

A Study on the Correlation and Interaction between Celebrity Effect and Fan Economy

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Abstract. In the contemporary era of the mobile Internet, communication has undergone a paradigm shift. No longer confined to those with specialized skills or access to traditional media, ordinary individuals now have the opportunity to express themselves, showcase their talents, and share their preferences with a global audience. This transformation has ushered in a new era where virtually anyone can stake their claim to fame, cultivate a dedicated following, and disseminate their personal preferences and opinions. The democratization of communication has brought about a fundamental change in the dynamics of celebrity endorsement within the fan economy. Traditionally, celebrities were individuals with widespread recognition, often from the worlds of entertainment, sports, or other high-profile domains. They were sought after by brands to lend their influence and credibility to products and services. However, with the rise of social media platforms and digital content creation, ordinary individuals can amass substantial followings, effectively turning them into micro-celebrities. This shift challenges the traditional celebrity endorsement model, as micro-celebrities and influencers now wield significant influence over niche audiences. Brands are increasingly recognizing the potential of partnering with these micro-celebrities who have cultivated authentic and engaged fan bases. In light of these developments, this research aims to explore the evolving landscape of celebrity endorsement in the fan economy. It will investigate how micro-celebrities and influencers are reshaping the marketing strategies of brands and the ways in which they engage with their audiences.

Keywords: Fan economy; Celebrity; Strategy.

1. Introduction

The concept of the fan economy represents a dynamic business model that thrives on the interplay between fans and followers, capitalizing on their relationships to generate economic and social benefits. It relies on enhancing user engagement and harnessing the power of word-of-mouth marketing to achieve its objectives. Historically, followers in the fan economy primarily comprised celebrities, idols, and industry figures, with fans in various domains supporting their favorite artists by purchasing albums, concert tickets, and endorsed products. However, the advent of the Internet has shattered temporal and spatial barriers, democratizing access to the fan economy across diverse fields such as cultural entertainment, commerce, and service provision.

Leveraging specialized platforms, businesses now cultivate communities of enthusiasts and fans around shared interests, offering a broad array of personalized goods and services, ultimately converting these engaged followers into consumers and, subsequently, profits [1]. In this context, the focal point of the fan economy invariably becomes the "stars," encompassing celebrities, idols, and industry influencers who amass devoted followings.

For businesses employing fan marketing to promote brands and products, the selection of suitable stars emerges as a critical link in the chain. In tandem with the evolving landscape of our economy and society, the strategies for selecting these "stars," the crux of the fan economy, are undergoing significant transformations. This paper undertakes a comprehensive analysis of the merits and demerits associated with star selection strategies within the fan economy. Moreover, it delves into the future prospects of star strategies within the fan economy, aligning them with the prevailing trends in social and market economic development. The article also dissects select case studies, offering nuanced discussions on distinct star strategies and their practical feasibility in today's dynamic fan economy landscape.

2. Star Strategies in the Fan Economy

2.1. Celebrity + Product Strategy with no (Weak) Correlation

With the rapid development of China's economy, China's economy has shifted from an era of shortage to an era of surplus. Many manufacturers are looking for celebrities and celebrities as product image spokespersons. The main strategy of many brands when choosing a product spokesperson is popularity, without considering or giving little consideration to whether the image and target audience of the spokesperson are the same as the brand image and brand audience. When many celebrities choose to endorse a product, cost is often the main consideration. The two sides have different bases for decision-making, and it is conceivable that such a star strategy is wrong and failed. For example, Taiwanese female star Lin Chiling endorses Panasonic Jiele toilet, the characteristics and tonality of the product are completely irrelevant to the image of the star spokesperson, resulting in its advertising effect can be imagined, consumers ridicule the star spokesperson for paying money, but also ridicule the manufacturer for losing money. This star strategy in the fan economy is undoubtedly a failure.

2.2. Relevant Celebrity + Product Strategy

In the case of celebrity endorsement, there are also a large number of cases in which celebrities and products can be highly related, such as the direct relationship between the two parties in the industry, values, spiritual connotation, and then produce the cognition of replacing each other in the minds of consumers. So that the fans' favorability of the star is naturally transferred to the product. For example, the famous NBA basketball star Jordan endorses Nike basketball shoes, and the two industries are related to basketball, which is related to the sport of basketball, and the spirit of the two representatives is similar, both reflecting the connotation of courage to fight. This correlation is natural and recognized by the public, so countless fans who love Jordan will consider choosing the Nike brand first when buying basketball shoes. This is a case where stars and products can be directly related in the industry. For example, Chinese film and television star Wang Yibo teamed up with Swarovski, a young spokesperson who matched the spirit of the Swarovski brand with his unique design style and status as a motorcycle rider. Swarovski has always been committed to creating high-quality crystal products, and Wang Yibo, with his fearless spirit and innovative spirit, shows the same belief in excellence, innovation and beauty as Swarovski. This cooperation is not only a brand endorsement, but also a reflection of the common pursuit of both parties. This is the spiritual and image association between the star and the product.

This kind of strongly related star strategy, to a certain extent, can produce mutual association between products and stars in the fan group, strengthen memory, and promote the purpose of purchase, which is a win-win strategy. For manufacturers, the disadvantages of this strategy are the uncertainty and weak management of stars. First of all, it is unknown whether manufacturers can find stars that match the tonality of their brands. Secondly, even if the manufacturer finds a star that fits the tone of its brand, the schedule and cost of the star are also an uncertain factor. Third, even if the two sides determine the contract of endorsement cooperation, the manufacturer's management of the star can only be weak management, the star will not only endorse one brand, many brands, even cross-industry brand endorsement, will undoubtedly make the brand "personality" endorsed by the star gradually blurred, which is undoubtedly not conducive to brand construction. At the same time, we often see a celebrity suddenly due to a scandal, causing the brand to urgently remove the product advertisement it endorses, resulting in immeasurable losses. Therefore, this kind of related star strategy also has certain limitations.

2.3. Professional celebrity + product strategy

With the rapid development of the Internet and mobile Internet platform economy, a large number of anchors who rely on the platform for live streaming have been produced. Top streamers often have a large number of fans and become professional online celebrities. This phenomenon fits the definition of a fan economy, so in essence, it is also a fan economy. The online celebrities of this

profession range from celebrities who have changed careers from other industries to celebrities who have grown up from the grassroots. The former includes film and television star Bai Bing and TV host Tu Lei. The latter are more, such as Crazy Little Yang Ge, Li Jiaqi and so on. The strategy and corresponding advantages and disadvantages of the online anchor selected by the manufacturer for fan economy marketing are basically the same as the first strategy. Its advantage is that the product can increase sales and popularity in a short time with the help of a large number of fans of celebrities, but its disadvantages are also obvious, first of all, the product tonality is difficult to match the image of the anchor, there is a big difference between the core goal of the anchor and the core goal of the product, the fans of the anchor are difficult to convert into fans of the product, and the manufacturer is weak management of the anchor. The recent incident of Li Jiaqi, a well-known anchor in the head, caused his image to collapse and quickly lose fans because he said an inappropriate word in the live broadcast, which profoundly illustrates this truth. The professional anchor lacks a real understanding and love for the product, and its image is difficult to fit with the product image, so he lacks a foundation for the communication of the product and is difficult to win the heartfelt recognition of fans [2]. Therefore, anchors are often prone to cause the public to question their personal image and endorsement products because of a sentence or action, which in turn leads to a major business crisis.

2.4. Star Employees + Product Strategy

When we studied the star strategy in the fan economy, we found that there is a niche but highly competitive star effect in the market, which can produce the benefits of a lasting, stable and growing fan economy. Start by analyzing a case. "Oriental Selection" is an Internet sales platform company developed in recent years, and the company's background is the business transformation of New Oriental, a listed company originally engaged in language education and training. The company's well-known anchors have also changed careers from the original ordinary training teachers, the most famous of which is Dong Yuhui. Dong Yuhui does not have the professional background and experience of bringing anchors, but in the process of growing up with the company, he gained a large number of fans with his differentiated image of intellectual, honest and knowledgeable in his new profession, and created sales of 4.8 billion yuan for the company in half a year. He started from the bottom, understood and familiar with all aspects of the company and products, personal development and platform development are carried out simultaneously, personal image and platform image are deeply integrated, in the recognition of fans, Dong Yuhui is a veritable and consistent spokesperson of "Oriental Selection". Is a very successful fan economy case. This star strategy seems to be formed naturally, without deliberate planning, and it comes naturally. This is precisely the high-level performance in the fan economy marketing planning, and it is also feasible. Similar cases include Dong Mingzhu, chairman of Gree Air Conditioning, and Musk, CEO of Tesla. The common point of this star effect is that the star and the company and the product are truly one, and the image is also truly compatible.

3. The Feasibility of the Star Employee + Product Strategy

1) From the perspective of fan psychology. There is a typical type in fan psychology is "emotional resonance, emotional projection"[3]. The emotions of fans are projected on the stars, and the emotions of the products endorsed by the stars, whether these two emotions can resonate, the key is whether the stars can have the emotions represented by the products, or whether the stars can interpret the emotions represented by the products. And the mechanism of emotional formation is complex and long-term. Temporarily hired product star spokespersons, it is difficult to fully resonate with the emotions represented by the product, so it is difficult for star spokespersons to fully accurately convey product emotions to fans, and in the process of transmitting products, occasionally a small mistake will cause a huge butterfly effect. If it is a celebrity endorsement brand and product that grows in tandem with the product, the probability point of view is much less likely to make a mistake, and even if it is a mistake, it is much more likely to be understood by fans.

2) From the perspective of marketing. The principle of product appeal is single, and star endorsement is the opposite of the principle of single appeal of product, because it is difficult for stars to single endorse a product [4]. Many celebrities' cross-border endorsements and a large number of endorsements will inevitably blur the product image of their endorsements. The first principles that Musk attaches importance to, that is, the underlying thinking, are specifically the product itself in marketing. And the people who are most familiar with the product must be the employees who get along with the product day and night [5, 6].

3) From the Human Resources Perspective. In the realm of the fan economy, the symbiotic relationship between stars and products is an intriguing phenomenon. Stars who grow alongside products and products that evolve in tandem with stars can mutually benefit each other. Nevertheless, one may understandably raise concerns about the inherent risk of tethering a company's success to the fortunes of a single individual. Such concerns, however, find practical remedies in the business world. Mechanisms like equity stakes and incentive-based compensation can serve as effective tools for retaining talent and aligning their interests with the company's long-term vision. By instilling a deep sense of identity and commitment among employees, organizations can mitigate the perceived risk. The real challenge lies in identifying and nurturing promising employees who can ascend to the status of stars within the company [7].

4) From the Powder Acquisition Perspective. One of the most valuable assets a celebrity brings to the table is their existing fan base. This has led many companies to opt for third-party celebrities as spokespeople for their products, primarily because it provides an instant access route to a pre-established fan following. Cultivating one's own stars within the organization demands time, consistent investment, and comes with an inherent level of unpredictability in terms of whether the expected goals will be met. However, in the age of the mobile Internet, the landscape has shifted, granting ordinary individuals the potential to amass substantial fan followings [8]. Consequently, when formulating star strategies in the context of the fan economy, businesses must carefully evaluate whether to invest in developing in-house talent or to hire third-party celebrities. This decision should be driven by the company's development plan and financial objectives.

5) From the Efficiency Standpoint. Efficiency considerations weigh heavily in the choice between cultivating employee stars and enlisting third-party celebrity endorsements within the fan economy. Notably, the cost associated with nurturing internal talent for fan marketing is typically significantly lower than the fees associated with hiring external celebrities for endorsements. This financial efficiency can be a compelling factor in shaping a company's star strategy, especially for businesses seeking to maximize the return on their marketing investments [9, 10].

In sum, the fan economy's intricate dynamics necessitate a thorough assessment of these perspectives to arrive at an informed and strategically sound choice in star selection. Each perspective offers unique insights, and a holistic approach to star strategy can be pivotal in achieving sustained success in the fan economy.

4. Conclusion

In summary, this study has conducted a comprehensive investigation into the intricate relationship between the Celebrity Effect and the Fan Economy, shedding light on the complex dynamics that influence contemporary marketing strategies and consumer engagement. The evolution of technology and the proliferation of the mobile Internet have democratized this landscape, enabling everyday individuals to accumulate substantial fan followings, thereby emerging as micro-celebrities in their respective niches.

Regarding the human resources aspect, we have acknowledged the potential inherent in nurturing stars from within an organization, cultivating a mutually beneficial connection between employees and the products they represent. Mechanisms such as equity incentives and reinforcing employees' identification with the company have been identified as effective approaches to mitigate risk and bolster talent retention.

Moreover, the perspective of Powder Acquisition has emphasized the significance of the existing fan bases that celebrities bring when endorsing brands. The choice between cultivating in-house stars and engaging external celebrities largely depends on the company's development plan and financial objectives, with the efficiency of developing internal talent often proving to be a cost-effective strategy.

Efficiency, as emphasized earlier, plays a critical role in determining the most suitable star selection strategy. The development of internal stars for fan marketing typically incurs lower costs than hiring external celebrities, rendering it an attractive option for businesses striving to optimize their marketing investments.

In essence, this investigation has illuminated the multifaceted nature of the interplay and connection between the Celebrity Effect and the Fan Economy. It has offered valuable insights into the intricate decision-making processes that businesses must navigate when choosing stars for fan-centric marketing endeavors.

As the fan economy evolves in concert with technological advancements and evolving consumer behaviors, it becomes imperative for companies to maintain adaptability and forward-thinking in their star selection strategies. The lessons gleaned from this research can serve as a valuable guide, providing direction for businesses navigating the dynamic landscape of contemporary marketing, brand endorsement, and the ever-expanding realm of fan engagement. By leveraging these insights, organizations can position themselves to harness the full potential of the Celebrity Effect within the Fan Economy, thus driving sustainable growth and success in an increasingly competitive marketplace.

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