

# Internet Celebrity Economy and College Students' Consumption Behavior

Keliang Liu\*

Sauder School of Business, University of British Columbia, Vancouver, British Columbia, V6T1Z4, Canada

\*Corresponding author: keli1216@student.ubc.ca

**Abstract.** The "Internet celebrity economy" is a flourishing business model within the digital economy that began to emerge around 2015. Stimulated by the ever-expanding Internet-driven economy, this influencer marketing-based strategy exhibits significant resilience across social media platforms. Engaging with numerous niche markets, the "Internet celebrity economy" persists, attracting various sizable investment opportunities and leaving a lasting impact on the present market for the next generation to inherit. Among the most notable emerging demographics who are sensitive to new things, university students have played a substantial role in propelling the "Internet celebrity economy" forward. Their consumption behavior, however, is influenced by a multitude of intangible factors and marketing strategies. This comprehensive paper provides an in-depth exploration of the concept of Internet celebrities, talk about the evolution of the Internet celebrity economy, analyze its unique business model, draw comparisons with traditional advertising strategies, delve into the intricate relationship between college students and Internet celebrities, discuss positive and negatives effects behind Internet celebrity economy, and finally, proposing potential solutions to address prevailing issues in the online business industry.

**Keywords:** Internet celebrities; Internet celebrity economy; college student consumption behavior.

## 1. Introduction

The Internet celebrity market has become the most thriving and influential market globally. In the Chinese market, especially, the Internet celebrity economy is a powerful impetus for economic development, one that drives traction and warrants considerable attention from merchants and consumers alike. Based on the "China Internet Celebrity Economy Market Outlook and Investment Research Report 2020" from the China Business Industry Research Institute, it is projected that the size of China's Internet celebrity economy will surpass 500 million yuan by the year 2022 [1]. This number is still expected to grow and is more likely to replace the traditional business model in the future. Moreover, college students, the generation that keeps up with new trends and novel experiences, are the most devoted and primary consumers of fuels the Internet celebrity economy. As college students represent the emerging generation and the future workforce, their preferences and behaviors in various aspects, including the Internet celebrity economy, provide valuable insights into the evolving trends and directions of industries. Similarly, the Internet celebrity economy, with its digital and influencer-driven nature, is seen as a forward-looking business model that aligns with the changing dynamics of consumer engagement, marketing, and entertainment. Hence, it is crucial to examine future trends and gain insights into the connection between college students and the Internet celebrity economy. Existing research has delved into numerous facets of this topic extensively. However, there is a gap where a comprehensive paper is needed to consolidate these aspects, providing people who are unfamiliar with an understanding of the Internet celebrity economy and its connection with college students from the past history to the future prospect. Therefore, this paper will introduce the development of the Internet celebrities and the concept of the Internet economy as well as its connection with college students using multiple sources in a simple way.

## 2. What is Internet Celebrity Economy

### 2.1. Definition of Internet Celebrities

Internet celebrities are people who become well-known in social media and other online platforms such as livestreams and video platforms [2]. In China, internet celebrities are collectively known as "wanghong," or someone who attracts the attention of internet users and translates that fame into profit. Internet celebrities are not like traditional celebrities who are film stars, musicians, or other key opinion leaders (KOL). Rather than share their art with the audience, internet celebrities share personal stories from their life experience [2]. Their regular, recurring interactions with fans have a more familiar quality than traditional contact with celebrities. Therefore, Internet celebrity provides audiences with a unique entertainment experience and has a very high popularity.

### 2.2. Generations of Internet Celebrities [3]

**Table 1.** The development and characteristics of three generations of Internet celebrities

The emergence and characteristics of three generations of net celebrities						
	Time	Way of becoming famous	Image carrier	Method of realization	Platform	Representative figure
Internet Celebrity 1.0	The end of the 29th century and the beginning of the 21st century	Literary creation ability	Text	Publish books and pay to read them	BBS forum	Pizicai, Anni Baobei and Dang Nian mingyue
Internet Celebrity 2.0	Around 2005	Gimmick, different	Picture and text	Attend business events	Network community	Furong JieJie, Xili Ge, and Feng Jie
Internet Celebrity 3.0	2008 to present	Industry expert	Video, Picture and text	E-commerce, advertising placement, tipping	Weibo, wechat	Houshenanhai, Hugo, and Zhang Dayi

Internet celebrities are not trained professionals like actors or singers, but they have influence and attain substantial effectiveness in particular areas. There are three generations of Internet celebrities, which are shown in Table 1. At the end of the 20th century and the beginning of the 21st century, the emergence of Internet celebrities 1.0 was focused on text-based content creation. They make profits by selling books and padding readings in BBS boards. Pizicai, Anni Baobei and Dang Nian Mingyue are representative figures of Internet celebrities 1.0. Internet celebrities 2.0 appeared around 2005, emphasizing gimmicks, quirkiness and uniqueness circa. They used a combination of images and text to attract people's attention and generate revenue with notable individuals like blogger Furong JieJie, former homeless man, Xili Ge, and the outspoken Feng Jie. Since 2008, version 3.0 of Internet celebrities includes industry professionals who create and produce various forms of content (text, images, videos) across different major media outlets. With technology development and new business strategies, prominent figures like Houshenanhai, Hugo, and Zhang Dayi have achieved great popularity and followers. Therefore, Internet celebrity 1.0 and 2.0 primarily focused on popularity, fame and trending events, and the revenue strategies were limited. However, Internet celebrity 3.0 appears to have multiple revenue strategies with advanced mobile payment technology and extensively involves social media platforms.

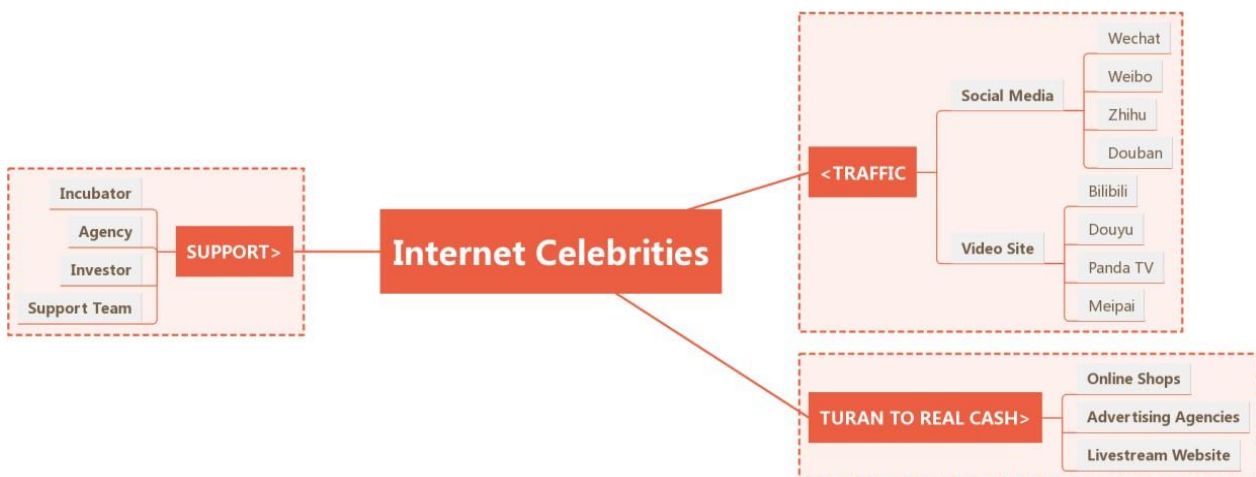
### 2.3. Types of Internet Celebrities

In the modern Chinese Internet celebrity economy, there are generally two types of Internet celebrities: content creators and product sales [2]. Content creators include bloggers, photographers and video makers. They can be further categorized according to the media platform they use. For example, Weibo and Zhihu favour producers to share personal stories and write articles. Bilibili, a video platform, consistently tries to build an environment with the young generation and pop culture, which attracts many talented video makers. Livestream platforms like Douyu and Huya favours another type of content creator: young beauties. Young beauties are people who have an advantaged appearance and normally generate revenue by their talents, such as dancing and singing [2]. Product sellers mainly from Taobao and other online shopping platforms. Taobao shop owners saw the value of boosting their own image on social media and then using this fame to attract customers [2]. In addition, they do not only talk about products but also their personal experiences using the products. This has successfully influenced customers in China. By using this technique, Tmall broke the sales record in the e-business industry of 100 billion in a single day.

### 2.4. Internet Celebrity Economy in China

In 2015, China’s largest e-commerce group, Alibaba introduced a new concept that integrated online marketplaces with social media, thereby creating the notion of marketing Internet celebrities, described herein as the modern "Internet celebrity economy." Internet celebrities and the Internet celebrity economy have experienced a remarkable surge in popularity, making them the most prevalent subject of discussion in China [2]. According to China Internet Celebrity Economy Market Outlook and Investment Research Report 2020, published by China Business Industry Research Institute, the scale of the Internet celebrity economy in China is expected to exceed 500 million yuan by 2022 [1]. There are many reasons for this rapid development in the Internet celebrity economy. In contrast to traditional celebrity marketing, the strategy employed by Internet celebrities involved lower costs and more precise targeting. Despite the fact that China's economy slowed down in 2016, both Taobao and Tmall witnessed a substantial and consistent increase in revenue with this strategy [2].

### 2.5. Commercial Chain of Online Celebrities [2]



**Fig. 1** Internet celebrity economy's business model

Figure 1 shows a fully developed commercial chain of online celebrities that includes incubators, agencies, investors, social media platforms, e-commerce websites and advertising agencies. Teams that carefully plan and present content are responsible for both the spike in Internet celebrity popularity and the continued success of their business model. Thorough processing is required to construct a successful media image for Internet celebrities, which, given the observed return in increased audience attention, holds noteworthy value. On the right side, Internet celebrities acquire

traffic from social media and video platforms such as Bilibili and WeChat. Regarding communication between Internet celebrities and audiences or consumers, the connection strengthened over time with daily interactions, gaining many followers. Subsequently, Internet celebrities sell this traffic through auctions to platforms, brands, companies, and online stores to fulfill their commercial goals.

### **3. Advantages and Disadvantages in Internet Celebrity Promotion**

#### **3.1. Advantages**

Unadaptingly, in the modern era, social media and the Internet have changed advertising and marketing. Instead of putting products in front of consumers and speaking about advantages directly, merchants prefer to let Internet celebrities use products in daily life first. The benefit of doing this is to let consumers get motivated and learn about the products unconsciously while watching or reading Internet celebrities' context [1]. Internet celebrity promotion lets consumers get involved in that environment, whereas TV and other traditional advertising promote products without any actual reaction or interaction. Moreover, Internet celebrity promotion is easier to spread. For example, if a college student is a fan of an Internet celebrity, he/she will likely recommend that context to his/her peers, just like sharing an interesting movie or a book. The high traffic that Internet celebrities naturally evoke becomes a commodified demographic for fans and a precise marketing tool for companies to use for revenue. Precision marketing emphasizes achieving success by retaining, cross-selling to, and upselling existing customers [4]. Although traditional advertisements can also gather customer data, it is much more complicated and time-consuming for the company. Another reason merchants would prefer Internet celebrities more than traditional advertising is that they are less expensive and much easier. Merchants do not need to do anything big like finding superstars to hire filmmakers and editors to make a single advertisement. In other words, Internet celebrity promotion is cost-efficient and easy to execute.

#### **3.2. Disadvantages**

Some Internet celebrities, especially product sellers, would choose to decrease prices to attract more traffic. Brand influence can slowly erode, though, if profitability drops due to lowered prices, which yield a loss of profit and overall sales across other channels [5]. This situation creates a detrimental cycle that can be challenging to break. This is also why luxury brands tend to do less Internet celebrity promotion than low-end brands.

Another issue in the thriving live-stream business is that platforms and Internet celebrities exhibit limited awareness of and compliance with traditional rules, regulations, and ethical standards in the marketing industry [5]. Many Internet celebrities involved in live-streaming sales tend to engage in varying degrees of exaggeration and deceptive marketing tactics, sometimes even selling substandard or expired products. While they aim to drive sales by significantly lowering prices, they must also ensure a certain level of profit, often leading to compromises in product quality.

### **4. Internet Celebrity Economy and College Student Consumption Behaviour**

The most loyal customers in the Internet celebrity economy are college students as they are collectively characterized by being up-to-date with emerging trends that might satisfy their strong desire for novel experiences. The advent of the Internet celebrity economy has not only spurred consumption among college students but has also profoundly impacted their consumption patterns, mindsets, and actions. According to surveys, over half of modern college students admit to being influenced by Internet celebrities during shopping [5]. College students' consumption behavior has not only been affected online but also offline. For example, they often choose to visit Internet-famous places and Internet-famous food items and following Internet trends has gradually become the norm for college students [6].

In comparison to traditional consumers, college students exhibit higher levels of loyalty, engage in more ritualistic behaviors and are more willing to share their experiences. Contrary to conventional consumer behavior, college student consumption behavior tends to manifest as impulsive, excessive and easier to be influenced by others [3].

The biggest reason college students' consumption behavior tends to be impulsive is because they have not experienced the challenges of earning money yet. In most situations, their parents offer financial support, and they do not have to worry about living and spending much. This led them to have a somewhat idealistic and spontaneous approach to spending. A college student is more likely to make an impulsive purchase simply because they like what they see or have a coupon, not because they need the product. They regret their purchase afterward when they realize its usage is minimal or their expectations are otherwise unmet [5]. In addition, sometimes they shop not because they want the product but because they are devoted to their favorite celebrities, which can lead to addictive consumption patterns under their guidance [6]. This can also lead to irrational and impulsive purchases.

According to the data, 31.21% of college students have indicated that their online shopping expenditures have risen after engaging with live-streaming sales [5]. 30.89% of students have experienced making purchases influenced by Internet celebrities [7]. In addition, in the survey, 14.6% of students with living expenses under ¥1000 yuan, from ¥1000 to ¥1500 yuan is 45%, from

¥1500 to ¥2000 yuan is 26.9%, from ¥2000 to ¥2500 yuan is 6.9% and above ¥2500 yuan is 6.6% [8]. Encouraged by the effects of the Internet celebrity economy, some college students are opting to make purchases in advance using student loans, even if they are in financial crises or don't have much savings. This also shows college students have less self-control on the budget, which leads to excessive spending and a financial vicious circle.

Based on the survey, 76.23% of students indicated that they moderately take Internet celebrities' product recommendation into consideration [7]. There are three categories that attract students the most attention, which is humor (64.75%), food (54.92%), and cosmetics (45.9%) [7]. In the survey, 47.9% of male students and 59.8% of female students followed Internet celebrities, which shows female students pay more attention than male students [8]. In addition, the finding shows female students are particularly affected by Internet celebrity marketing. When choosing which products to buy, trendiness and aesthetics are the determining factors for female students whose purchases are usually emotionally driven. In contrast, male customers tend to approach purchases more pragmatically, focusing on the practical value of a product. This makes female customers the primary force in the Internet celebrity economy and why the cosmetics industry is so popular on the Internet. The most popular Internet celebrity in the cosmetic industry is named Li Jiaqi, who earned more than 1.8 billion in one year, showing the profitability and female students' purchasing power within the industry [6].

## **5. Other Effects with Internet Celebrity Economy**

### **5.1. Other Positive Effects with Internet Celebrity Economy**

Students benefit financially when buying products from the Internet celebrity economy as these are generally more affordable and usually heavily discounted. Moreover, consumers can interact freely and know more about the products without being constrained by geographical or social boundaries. Furthermore, some of the celebrities share great energy and positive attitudes toward audiences. This can guide students towards adopting a positive outlook on life and taking a more systematic approach to planning their future.

The swift expansion of the Internet celebrity economy has not only encouraged college student spending but has also indirectly led to the rise of college students' entrepreneurship in the Internet celebrity economy. The ease of communication channels and personal experiences with Internet celebrity-endorsed products have driven the rapid growth of Internet celebrity startups within the college student community. As societal attitudes shift, Internet celebrity entrepreneurship is gaining

acceptance among various groups. Given the increasingly challenging job market and government policies that support entrepreneurial endeavors for college students, Internet celebrity entrepreneurship is seen as a career option [9].

## 5.2. Other Negative Effects with Internet Celebrity Economy

With impulsive, excessive consumption behavior being said, some Internet celebrities often overlook certain product drawbacks and emphasize only the advantages of the goods [10]. Because students tend to blindly trust their favorite Internet celebrities, they risk entering a financially damaging cycle of making irrational purchases. As a result, students are unable to maintain a normal lifestyle and academic pursuits.

The Internet celebrity economy has not only weakened students' consumption rationality but also made them more vulnerable to external influences [10]. When college students enter an online shopping platform, they are more likely to be immersed in online content and forget what they actually want to buy or do. Instead of dedicating their leisure time to learning knowledge or actually taking a rest, they indulge in online entertainment and waste time. In addition, some Internet celebrities use live streams to sell products, and this may involve sensational and inappropriate behaviour that can negatively affect the thoughts and perceptions of college students. This negatively impacts their academic performance, but more importantly, it delays college students from developing their ethical and moral values, which is highly detrimental to their overall personal growth and maturation.

## 6. Potential Solution to Counter Negative Impacts of Internet Celebrity Economy

Under the Internet celebrity economy model, the sale of counterfeit and shoddy products has become a serious issue, leading to substantial economic aftermath born of chaotic disorder in the system. Video platforms and live streams should strengthen their supervision of Internet platforms to prevent subpar products from being sold. In terms of market supervision, they should inspect the products sold by Internet celebrities and any substandard products should be reported and face serious penalties [10]. It is suggested to establish a "blacklist" for hosts in the industry. Based on the results of platform supervision and management by regulatory authorities, Internet celebrities who engage in significant or repeated violations should be included in this "blacklist" to avoid them selling substandard products [5]. In addition, Manufacturers of counterfeit products should also be tracked and subjected to legal consequences. This can support the development of the Internet economy, create a positive market atmosphere, and guide college students toward adopting rational consumption habits. However, currently, in China, there is still a lack of clarity regarding the legal responsibilities specifically related to livestream e-commerce, which remains a serious problem to solve [5].

College students need an alternative strategy when engaging with the Internet celebrity economy and a more objective awareness of the products being endorsed by influencers online [10]. According to the survey, only 17.22% of college students have reported receiving guidance and education on proper values in both societal and school settings, leaving the vast majority either without such guidance or with heightened disinterest in its importance [5]. This indicates that contemporary society and many educational institutions have not shown significant attention to rational consumption education among students. Therefore, educational institutions should place a stronger emphasis on instilling an understanding of consumer values among students. For instance, the schools could introduce specialized courses aimed at cultivating responsible consumer values. This approach effectively guides college students in developing a proper consumer mindset and the right attitude toward the Internet celebrity economy.

## 7. Conclusion

Since Alibaba introduced the idea of the Internet celebrity economy in 2015, China's markets have progressively developed this business model, involving Internet celebrities, merchants, online platforms, and a supply chain. This approach, driven by its advantages of interactive marketing, precision marketing, wider reach, and cost-effectiveness, has led more companies to opt for Internet celebrity promotion over traditional advertising. However, there are downsides to this approach, including potential harm to brand reputation and the sales of substandard products. This also underscores the need for stronger Internet supervision, particularly within the online shopping industry. It's advisable to enhance oversight through measures like maintaining a "blacklist" and establishing specific laws for the Internet celebrity economy or the industry. In terms of consumer aspect, college students, a group that always keeps up with the trend and preference for online products, have become a significant driving force behind Internet celebrity promotion strategies. However, their consumption behavior has gradually displayed negative tendencies, including impulsiveness, excessiveness, irrationality, and susceptibility to influence. A potential solution involves enhancing their awareness and mindset about consumption. This can be achieved by introducing courses in educational institutions that teach consumer values. Furthermore, other potential effects include the availability of affordable products in the market and the creation of entrepreneurial opportunities for college students due to government support and positive societal attitudes. As a result, this paper can predict the continued growth of the Internet celebrity economy, along with an increase in job prospects within the industry and a growing consumer base.

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