

Research on the Influence of Corporate Social Responsibility of Entertainment Media Companies on Corporate Reputation and Interests

Junhao Hu

Faculty of Hospitality and Tourism Management, Macau University of Science and Technology,
Chongqing, 401120, China

1210020350@student.must.edu.mo

Abstract. The purpose of this paper is to describe whether entertainment media companies can have a new market in the entertainment industry by fulfilling their corporate social responsibility and to propose a new direction for the saturated industry to seek greater economic benefits. The analysis mainly cited examples of Zhang Wuxu speaking for his hometown and Xiao Yang Ge spending nearly 100 million yuan to give back to the public through disaster relief and holding charity concerts. Through analysis, there are signs that Zhong Zhang is doing nothing and Xiao Yang Ge is exerting himself in the wrong place. In the paper, the suggestions of implementing CSR in the places where Zhang replaced the investment are given respectively; Xiao Yang Ge will focus on implementing CSR recommendations in a new way that combines customer experience with product quality. This paper gives some suggestions on how to implement CSR in accordance with the current situation of enterprises. At the same time, it is clear that CSR has a positive impact on enterprises and is worth developing as a new market.

Keywords: Corporate Social Responsibility, Reputation, Economic Benefit.

1. Introduction

With the development of The Times and the continuous strengthening of the comprehensive national strength, the state pays more and more attention to the requirements of the people's spiritual level and encourages all regions to vigorously develop their own tourism industry. Various entertainment companies are also seeking new market breakthroughs in order to seek greater economic interests. At the end of 2023, Harbin's tourism boom has attracted the attention of various entertainment media companies, and celebrities have spoken for their hometown. This emerging phenomenon of corporate social responsibility may evolve into a new market to add new projects to the overall industrial environment. In terms of actual data, Xi' a tourism vertical limit, Dalian Shengya only about 5 minutes to seal the strong board, Changbai Mountain, Jiuhua tourism also limit, it is worth mentioning that Changbai Mountain has recorded 10 trading days 8 limit, only one step away from the highest point in history. In addition, Zhengping shares rose more than 6%, Guilin tourism, Fulin transport industry, Mount Emei, China CYTS, and other shares followed [1]. The behavior of each star to speak for their hometown has brought huge population flow and economic benefits to their hometown, and the stars also benefit from it. Ding Zhen, an ethnic minority "ordinary boy", suddenly stood out with a 7-s short video shot by a photographer in November 2020. His video has been viewed 12 million times and received 2.78 million likes from netizens, which is as hot as top movie stars. Different from regular web celebrities, he did not enter the entertainment industry or sell goods online but chose to join Li Tang County Culture, Tourism and Sports Investment and Development Company and was employed as a state-owned destination ambassador for his hometown. Limited by the natural geographical and climatic characteristics, Li Tang's economic development is relatively backward. However, there are rich tourism resources, such as plateaus, snow mountains, alpine lakes, hot springs, and temples, inhabited by Tibetans. Data show that since November 20, 2020, the search volume of "Li Tang" increased by 6 times on Ctrip, and hotel bookings increased by approximately 90%. For achievement, "Ding Zhen" was ranked as one of the top 10 tourism events in China [2]. Ding has brought a large number of economic benefits and jobs

to his hometown, Litang, after performing corporate social responsibility to publicize his hometown, and has made significant contributions to the economic construction of Litang. I was also hired as the tourism ambassador of the hometown and achieved a leap forward in terms of reputation and economic conditions. Zhang & Xu found that the attractiveness, trustworthiness, and expertise of celebrity endorsers positively influence parasocial interactions for both previous visitors and potential tourists, indicating that tourists can form a platonic parasocial relationship with celebrity endorsers by just viewing their photos in advertisement messages. The findings are in accord with the theory of parasocial interaction in mass communication. A parasocial interaction is more likely to be established between tourists and those attractive, knowledgeable, and reliable celebrity endorsers. Findings also indicate that parasocial interaction has a positive effect on destination brand love [3].

In contrast, most scholars have studied the value and influence of celebrities on brands or tourist destinations as well as the matching relationship between the two, how celebrities guide fans to consume and travel, and how to do a good job in celebrity endorsement. However, few scholars have studied whether endorsement brands or tourism destinations can bring fame and benefits to celebrities and the entertainment media companies behind celebrities, and in what aspects, and under what circumstances can the interests of celebrities and companies bring them such benefits after fulfilling such social responsibilities.

This paper will first collect all kinds of relevant literature for collection and analysis, then collect relevant cases for analysis.

2. Case Description

After the explosion of tourism in Harbin, entertainment media companies also invited celebrities to promote their hometown. One of the more representative cases is Zhang Yixing's advocacy for his home province of Hunan. After two videos were released on January 16 and 17, respectively, both received more than 100,000 likes. Zhang Yixing's Baidu entry was also hot on the 20th. After nearly a week of fermentation, it has gained at least 25% of the heat. In the comments area of the video, apart from the original fans, there are also former Hunan people who are positive about Zhang Yixing's behavior. The effect on the reputation of Zhang Yixing and his studio is quite good, but the financial benefits are not clear. Yang found that if the company fulfills more social responsibilities, it can create more intangible assets and enable investors to have a good evaluation of unexpected earnings, that is, a higher earnings response coefficient, but only when the current earnings are less than expected, on the contrary, if the current earnings are better than expected, there is no such effect [4]. In addition, when enterprises fulfill more social responsibilities, they can also make the company's surplus more sustainable. In late 2023, Tiktok Internet celebrity Xiao Yang Ge and his company held a concert to repay fans, costing more than 30 million yuan, which took six months to be free and streamed online, and promoted his hometown Hefei in the final stage of the concert. The video has received more than five million likes on TikTok. This kind of feedback has given Xiao Yang Ge a big boost to his reputation, at least locally. Since his company is mainly engaged in e-commerce, people's desire to buy has also been boosted by his public image. The popularity of Xiao Yang Ge's Baidu entry increased by at least 300% on November 27, the day after his concert. Xiao Yang Ge and his company have donated at least 30 million yuan in at least three major disasters during 2023, and their economic benefits have been significantly improved after fulfilling their corporate social responsibilities. Its sales in 2023 have increased by 200% compared to 2022, up to 30 billion. While the above two cases have similar interests and have different benefits, Zhang Yixing's case is mainly based on reputation, but he basically has no cost consumption. After spending a lot of time and money, Xiao Yang Ge has achieved great results in terms of reputation and economic benefits.

3. Analysis of the Problem

3.1. Problem identified in Zhang and Xiao Yang Ge's case

In Zhang's case, it can be seen that his unpaid act of representing his hometown has indeed brought more than 25% of the heat for himself and his studio, but it isn't very important compared to the heat brought by Xiao Yang Ge to his company. Herremans, Akathaporn, and McInnes found that there was a rise in the popularity of socially responsible investing. This is likely to have caused a relative increase in the demand for, and hence prices of, the securities of companies considered to be especially responsible. Secondly, several factors have been at work to increase the expected cost of social irresponsibility [5].

3.1.1 Low cost and low return are almost useless efforts

As a star, Zhang's popularity is certainly much greater than that of Xiao Yang Ge, and such an unequal situation appears. In this paper, the analysis of this problem is that the first factor is that the two companies' operating types are different. Zhang's studio's main income comes from participating in shows and advertising and collecting fees for publishing works. Xiao Yang Ge's company mainly relies on selling goods through online short video platforms to gain economic profits. For Zhang's company, the reputation boost does not bring them direct financial benefits. For Xiao Yang Ge's company, the promotion of the company's reputation will greatly improve the public's reputation value for the products they provide, thus greatly enhancing the purchase desire for the products they provide and realizing the realization of reputation. Lin found that under the trust of consumers and manufacturers and thus the profit growth, it will relatively increase the investment willingness of investors, further attract long-term investors, and help to boost its stock price performance. The ultimate goal of a company is to maximize shareholder value. In addition to the figures on financial statements, corporate social responsibility is a priceless treasure that accumulates slowly and is deeply rooted in the hearts of the people in the process of operation [6]. The second factor is Zhang's cost. Although Zhang, a well-known celebrity, speaks for his hometown for free, his cost is very low. He only needs to participate in recording one or two short videos of less than one minute, which can increase the popularity of him and his studio by more than 25%. For Zhang, the promotion of reputation does not mean that economic transformation cannot be achieved. Compared with the rapid transformation of Xiao Yang Ge's company, the transformation of Zhang's reputation economy lies in the fact that more fans have a higher willingness to buy and higher purchasing ability in the future release of works and paid endorsement products, so as to enhance the market value of Zhang and his company. However, almost zero input cost can improve Zhang's reputation, which can prove the significant benefits of this corporate social responsibility for his reputation improvement. Obviously, although such an almost zero-cost investment can bring a period of heat increase, it does not have a huge effect on reputation and economic benefits. The fulfillment of social responsibility at zero cost is not futile, but its role is very limited, which is also a problem that may be encountered in the new market.

3.1.2 High costs bring high economic returns and some negative reputations

In Xiao Yang Ge's case, whether it is spending more than 30 million yuan to hold a free concert to give back to the public and broadcast live online or donating at least 30 million yuan in one year to help the disaster area, it is an embodiment of high-investment and high-cost corporate social responsibility. But it is precisely because of the main form of operation of the company that its reputation is raised to a very high point, and its economic interests are raised to a very high level. However, after a certain point is reached, the reputation will not continue to grow, and some people will start to think that Xiao Yang Ge is trying too hard to build his corporate image but ignoring the quality control of his main products. This behavior led Xiao Yang Ge's company to start a rumor that Xiao Yang Ge was packaging its own company to make money by selling a lot of products that were not good enough to earn a lot of commission. But in terms of the overall data, Xiao Yang Ge's company achieved higher economic profits in 2023, even three times as much as in 2022. The

company has invested nearly 100 million yuan in fulfilling this enterprise behavior, but its output is fully worth the investment, more than \$30 billion in revenue. What's more, it proves that fulfilling corporate social responsibility is a very effective behavior, at least in the aspect of enhancing corporate reputation. Due to the different business contents of Xiao Yang Ge's companies, the speed and quantity of economic benefits they bring are also different. However, the increased visibility that comes with a reputation boost can also limit the company's ability to maintain its main business, so it is important to control such a boundary. Not a large amount of cost investment in the fulfillment of corporate social responsibility will reap all the reputation and benefits. After too much investment, enterprises will pay attention to one thing and lose the other so as to carry out ineffective marketing, which cannot have a positive reputation impact on enterprises. Chi et al. found that CSR is like a two-edged sword. A proper strategy can enjoy the benefits of increased returns and reduced risks generated by reputation effects. However, if the company cannot bear the resulting costs, it will lead to the deterioration of the company's operating performance and reduce the company's profitability [7]. This is also a limitation of corporate social responsibility for enterprises, and it cannot be used as a main packaging means to market their own companies.

3.2. Reason Analysis of the Problem

To analyze the reasons for the above two enterprises that fulfill CSR, both Zhang and Xiao Yang Ge have different main business contents and completely different input costs for CSR. To analyze their problems, it is helpful to analyze the impact of CSR on corporate image more comprehensively: corporate reputation and its impact on corporate economic benefits. For Zhang, although he has fulfilled this behavior, his output is not so large in comparison. In order to analyze why his output is not so large, it will play a great role in controlling this possible emerging market in the future. As for Xiao Yang Ge's CSR behavior with huge cost input, both reputation and interest are harvested in the end. The reasons, including why reputation is harvested, why economic benefits are also improved, and the hidden problems, are all reasons that need to be analyzed. This paper also analyzes why Xiao Yang Ge's company, which has invested a lot of resources to fulfill corporate social responsibility, gained quite a few bad reputation evaluations in addition to reaping benefits, which is also a typical case of opening up this market. Two cases are used to improve the influence of corporate social responsibility on corporate reputation and benefits.

4. Suggestions

4.1. Appropriate Costs are Invested in Corporate Social Responsibility

On the basis of Zhang, it is appropriate to invest a certain cost into CSR, just like Xiao Yang Ge did, and donate certain disaster relief funds or disaster relief resources to the disaster areas. In addition, Zhang himself is a very well-known celebrity. If he can personally appear at the disaster relief scene, it will have a very positive effect on the construction of his own and the studio's corporate social image. In addition, as a celebrity, it has a fan base, which is concentrated in a group of young people, and as a group of young people, the vast majority of Chinese parents are opposed to their children's star-chasing attitude. At this time, young people can choose to donate teaching machinery to schools or academic institutions or show up at academic institutions to learn in person, invest money and time, and improve the inherent impression of parents that stars will mislead children's learning so that more parents agree to let their children chase stars, in order to gain more fans. To enhance its reputation and market value, Yu found that Shandong Museum advocates the spirit of dedication and is active in Guiding people from all walks of life to donate to the museum free of charge. The social donations are increasing day by day. In order to carry forward the spirit of selfless dedication for the country and the people, guide all walks of life to donate to the museum, and promote the inheritance and innovation of culture, Shandong Provincial Party Committee and the provincial government decided to establish the "Shandong Hall of Fame" in 2011, and the "Shandong Hall of Fame" construction leading group was jointly established by the Publicity Department of Shandong Provincial Party

Committee, the Provincial Department of Culture, the Provincial Bureau of Cultural Heritage and the Provincial Federation of Literature. To carry out the collection of relevant exhibits and the construction of the Shandong Hall of Fame [8]. This form of setting up the Hall of Fame plays a huge role in improving the reputation of celebrities among the local people and even the whole country. Although it will be a small investment, it will elevate the reputation of celebrities to a new level.

4.2. Change the Form of CSR Performance for the Company's Current Situation

For Xiao Yang Ge, who focuses too much on corporate social responsibility as a marketing tool, such efforts need to be reduced. The CSR report is not a propaganda piece to beautify the company, and companies should use the process of compiling the report to review their sustainable business plans and strategies from various indicators such as environmental, social, and corporate governance [9]. Companies can use another form related to their own enterprise to fulfill such corporate social responsibility so as to avoid spending too much cost and capital elsewhere. They also can choose to hold free, non-profit experience sessions and invite the public to attend their product experience sessions in the community. In this way, the public can supervise their own products while fulfilling such corporate social responsibility. A responsible attitude towards the public and the whole experience is free, and this form is very conducive to enhancing the public's favorable impression of the company, which plays a huge role in improving the quality and reputation of their own products. Compared with before, less capital investment can more stably improve the company's image and product quality. Hu found that free product experience can significantly improve the sales performance of stores, which is specifically manifested in increasing the sales and gross profit of stores. Both customer unit price and the proportion of member transaction amount play a significant moderating effect on the impact of free product experience on sales performance. Specifically, after the customer unit price reaches a higher level, the higher the customer unit price, the weaker the impact of free product experience on sales performance. The higher the proportion of member transaction amount, the stronger the impact of free product experience on sales performance [10]. It can be seen that users are very willing to experience the product for free because the cost of trial and error is high for them. The free experience will give them such an opportunity, so for the public, the favorable impression of the company will be greatly increased, and the willingness to buy will be increased, which will be a harvest of reputation and interest.

5. Conclusion

5.1. Key Findings

The purpose of this paper is to discuss whether the performance of corporate social responsibility by entertainment media companies will have an impact on their reputations and economic interests. This paper mainly cites examples of Zhang Unpaid's lasting popularity after representing his hometown and Xiao Yang Ge's spending nearly 100 million yuan on disaster relief and holding charity concerts to give back to the public, and finally the company's revenue by the end of the year exceeded 30 billion US dollars. After analysis, it is found that they all have different drawbacks, among which Zhang's example shows signs of making useless efforts, while Xiao Yang Ge's example shows the existence of exerting efforts in the wrong place, failing to make the funds at the right point. In this paper, some suggestions are given for Zhang to invest more funds and to change the direction of investment. Xiao Yang Ge changed the direction of her investment to fulfill CSR by combining her own products with the public.

5.2. Research Significance

This paper puts forward the possibility of a new market for entertainment media companies in the entertainment industry, puts forward the possibility of a new direction for the saturated industry to seek greater economic benefits, and gives suggestions on how enterprises should take appropriate actions to fulfill CSR according to their own corporate status.

5.3. Limitations and Future Studies

But at the same time, this paper also has its limitations: too little investigation, use of primary data, and lack of model construction. Secondary data, analysis of typical examples, and interpretation of information are mainly used. In the future, primary data can be obtained through investigation and interviews.

References

- [1] Hangzhou Network, Stars have to speak for their hometown tourism sector economic benefits increased, 2024.1.16, 2024.2.17, https://hznews.hangzhou.com.cn/jingji/content/2024-01/16/content_8675268.htm.
- [2] Jingjing Yang, Difei Zhang, Xinyi Liu, Chang Hua, Zhiyong Li. Destination endorsers raising on short-form travel videos: Self-image construction and endorsement effect measurement, 2022, 1.
- [3] Hui Zhang, Honggang Xu, Dogan Gursoy. The effect of celebrity endorsement on destination brand love: A comparison of previous visitors and potential tourists, 2020, 1.
- [4] Yang Fangyu. The returns for firms fulfilling social responsibilities, 2017, 1.
- [5] Irene M. Herremans, Parporn Akathaporn, Morris McInnes. An investigation of corporate social responsibility reputation and economic performance, *Accounting, Organizations and Society*, 1993, 4.
- [6] Lin Xiujuan. Does the implementation of corporate social responsibility have an impact on the company's business performance? 2016, 1.
- [7] Chi Xiangxuan, Miao Wenjuan, Zhuang Yingzhen. Does corporate social responsibility have a double-edged effect on corporate financial performance? Evidence from the world's top 500 companies. *Journal of Management*, 2014, 15.
- [8] Yu qin. How do Museums guide social donations in the New era -- Taking Shandong Museum as an example, 2018, 1.
- [9] Zheng Huizhi. The sustainable value of corporate social responsibility. *Journal of Accounting Research*, 2017, 11-11.
- [10] Hu fei. Research on the Effect of Free Product Experience Based on Store and Product Dimension, 2015, 53.