A Research on China’s Online Celebrity Economy-Live Economy

Weicheng Hu¹*, Huixia Lu²

Department of Business English, Zhejiang Ocean University, Zhejiang Province, China

College of Foreign Language, Zhejiang Ocean University, China

*Corresponding Author: Weicheng Hu, Department of Business English, Zhejiang Ocean University, Zhejiang Province, China

Abstract: online economy, as a new economic model, is the product of the development of Internet. In recent years, China’s online celebrity economy is undergoing rapid development, especially for live industry. 2016 was the marker—the year of live. At the same time, China live economy took shape. Meanwhile, more and more enterprises realize that marketing methods should go with the advancement of the society. Traditional marketing methods should be combined with live. The article helps enterprises with live marketing plan by analyzing development of China live economy, on the basis of combination of theories of live economy and case study.

Keywords: Online Celebrity; Online Celebrity Economy; Live Economy; Live Marketing.

1. INTRODUCTION

Online celebrity economy now plays an important role in China’s economy. The development of technology frees people from restriction of space to some extent. For example, nowadays, people can use live platform downloaded in smartphones to interact with anyone across the country. During its development, a new kind of economy---live economy was born. As time goes, enterprises pay increasing attention to live. However, live marketing simply means that live is everything. Enterprises shouldn’t abandon traditional marketing methods. These methods should advance with the age and find its new definition. Consequently, this article gives an overall introduction of live economy and discusses some cases combined with marketing methods.

2. ONLINE CELEBRITY ECONOMY

2.1. Definition and Development of Online Celebrity

An online celebrity refers to someone who becomes well-known among netizens for his behaviors or experience through Internet. Commonly such experience or behaviors will be exaggerated during the process of spread (Gou, 2017). Although both online celebrity and traditional stars have a ground today mainly because of their fans, they’re different to each other sharply. Traditional stars, so-called “cultural and arts worker”, belong to the professionals that require vocational study and training. Nevertheless online celebrity’s vocational development is closely linked to likeability of fans, that is to say, how many fans you gain.

Therefore, the emergency of online celebrities is ascribed to the Internet. It develops as the Internet develops. Over the past years, it got through four phases.

The era of literature

At the first stage, people become well-known to the masses because of their popular literature. At that time, with the limitation of broadband, Chinese netizens could only share and read some literature works through Internet. Accordingly, the popularity of literature forum rose. During this period, many successful writers and their works emerged. Here are some representative cyber writers and their work, My Own Swordsman written by NingCaishen, Soulmate(Qi Yue and An Sheng in Chinese version) by Anne and so on. Some of their works have been shot into TV series and films.

The era of image

At the second stage, those who are distinctive and brave to post their photos on sites can become
online celebrities. Netizens usually give warm welcome to these people, for example, LuoYufeng and Sister Lotus who are known for their exaggerated strange pictures. Nearly around 2000, Internet in China ushered in rapid development. Images could be post and transmitted online, which means that China stepped into the era of image from the era of literature.

The era of opinion leaders

At this stage, because of celebrity charisma, a group of new online celebrities called opinion leaders appeared. Opinion leaders refer to influential individuals who play an active role in offering information to others through Internet. After blog, Micro blog and the same other products come out, more and more individuals can comment and share their opinions online. Those who comment critically and have their unique views are particularly welcomed. The representatives are like Yao Cheng, an actress, who often posts comment on daily life in a reader-oriented style.

The era of intellectual property

The final stage is the IP(Intellectual Property) era. An obvious change is that the online celebrity’s cashability is improved and varied. During this period, some online celebrities attract fans by purposefully pleasing or entertaining them. Some of them even do something illegitimate at the risk of being arrested to receive more gifts from fans. However, now, this kind of pattern can’t work. Hosts instead need to share some experience of life and impart professional knowledge. Recently the most representative known to many of us is Papi Jiang, Chief Content Officer of Baidu, who becomes hot by creating self-made characteristic short-video.

2.2. Online Celebrity Economy and Its Marketing Patterns

Online celebrity himself or his company makes good use of his popularity, reputation and strong influence to turn fans into profits by all kinds of means, thus online celebrities come into being. (Wang, 2016). The essence of online celebrity economy is the combination of online celebrity and capital. From the point of supply and demand, on one hand, higher cost of real estat and labor force are in less demand with the development of cyberspace. People can do business at home on their own. On the other hand, for some manufacture industries, they are lacking in innovation. A breakthrough is crucial and urgent.

Above all, online celebrity fits all requirements. They have a certain number of fans and enough capital. And manufacturers have mature production and supply chains. Now, they collaborate for their own profits and form online celebrity economy.

Online celebrity economy, as a kind of new driving force for China’s economy, is now undergoing rapid development (Guo, 2018). According to Special report on China Internet Celebrities Industry made by Analysis International in 2016, online celebrity industry is the integration of online celebrities, its service and products. In this industry, it is more than social platform, training online celebrity, supply chain management, marketing and promotion. Its relevant components include online celebrity, brokerage firm, product supply chain, brand and so forth. It is mainly closely linked to online shopping platform, like Taobao, Suning and JD. Besides, some services or companies like to advertise on live. Online celebrities operate as a We-media, cashability will rise as more and more fans cast attention to them. Nowadays, there’re some obvious advantages in online celebrity economy. First, online celebrity economy has strong cashability. The attention of online celebrities is ever-growing. They even gain more recognition than traditional movie stars or singers. Second, online celebrity economy is a kind of precise marketing. Most online celebrities focus on their expertise and try their best to attract potential spectators who have interests in their fields. Therefore, the online celebrities spread the information which is highly acceptable. Third, online celebrity economy is people-oriented. In the past, an artisan company spent high cost training stars. But online celebrities usually come from the masses. Compared to those stars, developing an online celebrity has higher performance cost ratio. Although it has so many edges, it inevitably has some problems during its development. One key factor is the watchdog’s malpractice. Internet frauds are common for most of us. The other serious disadvantage is the inundated vulgar entertainment. With the low threshold, the only way for people with poor education is to entertain audiences in any way. Thus, to those celebrities, the content is unacceptably entertaining (Jiang, 2018).

As the China benefits from ongoing development of Internet, the pattern of profit model of online celebrity economy varies. There have been some scholars who do some investigation and discuss a lot
about it. (Cao, 2016) There’re four main patterns. First is the pattern of “Online celebrity+E-Retailer”. This model makes profits by introducing celebrities’ online stores, for example, in Taobao platform, to their fans after they obtain a lot in some social platform. Second is soft-text advertising. When you post a message on micro blog context, you can put brand advertisement in it, or in short clips or pictures. Online celebrities can turn their transmissibility and influence into advertising income. By the end of 2016, 25% online celebrities make profit by doing this (Ao, 2016). Third is virtual currency exchange on the live platforms. This phenomenon booms with the appearing of live platform, such as Panda TV, Douyu TV and so on. Audience can exchange real current for virtual current and buy gifts to send to their favorite ones. The profits are shared by both the platform and the host at rate. Fourth, branding IP is important. With the capital inflow, online celebrities themselves and their contents begin to brand and create value.

3. LIVE MARKETING

3.1. The Definition and Development of Live Marketing

Live is a kind of live broadcast based on media platforms, traditionally, on TV or on radio with a long history, such as party broadcast, interview broadcast, sports match broadcast, news broadcast and so on. With the development of Internet, especially the popularization of smartphone, live develops new meaning in its definition. Live is based on the appearance of Internet and gradually became popular. Webcast means that users use app downloaded in their smartphones to broadcast what is happening around them with cameras and microphones equipped with phones. Other netizens can also directly watch and interact on the corresponding live platform simultaneously.

Live marketing, in its broad meaning, means that enterprises launch a series of marketing activities on live platforms to promote their brands or sales volumes. Since 2016, webcast ushered in its booming period with more than 300 live platforms and over 20m users. Under the background of “Internet plus” and big data, live marketing, as an new marketing method, plays a significant role in promoting corporate brand and image (Chen & Tao, 2018).

Limited by computer’s hardware and network, generally, it goes through four phases, broadcast with images and words, live show, game show and mobile broadcast. At the first stage, because of the restriction of Internet, most netizens usually chat, read some news or forums. Only words and images are available for people. After that, live show came into our life. The show is used for showing people’s abilities. Then it’s the game show. The emergency of YY (a kind of live platform) makes it possible that hosts can share experiences and chat directly while they’re broadcasting cyber games. Meanwhile a group of game platforms began to emerge. Finally, what most of us enjoy is the mobile broadcast. In 2015, a lot of live platforms came into our life, such as Panda TV, Huajiao TV and so forth.

3.2. Patterns of Live Marketing

To attract more audiences, a corporate new media team needs to design more attractive views combined with previous preparations in live forms. There’re seven patterns of live marketing, appearance marketing, star marketing, exclusion marketing, expertise marketing, talent marketing, comparison and contrast marketing and interview marketing. In live economy, it has been proved that people’s appearance is the driving force. Therefore, live platforms usually recruit handsome hosts and pretty hostesses. For celebrity marketing, celebrities are always popular among a certain group of people. Platforms usually invite celebrities who are popular at the time to take part in the live and then make some interactive activities with audiences. Exclusion marketing applies to enterprises owning exclusive information channels, including exclusive naming rights, intellectual property, authorized patent or the rare accessible channels. Usually, these scarce products are warmly welcomed by spectators. Expertise marketing commonly refers to sharing and spreading expertise. Some scholars, like Buhr & Pryor, found that specialization level of celebrity has positive influence on attraction, likeability and acquaintance of advertisement (1987). It aims to help users improve their life skills or capacity. Meanwhile, by the way, companies can also promote their products by introducing how to use them. Talent marketing is the most familiar to most of us. Live is a platform for hosts to show their talents. No matter the host is a grass root or star, he can attract a group of loyal fans in his field by showing his spectacular talents. Comparison and contrast marketing means that host usually assesses two kinds of products by distinguishing their similarities and differences. Finally, interview marketing is a kind of interactive form by interviewing celebrities, passers-by, experts and so on to promote corporate brand.
3.3. The Promotion of Live Marketing

A complete live includes three parts, preparation, live and promotion after live. Therefore, relative works should be finished after the live is over. Platforms can advertise from several aspects, from pictures and words to videos. Based on that, first platforms should have a clear goal. Setting a clear goal is the foundation of the advertising. Usually, they aim at increasing sales volume, improving brand image and promoting brand loyalty. Then, platforms should choose moderate mass media. Nowadays, they commonly use combined media, like We Media with WeChat chat group. The final things for platforms are statistics analysis and summary of experience. Statistics can be estimated to testify whether the live effectively conveys product ideas to audiences. What’s more, platforms should use statistics to check whether the number of audiences accord with projected goal and whether the live is precisely positioned at targeted audiences. The most importantly, platforms should compare the profits in live with projected profits. For the summary of experience, the relevant people should make a team discussion and record results.

3.4. The Advantages of Live Marketing

In general, there’re four advantages, lower marketing cost, more intuitional users’ experience, better sales volume and more useful feedback. In the past, the cost of traditional advertise marketing, like TV advertisement and building advertisement, varies from hundreds of thousands of RMB to millions of RMB. First, at the beginning of online marketing, enterprises could attract potential customers and sell products in a lower cost. As the increasing number of users in Taobao, Suning and such platforms, the cost of search engine advertisement and online advertisement rocketed. However, because of the lower requirement for material and space, live marketing, so far, has the lowest cost. Second, live marketing gives audiences more direct customer experience. When netizens go shopping online, especially, when they want to buy something expensive, they should have a clear understanding of it by reading its introduction. Whereas, by live marketing, the host can directly show audiences what the food tastes or how the product performs. Third, consumers don’t need to worry about shopping irrationally. In a live, the enterprise can give a concise introduction of products, preferential policies and promotion activities. More importantly, Consumers can directly ask questions. Fourth, live makes feedback more effective and convenient. With the live, enterprises, on one hand, can receive feedback from users who previously have used the product. On the other hand, it can receive feedback from people who is watching now.

3.5. Risks Prevention of Live Marketing

Because there’s no rehearsal for live, enterprises have to make a comprehensive preparation. First of all, enterprises should make links as precise as possible, especially when designing an offline activity. Meanwhile, some links, such as lucky draw part, it should be fair and transparent. Second, before a live, enterprises should test software and hardware. Although there’s no rehearsal, enterprises still need to ensure equipment operating well. Third, enterprises should supervise the barrage. Barrage regulators should check every barrage before it rolls on screen. Finally, enterprises should ensure everything in live doesn’t involve in patent infringement. Materials usually are required for a live, including mascot, dolls and chartlets.

3.6. Basic Theories of Live Marketing

3.6.1. Brand Marketing

Brand marketing means that enterprises create brand value by building corporate brand images in people’s minds (Wang, 2011). Brand marketing aims at giving consumers deeper understanding and leaving a deeper impression on consumers, which leads to purchase and even builds loyal customers(Ji,2011). Brand marketing includes brand positioning, brand image and brand equity which have internal theoretical connection. It’s very important to build and spread brand image during the process of brand marketing. Commonly, enterprises show their popularity and good reputation to the mass to gain their trust in products and services. The key to brand marketing is characteristic brand core value which can impress consumers. It gives consumers a clear mind of brand’s unusualness and it represents the recognition replaced by them. The brand is based on the products’ quality which is the cornerstone for consumers’ recognition. Brands are an important intangible assets rather than simply a logo standing for enterprises, products and services. That’s to say, during our fierce competition with foreign companies, brand marketing plays an increasingly important role.
3.6.2. IP Marketing
IP is the abbreviation of Intellectual Property, including music, literature, invention, findings, talent, personal skills and something that has the value to show off. Different from other marketing methods, IP marketing gradually becomes a way to accelerate business cooperation within different sectors as it takes the function of brand marketing (Yi, 2018). Building solid connection with customers by character charisma is most typical IP marketing. For instance, today, a new phone will be released by a new product release meeting, like the Apple accompany. Many people buying iPhones maybe are more likely for its CEO, Steve Jobs.

3.6.3. Interactive Marketing
Interactive marketing theory is a new kind of marketing under the circumstance of development of Internet. In companies, it means corporation has timing, effective and multi-channels communication with consumers through Internet and other communication technologies to run marketing campaigns, build relationship with customers and enhance customer loyalty to brands. Interactive marketing theory is not unidirectional but bidirectional between companies and consumers (Ji, 2011).

4. CASE STUDY OF LIVE MARKETING

4.1. IP Marketing Applied in Live Marketing (Taking Pepsi and Huajiao TV as an Example)

Concert live
Youngsters are always the target customers of Pepsi and endorsement of stars is the way to build up brand image in young people’ minds. It targeted at music sector which was popular among young people. In 2016, Pepsi hosted a concert with “Live for Now” as its theme. It aims at effectively promoting brand influence among young people and building a young brand image of Pepsi.

Pepsi cooperated with online concert platform, Live Music, inviting both young singers who were welcomed by most young people and senior singers who were known to most of us. Across the board, from 13th April to 30th December, it hosted 11 online concerts and two offline concerts. Besides, Live Music integrated VR technology into online concerts by which audiences could have a more real experience. During the period, Live Music cooperated with several overseas media to publicize for Pepsi. In the end, the concerts attracted totally almost 700 million spectators.

On September 14, 2016, Huajiao TV held its annual ceremony in Beijing on live, where the investors of Huajiao and many stars from different fields attended. Huajiao has been always putting much of its effort into quality contents, the ceremony once again caught audiences’ eyeballs by IP of stars. In ceremony, hosts together with stars bestowed rewards upon people who performed well over the course of the year. Besides, on September 23, 2016, the host of Huajiao interviewed two famous movie stars on live. In this way, stars could publicize for themselves and their movies, and live platform obtained more spectators.

4.2. Interactive Marketing Applied in Live Marketing (Taking Eptisonand Yangcheng Lake Hairy Crabs as an Example)

24-hour live on trying on new clothes
As a startup, Eptison achieves a good sales volume by star endorsement. Now, the number of garment enterprises has always been increasing in recent years. Common new product release is hard to attract attention from customers. Thus many turn to live to seek breakthroughs in content and interaction with consumers. The aim of live was to promote brand image in masses and have its new products a better sales.

The activity took dressing room as key words, live as form of performance and “My style looks good to you” as the theme. It invited more than 50 models and no one would miss 24-hour live.

When the models tried on clothes, they would also share experience and chat with them. In this way, audiences had a more direct expression and gradually built rapport with Eptison. At the offline site, audiences even had the chances to try on by themselves. After finishing the live, some new media, like Tecent and Tudou, instantly, made second propaganda for Eptison. Finally, the activity finished with sales volume over 600 thousand, ranked first in the same products.

Every years when all kind of crabs show up together in supermarkets from September to October, it is usually hard to distinguish Yangcheng Lake Hairy Crabs from others. Traditionally, some retailers will introduce some sales promotions and even some e-retailers will set a column for crabs on their websites. However, with so many traditional marketing methods, it’s still hard to meet costumers’
demand because people are not sure whether crabs they sell are real Yangcheng Lake Hairy Crabs. But one retailer gained a lot by giving up the traditional marketing and leaving for Yangcheng Lake to live. This new kind of marketing method gave customers a sense of freshness. On one hand, retailers came to Yangcheng Lake in person, which was beyond customers’ imagination. On the other hand, the fresh crabs and beautiful sense always made people feel comfortable. During live, the interaction between customers and the host kept going. A lot of deals have been done by interaction. Meanwhile, to make it more interactive, the host also held a match for crabs eating.

5. CONCLUSION

Live marketing as a new marketing method caters to consumers’ need of interaction. In live, hosts have to know what consumers needs and operates accordingly. Furthermore, one single form of live can’t make good achievements. Enterprises usually combine live with other marketing methods. Today, after years’ development, live industry has been in a relatively mature stage. As government introduces more and more regulations, live also becomes more and more normalized.

REFERENCES


AUTHOR’S BIOGRAPHY

Weicheng Hu was born in Jinhua, Zhejiang Province, China in 1987, the Han Nationality. He received his High School Diploma in 2015. He is currently a student majored in Business English in Zhejiang Ocean University, Zhoushan, Zhejiang Province, China. He studies China's economy.

Huixia Lu was born in Dongyang, Zhejiang Province, China in 1982. She received her M.A. degree in linguistics and applied linguistics from Zhejiang Normal University, China in 2008. She is currently a lecturer in the College of Foreign Language, Zhejiang Ocean University, Zhoushan, Zhejiang, China. Her research interests include critical discourse analysis and teacher education.


Copyright: © 2018 Authors. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.