

The web celebrities in China: Transformation from a Social Media Phenomenon to an Economic Mode

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Abstract:

Thanks to social media let people connect by creating and sharing content, in the process of social interaction online, a few of netizens are becoming famous celebrities, attracting increasing people's attention. This is such a common phenomenon in socially-networked society. Nowadays the rise of Chinese web celebrity, however, is experiencing the transformation from a social media phenomenon to a considerable scale of economic behavior. And as a new economic model, Internet Celebrity Economy has been rocketing, which has formed a complete industrial chain and has a variety of profit modes. This transformation is penetrating into the minds, aesthetics, and values of the public, which is changing people's consumption patterns, lifestyle, and ideas, and thus exerts an important and profound influence on social culture in China. After a theoretical component concerning development processes of online celebrity, the author focuses on these three exploratory research questions: what is the Internet Celebrity Economy? What influences have it brought to our society? And how to develop in its future?

Keywords: social media, web celebrities economy, economic model

Introduction

The "Internet and media celebrity" (short for "web celebrity") is a person that has attracted much on line attention for actions in real life or on line life, and thus become a focus of the online communities. And the web celebrity also can be said that an ordinary people who is popular on the Internet. With the help of the rapid spread of the Internet amplification effect, the web celebrity fans has been increased rapidly in number, but also brought endless business opportunities. At last, the web celebrity has been evolved as an economic activity from a social phenomenon, and formed a network of economic chain by the industrialization. According to the "Big Data

Report of the celebrities in Chinese e-commerce companies in 2016” published by the China Business Network Data (CBN Data), the output value of the celebrity industry will be estimated nearly 58 billion RMB in 2016, which is far beyond the Chinese films amount of the 44 billion RMB in 2015. Although this forecast is far-fetched, it will be amazing to see the robust development of the economic scale of web celebrities from the following cases.

In October 2015, one of the web celebrity operating companies named “Ruhan E-commerce” announced that its company had obtained a series B round funding of tens of millions invested by the lead investor of Junlian Capital, and a series A round funding by the following investor SAIF Asia.

In March 2016, the company “King kong Culture” obtained a series Pre-A round funding of 40 million RMB invested by the lead investor IDG Capital. The “King Kong culture” company has signed some network programs for short passage tellers, such as the “Little Sister Spit Groove”, “British Newspaper Elder Sister” and so on, all of those programs has tens of millions fans.

In March 2016, Papi Sauce, a young girl who studied directing at Central Drama Academy in Peking and had been a web celebrity with the help of Micro-blog and Youku, had obtained totally 12 million RMB financing invested by the investors of Real Fund, Logic Thinking, Light Source Capital and Star Map Capital.

On April 21st, 2016, Papi Sauce completed the so-called “the first auction of the Internet advertising” with the transaction price of 22 million Yuan on the Ali platform.

On May 2016, the “Hangzhou Pblab”, a company specialized in personal branding for web celebrities and selling the clothing through Taobao platform, obtained series A round funding of 30 million Yuan invested by the investor “Light Media”.

Today, the web celebrity as a new economic role, its position has become increasing prominent, and it is regarding as a new economic model from a social media phenomenon. And the new economic form induced by the web celebrities, which can be named web celebrity economy, exploded the fission between the both

sides of the supply and demand of Internet, obtained a spurt, and became the hottest economic form in the capital markets.

1. The formation of the web celebrities

Followers are the foundation for web celebrities to stand on the Internet world. And how to attract "fans" (followers) is the key to become a web celebrity. The web celebrities have grasped appropriately the conformity psychology and belonging psychology of the Internet users. Just because these two indispensable key factors, the web celebrities can succeed in attracting the attention of many or even more and more Internet users.

In the course of an ordinary Internet user becoming a fan of one web celebrity, the first indispensable key factor is to follow the symbolic conformity psychology. In the social networking platforms, many focuses of the society are performed in a symbolic form in personal pages of one web celebrity. The values, attitudes, and even personal interests or personality traits of the web celebrities had been placed on symbolic labels, and widely spread through personal pictures and videos posted on the Internet, by which they caused concern and formed fan groups. More Internet users are affected by the group behavior of the web celebrity fans, then they always show that they consistent with the behavior of fan groups in many aspects, including in their perception, judgment, way of thinking and other aspects, which enable themselves to be one of the fans. For example many web celebrities share some photos of travel and food, and attach with some quite literature poetries. And fans tend to identify with and look forward to the lifestyle of the web celebrities from the collocation of the Beauty and literary, then go on to become their long-term followers.

The second key factor is their senses of belonging that they are able to produce a common emotional experience in group interactions. Collins believes that the whole society is an interaction ritual chains market. The interaction rituals in the network world are different, and the personal emotional energy can be easily maximized, In short, one person's words can be known by the Internet users in the whole network

rapidly, which also could bring a great psychological gratification for users on the social networking platforms. Meanwhile, after the emotional energy integrating into the interaction ritual, all the original symbolic resources will be strengthened, thus enabling those symbols with the common characteristics to have more attractive, but also providing a powerful engine for the next interaction.

2. Turning to "web celebrity economy"

The web celebrities not only have much appeal for their fans, but also can conduct a targeted marketing for their fans, just because they gathered a large target audience. And the target audience comes from Chinese Internet users. According to the 35th report released by China Internet network information center^[1], it showed that by December 2014, the scale of China's Internet users reached 649 million, including mobile Internet of 557 million, China had become the country who has the largest number of Internet users in the world. These Internet users are also the potential fans of the web celebrities, as long as grasp the audience psychology and meet their psychological needs of their fans, the precision marketing of the web celebrities will follow more easily.

2.1 The types of web celebrities and profit model

The types of web celebrities are becoming increasingly diverse, and the organization structure of web celebrity economy is also becoming more complex. It can be divided into three types for the web celebrities according to the ways to absorb the fans, including the e-commerce type, live broadcast type and content type. Firstly, the e-commerce type web celebrities depend on their good looking and their high quality lifestyle to attract fans. After getting massive attentions from the fans, then they boot their fans to the related e-commerce platform. Secondly, the live broadcast type web celebrities mainly due to the real-time and interactive live broadcast model, which can better meet the curiosity and guessing psychology of publics. Although there has been a design and a modification of the script in advance in the live broadcast, its reality is still much higher; viewers can offer a reward to the persons

who are on live. Thirdly, the content type of web celebrity is represented by Papi Sauce. This representational expression by taking a way of short video, which makes the image of the web celebrities become rich and solid in a moment. All the web celebrities have the powerful capacity to attract fans, so they can receive rewards from many fans and earn incomes from endorsements, and then they can cash all the profits they received.

The profit models of the web celebrities can be divided into direct cash model and indirect cash model. First, the direct cash model mainly means they obtained the economic incomes by means of advertising, rewarding and training. For one, the advertising model is one of the most direct profit models for web celebrities. The web celebrities not only have a large number of fans, but also they have strong abilities of content controlling and guiding. Fans are likely to resonate and then follow, so the effect of product placement or advertisement is better. For example, the quotation of forwarding the ads from such as ordinary big v-micro-blogging is at about 230,000 RMB. But the over-loaded advertising can easily induce offensive sense of the fans, so this profit model has some limitations. For two, the rewarding model is usually used for the web celebrities on the live broadcast. They get profits from virtual gifts given by their fans or selling the memberships to their fans and so on. Such as “Logical Thinking”, and Betta platform etc. are all by this model. The training of web celebrities is a profit model rising along with the constantly growing of the web celebrity industry. And for three, there are mainly two types content in current training model, one is how to become a web celebrity, and the other is how to operate the web celebrity economy. For example, a business school for training web celebrities has attracted 500 trainees within a month, and now the estimated value is more than 100 million Yuan.

Second, the indirect cash mode is that web celebrities receive the e-commerce sales profits by conducting a precision marketing to their fans, which is one of the most common profit models at present. The web celebrities can match the corresponding products according to their own characteristics and precise positioning of their fans crowd. And they can attract their powerful fans crowd to a corresponding

e-commerce platform and earn fast profits by using the advantage of content production and dissemination, as well as coupling with the marketing planning made by the brokers of web celebrities. The data of Taobao has showed currently in the women's clothing categories on Taobao, there are about 1000 Taobao stores involved web celebrities have monthly sales over millions. In 2015, in the large promotion of "6·18" on Taobao platform, there are 7 women's clothing stores involved web celebrities among the top 10 stores on sales on Taobao. One of the representatives of web celebrities named Cherry who has a Taobao store named "Money ladies", in where the sale prices range is between 29-499 RMB, and the annual sales is more than 200 million RMB in 2015. According to the evaluation of Guotaijunan, one of the China authoritative economic evaluation Institutions, it indicates the scale of clothing market of web celebrities in China is expected to exceed 100 billion RMB in 2016.

2.2 Web celebrity industrial chain

The web celebrities have had a large number of fans by the way of being popular on various social networking platforms. Besides, on the one hand, they combined the providers who formed the supply chain of entities. On the other hand, they jointed e-commerce platforms and obtained great economic profits, all of which is inseparable from the network boost of the brokers of web celebrities. The web celebrity economy industrial chain is just formed by these, and the chain is consisting of the upstream social networking platform, the middle web celebrities hatching and the downstream cash channel, as shown in the figure below.

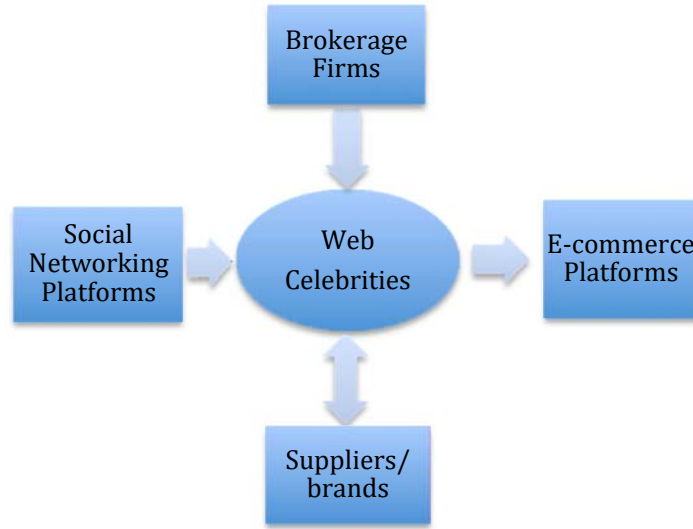


Figure 1 Web celebrity industry chain

2.2.1 The upstream of web celebrity industrial chain: social networking platform

The upstream of web celebrity industrial chain is mainly to develop an integrated social networking platform for web celebrities to post their personal microblogs or a small social networking platform with professionalism. The personal microblog has a greater degree of openness but a weak relation among social groups, which is easiest to expand the influence of web celebrities. Most web celebrities are mainly taking their personal microblog as the platform, from where they attract much attention and interact with their fans.

The small professional social networking platforms tend to be a professional in some fields, such as Douban(豆瓣), Zhihu(知乎), Guokr(果壳) and so on, there will appear friends have a special talent in the field, and they will be gradually concerned by other interested users have the same interests in the process of social interaction. With the increasing numbers of concerned contacts, a small web celebrity will emerge in the related fields. But due to the limited daily flow of the small social networking platform, the propagation is relatively limited. In order to continue to improve their visibility, these small web celebrities will be gathered into the larger flow of comprehensive social networking platforms constantly, and they will be active in the

platforms as web celebrities for a long time.

2.2.2 The midstream of web celebrity industrial chain: Brokerage firms of web celebrities

In the cash progress of web celebrities achieving personal popularity with the help of e-commerce platforms, the brokerage firms of web celebrities in the middle part of the industrial chain has become an increasingly prominent role. The brokerage firms of web celebrities mainly to select and sign web celebrities, then they provided marketing planning, content production, as well as the supporting of buyers and designers to their web celebrities, so that the exposure of their web celebrities will be increasing constantly, and the scale of their web celebrities fans will be continue to expanding. Besides, there is a direct correlation between the scale of fans and the cash ability; if the scale of fans for a web celebrity is bigger and bigger, and the cash ability of the web celebrities will be stronger and stronger.

The operation models of the brokerage firms of web celebrities are mainly four aspects, please find below: First, they should looking for and signing the existing appropriate web celebrities. These brokerage firms typically pick web celebrities who have a certain level of fans (for example, more than 100,000 fans). The picked tend to have a certain aesthetic output or a unique personality, which form the potential to become web celebrities. But it is not easy to become a web celebrity, he or she need to package upload the hot topic (such as travel, arts, popular activities) and other contents to the platform, by the way of text, photographing and video to show his or her unique personal charm, so that they can attract more fans. Second, the brokerage firms need to organize professional teams to maintain the social network accounts of their web celebrities. They must update the content to attract the attention of fans regularly and keep the interaction with the fans to maintain viscosity, which enables their web celebrities to attract followers to click on the related store link or follow the promotional products by their web celebrities. Third, they should organize the production. They help their web celebrities connect with the supply channels by using of the organizing production capacity and then conduct an entity production for the products they had promoted online by their web celebrities. Finally, they should

provide the operation management of the related e-commerce shops. The brokerage firms will cash the social capital of web celebrities by the way of selling the products promoted by their web celebrities on the online stores.

2.2.3 The downstream of web celebrities industrial chain: e-commerce platform

The downstream of web celebrities industrial chain mainly through the tripartite cooperation of web celebrities, vendors and E-commerce platforms, to guide the fans to e-commerce platform for the cash. Due to their elegantly fashion and uniqueness, the web celebrities are causing a large number of fans, but also producing a lot of demands. If the web celebrities need to respond to the consumer demands flexibly, they will need to find the involvement of vendors in production and delivery at any time. So the brokerage firms of web celebrities or docking service platforms for supply chain need to through data analysis and supply chain contacts, which can make web celebrities still can maintain a rapid response after their contacts being in a certain scale and receive a high quality supply chain. Meantime, due to the higher demands on the supply chain, some listed companies also want to participate in this process with the help of the mature supply chain system they have built.

3 The reflection on "web celebrity economy"

The "web celebrity economy" develops rapidly, a certain scale of the web celebrity industries has been formed, and a relatively complete industrial chain also has been established. However, in the face of the large scale of the web celebrities in a ferocious development on the Internet, we cannot help asking: what consequences it will bring to our society?

3.1 The web celebrity: a mob leader?

Mr. Le Pen in his book *The Mob* described the psychology changes individuals gathered together into a group. He believes that "as long as there are some creatures together, whether they are human or animals, they all instinctively hope themselves under a rule of a leader." [2]while the Internet users are browsing aimlessly on the Internet, they will look for symbolic resources resonate spontaneously, according to their personal interests. The attention of the common symbol has become the focus of

the Internet users. While they are interacting with the attentive audience of a focal person, they obtained the belonging sense of group solidarity, thus their common emotional experiences with the attentive audience were generated. Subsequently, the Internet users gradually integrate into the leading group in the activities of the focal person with frequently updates, and become a follower of the focal person.

There is no doubt that the power of these fan groups is very great; otherwise it is impossible to produce this new economic model. But as Le Pen said, the masses are equal to the unconscious unity. It is so powerful as it is unconscious. "Unconscious" is a kind of status with irrational, without thinking, ability lack of logical thinking. However, exactly such an "unconscious" is what we have to be wary of in this case. The "web celebrity economy" regardless of what the origin it is, in the final analysis it has become an economic activity. In the process of pursuit the maximum economic benefit, in order to attract more fans, the web celebrities always amplify the ugly facts of society, and exposure and spread negative energy in the radical form to win the Internet users' resonance. Taking some hot web celebrities for example, such as Papi Sauce and some network anchors, through ridicule, parody, satire, and other means, they show the malpractices of contemporary society to their fans in exaggerate or crude explosive rhetoric, and express dissatisfaction with the society. In a way, the feeling of dissatisfaction to the society is a social psychology, and this kind of social psychology has a certain infectious, which will resonate with those who are in the same social situation. And the web celebrities caught the "infectious" of this kind of social psychology, so they can talk wildly without restraint in their personal pages. Although they have got a lot of attention, and successfully attracted the capital injection, after all, the spreading of the contents with no significance, no meaning, even no depth can not be the mainstream direction of the respected cultural consumption, or it only can guide the culture to bad taste and make the spiritual pursuit to become vulgarization, while the culture quality of masses is also declining.

3.2 The web celebrity supply: The silhouette of structural imbalance of cultural supply

The web celebrities can become the spiritual leaders of the irrational "mob", in a

sense, because it is a silhouette of the structural imbalance of pop culture supply. In the terms of the overall number current culture products and services now are in an unprecedented scale, for example, the presentation or production the movies, TV shows, books, magazines, Drama, painting & calligraphy, and music now are in a staggering number, such as staggering, but there are not many culture products that are actually be fully consumed by the public, as well as short in those well-made and with rich cultural connotation. So there is an obvious structural imbalance problem existing in the culture supply characterized both by total surplus and structural deficiency.

As mentioned earlier in this article, China has become the country who has the largest number of Internet users in the world, but these substantial number of Internet users on the Internet to do what, or do what consumer? Internet as an invisible platform, on where how many cultural products are high quality or available for Internet users consumed? While on the one hand, although the Internet users are facing with amounts huge culture products, their culture consumption demands still can not be met, there is a obviously dislocation between supply and demand culture consumption; on the other hand, The Internet is filled with snackable culture products and services made by web celebrities, which are the copy productions in a large quantity to attract fans and cater to the sensory stimuli of the audience. Although the moment need of the culture consumers can be met, and the Internet users have something to do while they are browsing on the Internet, these cultural products and services often presents homogeneity, philistinism, flat, which only to satisfy the superficial pleasure demands of mass consumers, and it is not conducive to the cultural value system construction of cultural consumption, but also hinder the orderly operation of the market, further more exacerbate the side structural imbalances of the cultural consumption supply. Therefore at present, the trend of web celebrity development is more and more intense, and at the same time the web celebrity industry is evolving into an growing economic role, the web celebrities must improve the cultural supply quality and better the demands of cultural consumption, in such a way, they can "release new demands, and create new supplies."

The high-quality cultural products supply can improve the corresponding cultural demands. Starting from the aspects of supply and production, the cultural connotation of cultural products and services need to be promoted, so that the appreciation level of people can be promoted and then the cultural "demand-side" also can be improved. That is, if web celebrities provides more elegant culture supply, people's artistic grade and aesthetic standard will be improved, and the demand for elegant art also will be gradually increased; or there are mostly web celebrities who mainly make elegant culture supply, and has form a certain scale in their market, in that case, their guide direction also will be culture consumption with high quality, culture connotation and art cultivation. Conversely, if the production is mostly of inferior cultural products and services, or the web celebrities are mostly to produce the vulgar content and in a large-scale, then the people's cultural demands will be also declined. This is the logic of cultural supply-side reform.

4. The future of the "web celebrity economy"

4.1 The content is still King

It is undeniable no matter how the web celebrities are popular on the Internet, all because they can provide products with content to attract popularity. Just because of the content, they can attract fans over time, and convert their advantages into business models. But if they launch products with content of pleasing the audience, vulgar, repetition copying without any changing, the booming of the web celebrities economy now will be likely difficult to escape the "bubble" of fate. In the future development of the web celebrity economy, content will be still King.

Communication theory points that compared with other elements (such as media, channels, etc), contents are the most important^[3]. Contents are the starting point and destination of broadcast, and the raw materials and products of the mass media, even more the ultimate source of profit, the success of content will bring the success of the whole business strategy. And in the strategy of the sustainable development of web celebrity economy, contents will be still the most important thing. From the

perspective of web celebrities, the content optimization is actually a marketing of personal branding. After all, the web celebrities as communicators, the contents of their communication will show the personal qualities and connotations reflected by knowledge and ideas based on creative and logical thinking, and further by the mass media, to make an infiltration of the thoughts on the audience. From the audience's perspective, in the face of an era of information explosion, the flood of information is likely to result in information anxiety. If the web celebrities can distribute the high quality content, and in the process of dissemination of the contents, on the one hand, let the audience have a pleasurable emotional or aesthetic experience to meet the emotional demands. On the other hand, let the audience obtain information and knowledge and meet the need for cognition. So the audience's attention naturally will continue to concern the contents that the web celebrities spread and become their more loyal fans. Thus, the web celebrities with its fans formed a win-win situation, which might be the road of the future development of the web celebrity economy can be continued vitality.

4.2 Cross-border integration: "web celebrities +" mode

In the past two years, the concept of "Internet+" was put forward, which has spawned many new concepts, new ideas and new thinking of society, and brought new economies. The "web celebrity" can be regard as the new darling who was born, growing, and developing in the Internet, they should follow trend of "Internet +" to grow up.

In the "Internet +"social environment, the new development model of "Internet + traditional industries," has combined the Internet and a number of traditional cultural industries, in order to promote the transformation of traditional industries and accelerate industry innovation and industrial upgrading. The web celebrities can use the advantage and influence themselves on the Internet, while on one hand they have made a cross-border integration and with different industry to form industry models, including "web celebrities + manufacturing industry ", and "web celebrities + retail industry", and "web celebrities + tourism industry ", and "web celebrities + catering industry ", and "web celebrities + training industry" etc.; on the other hand, they also

can make a deep integration in the process of industry chain of some industry (for example clothing, and catering, and beauty makeup and so on), and work on many processes of production, circulation, consumption, and feedback, then get through supply and demand closed ring, and make the supply and demand associate, thus achieve a comprehensive upgrade of the web celebrity industry.

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