

Stimulation Effect of Fan Economy to Industrial Development

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Abstract: This article analyzes the current conditions of social media and discusses the development prospect of the fan economy as a business model in the economic industry. The main idea of the fan economy is emotional identification. A mature fan economy has characteristics of low costing and high efficiency. Using social media as the platform, fan economy can maximize the efficiency of information dissemination. This business model plays a good role in the early stage of enterprise development. However, the development of fan economy is short of staying power, which requires enterprises to make joint efforts to maintain the relationship with fans and customers on the premise of constantly improving product quality.

1. Introduction

Fan economy refers to the consumption behaviour of fans for adoring idols. The consumer behaviour of fans is based on the main works of their idols and then develops into the endorsement of idols and other related commodities. This phenomenon mainly occurs in the entertainment industry such as music, film and television or sports industry. In recent years, along with the rapid development of the Internet, the fan economy frequently appears in the consumer's vision. The popularity of social media has created a group of influencers with a large group of followers. This has created the necessary conditions for the rise of the fan economy. Today, the fan economy, a business model centred on the emotional identity and viscosity of users, dominates consumers' daily lives.

At present, most of the research related to the fan economy focuses on the big data-based model estimation of social media. The reason is that the fan economy has only developed in the entertainment industry of certain places, such as South Korea and Japan. On the other hand, the rise period of social media is relatively short, and its impact on consumers is still in the observation stage. However, with the rapid growth of the types and speed of information transmitted via the Internet, it is easier to create idols that are not limited in the entertainment and sports industries.

The purpose of this paper is to explore the role of the fan economy as a new business model in stimulating industrial development by comparing the performance of fan economy in the culture and entertainment industry and the influence of social media on audiences. At the same time, further analysis of the advantages and disadvantages of this business model, and the future development prospects. The following section are related literature review, development trend and characteristics analysis, and conclusion.

2. Literature Review

Based on a broad review of recent articles and researches related to the fan economy, there are mainly two types of researches. The first one is to conduct a model analysis on the big data of current network social media, to study the information dissemination efficiency of social media. Bai, Li, and Chen made a nodal analysis of the extent and influence of celebrities' information on social networks [1]. The model derived from the biological immunization strategy analyses the accuracy of

data propagation after removing the repeated coverage nodes. The study tracked the dynamics of a particular influencer in a social network. This model visualizes the influence coverage and propagation path of an individual in the social network. It is great helping further understand the advantages and audiences of the observation target, especially the potential audiences.

Another kind of data analysis is based on the network service platform as the main body to study the impact of the platform on users. In music streaming media, a study of Korean pop music streaming recommendations found that the platform's statistical model could predict listeners' music preferences on a wider scale [2]. This kind of research can be further used to improve user satisfaction and enhance user viscosity to consolidate the user base of the platform. However, the network media industry is still in its early stage of development, the platform quality is uneven and lack of regulatory. The authenticity and integrity of the platform's data remain to be verified.

The second type about recent research is to explore the impact of social media on user behaviours patterns. Especially after the emergence of a large number of Internet celebrities created by social media, the purposeful and targeted information dissemination based on social media has shown great advantages and potential. Millennials and gen Z, as represented by the younger demographic, are also the age groups that are most exposed to and embrace social media. According to the study, celebrities on social media have the same impact on such groups as social leaders [3]. In the future social development, the influence of network celebrities and influencers on the society is not negligible. Moreover, the promotion from them with commercial purposes will attract a large number of fan-based customers.

Social media influencers are considered to be a new kind of third-party endorser with emotional identity [4]. Compared with the traditional star-making model, using social media as a way to become famous has greatly reduced the cost of star-making. The requirements for being a social media influencer are very low, making it possible for anyone to become a star. People have a stronger sense of identity and engaging for social media influencers. In this context, social media users are more likely to have unconditional trust in the influencers they follow, making the huge advantages of the fan economy business model increasingly apparent.

Both the analysis of social media data and the influence on users show trends that social media is an effective way for fan economy promotion. However, looking at the origin of the fan economy, which is born from the cultural and entertainment industry, the development of the fan economy has its limitations. In the investigation and analysis of the Chinese pop music market, it is found that the fan economic model is not suitable for the Chinese market due to the Matthew effect and the limited diversification of the consumer market [5]. The study argues that in China's pop market, the fan economy is a better model for introducing new artists [5].

3. Development Trend and Characteristics Analysis

3.1 Stimulating Effect of Industrial Development

Compared with other traditional economic industries, the rapid development of the fan economy is attributed to the rise of the Internet and new social media. The fan economy is growing in size as fan culture and social media permeate the rest of the economy. It is not only the new marketing method of media but also the new economic form based on the Internet. The consumer behaviour of fans is essentially the consumption of idol-related products to achieve psychological comfort. Therefore, fans in the cycle of consumption also led to the development of related industries. For enterprises or products, fans with repeated consumption behaviour are the necessary resources for industrial development and the key to enterprise development. The promotion and competition of other merchants for the high-quality customer base represented by fans will promote the development of the whole industry.

3.2 Relationships between “Idol” and “Fans”

With the development of science and technology, the economic benefits generated by "idol" gradually expand. And "fans" as a specific group of application scope and scale gradually expanded. The strong sense of identity between idols and fans is the main driving force and the most effective glue. Fan economy is the result of the coordination of spiritual needs and material needs. However, the sense of identity can only provide initial heat, not lasting consumption motivation. Therefore, the key to fans' economic development is to improve product quality.

Fans to enterprise are not only consumers but also responsible for the quality of the industry's development. In the consumption pattern of the fan economy cycle, fans are investors, value creators and filters [6]. In today's entertainment industry, while the idol's behaviour affects the fans, the fans' behaviour also represents the image of the idol they pursue [7]. Similarly, in the economic industry, the quality of fans also determines the future development direction of enterprises. Therefore, the development of the fan economy needs the joint efforts of both the enterprise and the fans to break the barrier of the lack of momentum for the sustained development of the fan economy.

3.3 Social Media

Social media is the most widely spread information dissemination platform, carrying a wide range of information. However, as the network supervision mechanism is not perfect, the use of social media as the main information dissemination tool still has unpredictable risks. On the one hand, the opacity of network information may lead to the deviation between the proposed profile of the fan group and the actual situation. On the other hand, the instability of the network environment may expose enterprises or products to unpredictable risks. At the same time, there are a large number of existing social media platforms in the market with different quality levels, so it is difficult to accurately estimate the possibility of platform development. Therefore, the choice of social media platform also needs to be careful.

3.4 Pros and Cons

One of the advantages of the fan economy is the high viscosity of users. This consumption model, which is linked by emotion and culture, is more impulsive. In terms of marketing and enterprise maintenance, the cost of the fan economy model is lower than the others. On the other hand, the fan economy is conducive to enterprises to build an industrial chain, to stabilize the customer base and comprehensively in the industry. Xiaomi from China has successfully built its ecological chain by applying the fan-centric mode [8]. Xiaomi is continuously improving their product quality and user satisfaction with this fan-centric mode. Xiaomi's success proves that the two factors interact. A mature fan economic model makes the cost of maintaining user satisfaction greatly reduced [8].

Fan economy also has its shortcomings. As mentioned earlier, the fan economy, which uses social media as a way to spread information, has a large audience of younger generation represented by millennials and gen Z [3]. The consumption concept of the younger generation is not yet sound, easy to produce impulse consumption and blindly follows the trend of consumption. While paying attention to the quality of fans' economic development, it is also necessary to guide consumers to set up a correct consumption concept, not blindly follow and do not rely on, and establish a healthy consumption environment for the later development of fans' economy.

4. Conclusion

This article briefly introduces the development of the fan economy in social media. It is also an analysis the advantages and disadvantages of fans' economies and the development trend in the future. This business model derived from the cultural and entertainment industries takes emotional connection as the core, combining consumer loyalty directly with the economic benefits and value of the enterprise. The mature fan economy will perfectly realize the low cost and high-efficiency marketing. But it will take a concerted effort from both companies and fans. The fan economy will start from the culture-intensive industry and gradually permeate to all types of economic industries.

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