.

First, diversification of commercial channels broke the original distribution bottleneck. In the Dawn Period, games were hard to monetize due to lack of legitimate publishing channels. But in this period, developers found two clear paths:

1. Steam Model (Buy-to-Play): Using Steam's offshore nature to bypass domestic Banhao regulations. They sold games directly to abroad and domestic players (like *Firework* and *Paranormal HK*).
2. Mobile IAA Model (Ad Monetization): Facing China's strict Banhao system—only games with Banhao can enable in-app purchases (IAP)—some developers initially turned to IAA (In-App Advertisement) mode. For example, the *Paper Bride* series began with IAA, lowered barriers through free downloads and profited from in-game ads. In this mode, they only needed to complete relatively simple filing and software copyright registration to launch, which precisely avoided initial commercialization risks while building market presence.

Second, the medialization transformation of horror experience. Platform empowerment made horror game value no longer limited to playing. It was more about watching. Chinese folk culture plus streaming distribution equals commercial success became a replicable formula. This transformation prompted developers to expand their focus. They moved from primarily dealing with censorship (strategic pleasure) to increasingly prioritizing streaming effects (shared pleasure) for better gameplay and promotion.

Attention-First Design: From Scared to Shared Pleasure

Under the logic of platform distribution, Chinese horror games developed an attention-friendly design strategy. The core is to transform originally private horror experiences into social experiences for watching.

As Scully-Blaker et al. (2017, 2026) pointed out, streaming environments push game behavior to shift from playing along to playing for others. For horror games, this performative nature is especially critical. It shows as streamers' exaggerated display of scare reactions (Gandolfi 2016, 63). This externalizes originally internal fear into visual entertainment for audience consumption.

According to Bilibili's 2024 financial report data, the platform had 336 million monthly active users. Horror game streams (like *Firework* with over 5 million views) attracted massive audiences (see Figure 2). This cloud player watching dissolved originally individual restricted pleasure. It transformed into group shared pleasure.



Figure 2: Stream Video View Counts for *Firework* and *Sanfu* (Shiyong Studio 2023) (from Bilibili)

Driven by this, Chinese horror games showed two design features, the first being high-impact visuals. They emphasize high saturation folk colors (like bright red and green paper dolls or lighting, white paper money) to create highly recognizable visual tags. These instantly catch attentions in video thumbnails. The second feature was from action to knowledge. Unlike Western survival horror games emphasizing combat skills and reaction speed, some Chinese horror games in this period, such as *Paper Bride*, focused on complex puzzles rooted in folk culture. These puzzles relied on logic and observation rather than quick reflexes, creating a knowledge gap that invited audience participation. When streamers encountered obstacles, viewers flooded the chat with hints and solutions through bullet comments (danmaku). This transformed solitary gameplay into collaborative problem-solving, allowing cloud players to feel they participated by helping streamers advance the narrative.

Platform culture even gained power to reconstruct game contents. A typical case is the 2023 *To the Grave* demo (Flower Shadow Game). This work was originally positioned as a serious Chinese folk horror puzzle game. But its absurd death methods caused laughter in gameplay streams. Developers went with the flow. They changed the Steam store description to “TO THE GRAVE is a horror comedy puzzle game that you have never experienced before! A girl accidentally breaks into a mysterious village. You will face all kinds of funny monster and nonsensical ways of death, making you laugh out loud, but also making you shudder.” Platforms in this period not only distribute content but also actively reshape cultural production through attention-driven feedback mechanisms.

Case Studies: *Firework*, *Paranormal HK*, and *Paper Bride*

This section selects three milestone works to analyze how the above theories apply in practice.

Firework: Horror Construction in a Safe Narrative Framework

Firework is a typical representative of mature use of censorship policy and cultural narrative mechanisms in safe narrative context. It sets the story background in a remote town in late 1990s to early 2000s China. It fully uses cultural narrative elements like collective memory, family ethical tragedy, and social problems to build the horror tone successfully. Although *Firework* clearly shows ghost images of Teacher Chen, achieving partial supernatural horror, its narrative core logic still follows censorship policy requirements. It shifts horror roots from supernatural phenomena to social trauma and human tragedy.

The game text attributes tragedy to oppressive family environment, backward social cognition. This gives its horror tone deep realistic criticism, which avoids being defined as pure feudal superstition promotion. This approach not only keeps Chinese horror atmosphere (meeting market demand) but also has deep realistic criticism (meeting censorship requirements).

In addition, data shows *Firework's* long-tail popularity heavily depends on streaming platform exposure. The new work of the same developer, *Sanfu's* (Shiyong Studio 2023) release even drove *Firework's* online numbers to show a second peak, indicating sustained platform attention to the developer's body of work.

Paranormal HK: Establishment of Stream-Friendly Narrative

Paranormal HK established the standard for stream-friendly narrative. Its chapter structure and dense scare points perfectly fit streaming interactive rhythm. High-density Jump Scares and urban legend themes perfectly fit streamers' immediate reaction needs. A typical case is May 2020. E-sports player LWX's streaming gameplay caused viral spread. Months after release, the game's concurrent player count surpassed its first-day peak (from 934 to 1,221 players). LWX's streaming impact suggests that games designed to create dramatic reactions (like screaming) are more easily adapted to the current live streaming environment better than games that require deep thinking.

Paper Bride Series: Attention-Capturing of Folk Symbols

As the culmination of business models in this period, the *Paper Bride* series marks the decisive transformation of domestic horror games from niche market to mass consumer market. This series did not follow *Firework's* deep narrative or *Paranormal HK's* high-intensity scares. Instead, it adopted a highly targeted strategy to fit the attention-capturing logic.

First, developers refined complex folk culture into highly recognizable visual symbols (like high saturation red-white visual contrast, traditional Chinese wedding dress, paper dolls). This symbolic treatment lowered the cultural threshold and created visual tags easily spread through algorithm recommendations.

Second, the series initially used free-to-play with in-app ads (IAA) to bypass Banhao requirements, maximizing accessibility. As it matured and gained market validation, later entries obtained Banhao and incorporated in-app purchases. This progression reflects evolution within platform distribution constraints.

Finally, the game's light point-and-click puzzles and low operation threshold encouraged streaming viewers to participate in puzzle interaction, transforming passive viewers into active players.

Through this multi-dimensional strategy, *Paper Bride* proved the commercial replicability of local folk themes in the streaming era. It completed a key step in building the commercial loop for domestic horror games.

EXPANSION PERIOD (2024-): DEEPENING EXPLORATION AND CONCEPTUAL BREAKTHROUGH

The market expansion of Chinese horror games lies not only in addressing domestic survival and monetization issues (realizing strategic pleasure and shared pleasure). It also lies in their increasing global market share and cross-cultural value. This section will show that as games enter the global market through video and streaming platforms, cultural narrative becomes a key factor for their continued growth and competitive potential.

According to Koven (2023), folklore in horror content is not just a means of expression. It is also a field that challenges traditional horror concepts and provides space for marginal cultural expression. A significant feature of Chinese horror games is their deep use of local folk culture. As Zhang (1985) defined, folklore contains the duality of worship and taboo. This binary opposition often transforms into core horror sources in games.

In addition, these games also reflect historical changes in folk concepts. Inheriting the social criticism tradition of feudal marriage customs (like ghost marriage and marriage by purchase) since the May Fourth Movement, modern works like *Firework*, *Laughing to Die* (大吉利制作组 2024), and *Hellfire* (Aki 2024) all show deep reflection and criticism of feudal ethics and social events. In specific mechanisms, Xu's (1991) research on Taoist and Buddhist influence on Chinese ghost culture (like Taoist exorcism) can provide theoretical support for cultural prototypes. These include Fulu (talismán paper) use in *Paranormal HK* or incense burning as save points in *Paper Dolls*. However, deepening cultural narrative also brings specific cultural barrier costs. Developers need to overcome this challenge by balancing local themes and symbol details with global development.

Rejecting Homogenization: From Attention-Capturing to Deepening Exploration

Entering 2024, the Chinese horror game industry faced severe homogenization challenges. The early success model of simply piling up folk symbols like ghost marriage and paper dolls to cater to streaming visual effects gradually failed to attract players. Players and viewers developed obvious aesthetic fatigue. Facing this crisis, the industry did not decline. Instead, it entered a transformation and deepening exploration stage.

The core feature of this stage is narrative deepening. Developers are no longer satisfied with the single red-green color contrast formula. They are committed to finding new narrative carriers and expression dimensions while maintaining local core. As the *Firework's* developer said, the future direction remains telling local stories effectively. But the way of telling stories is changing. It shifts from explicit folk symbol piling to excavating and abstractly expressing deep social issues.

It is worth noting that some works began integrating contemporary platform culture into narrative frameworks. For example, *Dread Flats* sets the protagonist as an adventure streamer. This provides reasonable narrative motivation for players to enter dangerous spaces. However, such attempts currently stay more at the background setting level. Core gameplay still continues traditional first-person survival escape mode. It has not yet formed innovative mechanisms truly driven by

platform logic. This shows that Chinese horror games' absorption of platform culture still stays at the narrative packaging stage, not deep reconstruction at the gameplay level.

Conceptual Breakthrough of Cultural Narrative: From Folk Symbols to Social Issues

More breakthrough exploration attempts to jump out of the comfort zone of folk symbols. It explores deeper expression of Chinese horror. Although *Karma: Dark World* adopted Western dystopian shell, it integrated elements with Eastern cultural characteristics into this framework. For example, puzzle design in the game adopted forms familiar to Chinese players like graphic logic puzzle. The narrative addresses universal themes that transcend cultural boundaries. These include the pressure of professional life, family relationships, and the individual's struggle for existence within the social system. It featured *Fatal Frame*-style gameplay (Tecmo 2001) using camera to expel monsters and solve puzzles. The image of employees' heads replaced by monitors in the game symbolizes dissolution of personality in modern society, reflects on issues like contemporary work environment (Xila 2025).

This design marks an upgrade of strategic pleasure. This offers a perspective that cultural narrative does not necessarily limit itself to explicit folk symbols like funerals. Anxiety, competitive pressure, and rule constraints in collective memory are equally penetrating cultural expressions. For Chinese players, these elements evoke deep life experience resonance. For global players, this is also a universal experience about oppression and dilemma. This attempt broadens the boundaries of Chinese horror games. It makes Chinese horror go beyond regional folk elements and provides broader issue discussion space.

Chinese horror games in the Expansion Period demonstrate mature cultural confidence. Whether through *Karma: Dark World's* abstract metaphors of social control or other works' commitment to excavating local narratives, these games prove a crucial point. International recognition stems not merely from commercial success but from meaningful cultural engagement. Chinese horror games tell their own stories in increasingly diverse ways, achieving a transformation from visual entertainment to substantive cultural products.

CONCLUSION

This study began by addressing limitations in existing research. Past studies often focused only on folk symbols and struggled to explain how Chinese horror games succeeded in restrictive environments. This paper asked two core questions. How did strict censorship shape distinctive localized innovations? How did private horror experiences transform into widely viewed social content?

To answer these questions, this paper examined three historical periods. The analysis verified that three forces work together: policy regulation, platform distribution, and cultural narrative. These three forces drive Chinese horror games' expansion.

First, policy regulation is not just an obstacle. It also pushes innovation forward. In the Dawn Period, censorship rules banned supernatural content. This forced developers to stop using direct visual scares. They turned to psychological narrative techniques instead. They learned these techniques from Western and Japanese games. This shift

created strategic pleasure. Developers explained supernatural events as social trauma or mental problems. This unexpectedly made games deeper and more meaningful. It solved a key problem: how to tell stories under strict rules.

Second, video and streaming platforms solved a major business problem. During the Transition Period, developers faced a lack of distribution channels. They used streaming platforms to turn horror experiences into entertainment shows. They created highly recognizable visual designs. Games changed from private experiences into content that many people watch together in streaming rooms. This created shared pleasure. It also helped developers bypass local distribution barriers. Most importantly, it created a business model that turned viewers into buyers(players).

Finally, the Expansion Period shows how Chinese horror games evolved. Developers moved beyond folk symbols and visual effects. They began exploring deeper social issues. They turned social anxieties and rules from collective memory into horror mechanisms that work across cultures. This shows that cultural narrative is more than just a visual backdrop; it serves as a bridge for emotional engagement with international players.

In summary, Chinese horror games demonstrate how restrictions can drive creativity. Their development stems not from the absence of constraints but from balancing censorship regulations, platforms, and cultural narrative. Developers internalized restrictions as creative drivers and actively leveraged media to reshape consumption patterns. This approach reveals how local cultures survive under constraints and how Chinese narratives achieve global reach through a distinctive pathway.

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ENDNOTES

¹ Yunwanjia (云玩家, literally "cloud players") refers to people who consume games through gameplay videos, streams, walkthroughs, and related media rather than playing themselves. Similar to "backseat gamers" in English-speaking contexts, Yunwanjia contribute to game communities through discussion and engagement but typically do not purchase the games.

² The reference to “1984” alludes to George Orwell’s dystopian novel *Nineteen Eighty-Four* (1949), which depicts a totalitarian society characterized by omnipresent government surveillance, thought control, and the suppression of individual freedom.