

Review and Prospects of Fan Economy and Its Marketing Model in the Social Media Era

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Abstract:

This paper takes the social media era as the background and focuses on the “fan economy” and its marketing model to conduct research. Through systematic review and comprehensive analysis of relevant literature, the research status, hotspots, and trends of fan economy at home and abroad are expounded in the paper. This study clarifies the connotations of fans and fan economy and analyzes its characteristics of being closely connected with the entertainment industry, being branded and word-of-mouth-driven, as well as being professionalized and customized. It also explores the interrelationship between social media and the fan economy. Social media provides channels for the fan economy, and the fan economy injects energy into social media. It analyzes the new characteristics of the fan economy in the social media era, such as upgraded consumption methods, extended brand value, and expanded O2O models. It summarizes marketing models such as social marketing, dematerialization marketing, pan-media marketing, and self-media marketing. The research shows that the fan economy marketing model provides rich choices for enterprises and brands but also faces problems such as overconsumption and cyber violence. It is necessary to ensure its healthy and sustainable development. In the future, research on the internal marketing models and mechanisms of the fan economy should be strengthened. Enterprises and brands should make full use of its advantages to innovate marketing models. The government and relevant departments should strengthen supervision to create a good market environment and achieve a win-win situation in economic and social benefits.

Keywords: Fan economy; social media era; marketing model.

1. Introduction

In the era of social media, the “fan economy”, as a new economic phenomenon, is influencing the pattern of marketing with its unique charm and huge potential. The rapid development of Internet technology and the wide application of social media platforms make “fan” behavior not only a simple pursuit of stars but also show more diversified and complex characteristics. Fans interact with idols through social media and participate in the activities of stars and idols in forms such as watching idol concerts and purchasing peripheral products of idol IPs, directly or indirectly driving the development of the entertainment industry. Various innovative marketing models have emerged under the influence of the “fan economy”, bringing new opportunities and challenges to enterprises and brands.

In recent years, research related to “fan economy” has gradually increased; scholars at home and abroad have explored it from different angles. However, most of the current research focuses on the phenomenon description and case analysis of the “fan economy”, and there is still relatively little in-depth research on its internal marketing models and mechanisms. In addition to the previous existing research, the marketing model of “fan economy” is also constantly innovating and evolving with the continuous development and changes of social media, so it urgently needs to be summarized and prospected.

This paper aims to conduct a comprehensive review and in-depth discussion of the “fan economy” as well as its marketing model in the social media era. First, this paper will conduct in-depth research on the current situation and progress of the “fan economy” through a systematic review and comprehensive analysis of relevant literature, analyze the hot spots and trends of its research, and elaborately expound the concept and definition of “fan economy”, relevant theoretical frameworks and its close relationship with social media. At the same time, this paper will comprehensively interpret the evolution of the current “fan economy” marketing models such as social marketing, disintermediation marketing, pan-media marketing, and self-media marketing [1]. Finally, through a review and analysis of existing research results, this paper will summarize the limitations of research methods and look forward to future research directions and prospects.

Through in-depth research on the “fan economy” and its marketing model in the social media era, this paper hopes to add new content to the theoretical system of marketing and provide valuable guidance and suggestions for enterprises and brands to better utilize the “fan economy” in the social media era. At the same time, this paper also hopes to attract more extensive attention from academia

and industry to the “fan economy”, promote further in-depth research on related topics, and facilitate the healthy and sustainable development of “fan economy”.

2. Research Status of Fan Economy

2.1 Status and Progress of Domestic Research

In the beginning, domestic research on fan economy was a rational interpretation of fan culture. Later, people gradually realized that fans are not just audiences and users of idols, but active participants in the idol-shaping process. Fans not only have a sense of participation and thought emotionally, but also show their presence in economic activities. This lays a foundation for revealing the fans who are the business objects of the fan economy business model and the mechanism by which economic entities realize value. Domestic fan economy research attaches importance to the operation of fans. The operation of fans mainly includes two aspects: fan consumption and fan chasing stars. For example, it explores specific behavior patterns such as how fans splurge, shop, participate in rankings, and provide support to show loyalty to idols and brands. They adopt scientific quantitative research and analysis, questionnaires, online observation, and other field investigations to explore the economic significance behind fan behavior, as well as the practical impact of fan economic behavior on brands, star marketing, and other aspects. Research on fan groups and the fan economy in the context of Chinese social media is beginning to emerge faintly. As social media rapidly expands in China’s market, domestic scholars begin to pay attention to how social media will distort the changing laws in traditional fan behavior and operation. Social media not only provides more than one space for fans to express their emotions but also opens up new areas for the operation and business of fans’ gatherings and activities. At the same time, scholars focus on aspects such as effectively gathering and activating fans in the context of social media and explore the commercial value of fans.

2.2 Status and Progress of Foreign Research

The research on fan economy abroad originated from the emphasis on fan culture. Jenkins first proposed “Participatory Culture”, believing that fans should no longer be just consumers of content but should become participants in creating content, providing a relatively direct perspective for later research on fans [2]. In later studies, most researchers are concerned about the behavior of fans as consumers. Most of them have discussed that due to their love for brands and idols, fans express their beliefs in brands

and idols by purchasing peripherals and participating in idol activities to support idols. Many studies have demonstrated the significance of fans' consumption behavior to the economy through empirical analysis, questionnaire surveys, and other methods. With the vigorous promotion and use of mobile social technology, foreign scholars have studied how social media changes the behavior of fans and the occurrence mode of the fan economy, especially the strength of social media in mobilizing activities for fans. On the other hand, research is concerned about the commercial utilization value of fan economy, that is, how brands use fans to carry out brand marketing and promotion activities. From this research perspective, brand and fan cooperation in promoting brand image and expanding target markets is the most important commercial application value of the modern foreign fan economy; loyalty and influence are considered important assets of brands.

2.3 Research Hotspots and Trends of Fan Economy in the Social Media Era

Although significant progress has been made in fan economy research, the disconnection problem between theory and practical application still exists. With the global output of Chinese idol culture, future research may pay more attention to cross-cultural comparisons and explore the application prospects and potential challenges of the fan economy in the international market. Especially in cross-cultural comparative studies with countries such as South Korea and Japan, effective methods for applying theory to practice will be explored. Simultaneously, scholars are also gradually shifting their research focus to related ethical issues and market norms, especially in dealing with challenges such as excessive consumption and cyber violence, to promote the healthy and sustainable development of the fan economy.

3. Theoretical Basis of Fan Economy

3.1 Connotation of Fans

The word "fan" in the Collins Dictionary is defined as "if you are a fan of someone or something, especially a famous person or a sport, you like them very much and are very interested in them". Fans first appeared in the entertainment industry. Like "groupies" and "fans", they describe admirers of idols and stars [3]. There are many reasons for the emergence of "fans". This research believes that a key point is that today's society is developing rapidly towards informatization and intellectualization, and the dependence on advanced communication technologies and current production and lifestyle may directly or

indirectly lead to the increasingly indifferent interpersonal relationships among social individuals and the increasing sense of loneliness. Therefore, the public consoles themselves in different ways. Among them, an important way is for individuals to worship celebrities or things they like. By projecting, balancing, and resonating emotions at the spiritual and psychological levels, they obtain social recognition. These worshippers are called "fans".

3.2 Connotation of Fan Economy

Cai Qi believes that "In the face of the adored star, the investment of fans is not only manifested at the spiritual and psychological levels but more at the consumption level" [3]. At the consumption level, "fan economy" is a business model in which individuals, enterprises or brands create and transform economic value through interaction and relationship with fans. It depends on the emotional investment and loyalty of fans. Through the support of fans, it promotes consumption, spreads brand information, and participates in product development and marketing decision-making. Fan economy is widely present in industries such as entertainment, sports, and fashion. In the pre-development period of social media, fans created economic value by purchasing idol album CDs, tapes, concert tickets, and endorsed products. In recent years, with the development of social media and its gradual expansion to broader fields, the fan economy is no longer limited to cultural entertainment but is also applied in industries such as commodity sales and services [4].

3.3 Characteristics of Fan Economy

3.3.1 Closely connected with the entertainment industry

Past research divides the "fan economy" in all fields of the entertainment industry into three levels: direct products, indirect products, and related industries. The "fan economy" most often occurs in the fields of music and film and television. Because the main objects of activities in these two fields are mostly stars, and fans, the followers of stars, are more willing to pay for the careers of their idols than other consumers. In the field of music, the fan economy of direct products is generated when fans actively purchase artists' albums and concert tickets in the process of feeling the charm of their idols. Unlike in the field of music, the direct products in the field of film and television are works such as movies, TV dramas, and variety shows in which idols participate. Fans contribute their strength to film box office and ratings. At the same time, stationery, clothing, accessories printed with idol images, and peripheral products such as novels and comics with artists as the protagonists are defined as extended products. Enterprises

and brand owners promote product sales through forms of co-branding with various IPs. An important part of related industries is the brand products endorsed by idols. Fans, out of their love for idols, eagerly choose to buy these products and services, thus bringing considerable commercial value to the brand and interpreting their support and love for idols with practical actions.

3.3.2 Branding and word-of-mouth

“Fan economy” ultimately lies in the formation and dissemination of the brand: the better the brand, the more “fans” the brand will have, and the brand value is positively correlated with the number of fans. Such Tesla’s “fan economy”, Tesla Motors has established a unique brand image in the automotive industry with its leading Autopilot autonomous driving assistance system and sustainable brand positioning: technology and environmental protection; In consumers’ perception, Tesla is not just a car, but also a technological and environmentally friendly product. Whenever Tesla owners experience identity anxiety when comparing Tesla with cars of other brands, they always post and exchange their car usage experiences on social media. This process invisibly promotes Tesla’s brand and accumulates word-of-mouth. Therefore, Tesla quickly entered the mainstream market with extremely low advertising expenses through a strong brand reputation and controls the entire market, reaching a large number of loyal car owners, fans potential customers, or potential interested parties. The endogenous brand-building process and the activation effect of exogenous brands help each other, making Tesla even more massive. This in turn activates the brand itself and the interests of its car owners, extends risk tolerance, and further gains a firm foothold in the market.

3.3.3 Specialization and customization

To increase their user base and brand stickiness, merchants adopt a variety of specialized and customized means to conduct promotional activities. In terms of specialization, brands, and merchants set up dedicated fan operation teams responsible for planning and managing various fan activities such as social media interaction and brand promotion. Under this circumstance, “professional fans” have also emerged. They are hired to participate in online promotion and create public opinion hotspots for specific brands or stars to promote fan consumption [5]. In terms of customization, brand owners obtain fans’ interest and demand information in advance, and design exclusive activities and products accordingly. At the same time, they formulate personalized marketing strategies, such as exclusive discounts and VIP experiences. These specialized and customized means not only enhance the loyalty of

fans to the brand but also play an important role in significantly enhancing the market competitiveness of the brand.

4. The Relationship between Social Media and the Fan Economy

4.1 Social Media Provides Channels for the Fan Economy

The emergence and development of social media have provided more convenient and extensive channels for interaction between fans and stars or idols. First of all, social media builds a platform for fans to gather. Fans can follow the dynamics of idols, participate in topic discussions, and share related content through social media platforms such as Weibo, Xiaohongshu, and Douyin, thus enhancing the connection and interaction between fans and idols. Secondly, social media provides channels for information dissemination for the fan economy. In the past, limited by the development of information dissemination tools, fans and idols often interact in the form of letters, meetings, etc., the interaction between fans and idols was fully of unknown, and few fans could get activities with idols. But today in the era of social media, social media has greatly broadened the speed and scope of information dissemination. Idols share their moments with the help of social media, which is an efficient channel for them to promote themselves and attract fans. By posting photos, videos, texts, and other contents, idols show their charms and export their values, outlooks on life, and worldviews, attracting more people to recognize them and become fans. In addition, social media provides fans with direct interaction opportunities with idols, brands, and so on. Fans can express their emotions and needs through comments, likes, private messages, and other ways. And idols and brands can also respond to fans promptly to enhance fans’ loyalty. This interactivity enables fans to participate more deeply in the idol’s life and career, providing a solid foundation for the development of the fan economy.

4.2 Fan Economy Energizes Social Media

The fan economy has fueled the rise of social media. On the one hand, fans often log on to social media platforms to be the first to know every move of their favorite idols or loved celebrities, thus increasing the activity of the platforms to a certain extent. On the other hand, they will also help spread the content on social media and expand its reach through discussions, shares, and hot comments. Simultaneously, the fan economy has spawned several original content writers, many of whom will take matters into their own hands and upload photos, audio, video, and

even articles, etc. produced by the stars they are crazy about to social media platforms. To a certain extent, this maintains the continuous heating up of the content end of social media, making social media content more diverse. Users can thus have a worthwhile experience and obtain richer and more diverse content resources and entertainment. Fan economy has also become an important carrier for commercial marketing on social media. Many advertisers and brands advertise and market on the platforms, and social media platforms can respond to the needs of their fans by offering memberships, virtual giveaways, and other ways to reap their own “second” profits.

5. New Characteristics of Fan Economy in the Era of Social Media

5.1 Upgraded Consumption Patterns

The fan economy has become more diversified and personalized in terms of consumption in the social media era. In addition to the traditional purchase of physical products, fans will also support their idols by purchasing digital products, participating in online activities, and placing bounties. At the same time, fan economy is also combined with emerging business forms such as e-commerce and live streaming. It is not difficult to see that idol live streaming with goods has become a new form of fan economy in the social media era. For example, through their large fan groups, these fan groups are potential consumers. Fans consume and purchase goods in the live streaming room out of support or trust for idols, forming a more abundant consumption scene.

5.2 Brand Value Extension

In the era of social media, the fan economy has transformed the value of product brands from the original product sales value to emotional identity value and communication value. Fans will conduct word-of-mouth publicity for the brand's products, thus influencing more people to make purchases and generating higher brand value. The biggest difference between fans and ordinary users is that fans value emotional identification more. Fans' emotional identification not only makes them show higher loyalty in the process of purchasing and using brand products but also makes them stand up for the brand when it is attacked. Studies have shown that people with a high degree of emotional identification are more likely to be attracted by branded products and will maintain a relatively long process of purchasing and using branded products [5]. Emotional loyalty enables a brand to win brand loyalty that consumers are willing to pay for, which

means that the brand will win development support and technical support for the next brand life cycle. This can not only contribute to the stable income of the brand but also enable users to provide support when they have the opportunity to propose improvements or suggestions for the product. Nowadays, many technology companies or game developers establish fan and consumer communities and collect users' experiences and feedback on their products and services, and the companies will optimize their products and services according to the feedback and suggestions from the fans. Fans' direct or indirect participation in the improvement of the brand can help the brand quickly adapt to the market. Meanwhile, fans' sense of belonging and participation in the brand can be improved virtually, and fans' loyalty and stickiness can be further strengthened.

5.3 O2O Model Expansion

O2O (Online to Offline) is an online and offline interactive marketing model. It is characterized by online and offline services at the same time, consumers can freely choose offline or online service modes according to their needs. Consumers can track transparently through the network, settle payments, and understand the progress of service progress anytime, anywhere, etc., realizing the expectation of delivering information online and participating in activities offline. Nowadays, social media platforms allow fans to learn about the dynamics and specific offline activity plans of their idols anytime and anywhere through various channels. Information is obtained online and activities are carried out offline, making the time and space of fans and idols completely integrated, and increasing the opportunities for offline activities of idols. The network is the place for emotional cultivation and maintenance, and offline activities are the place for in-depth interaction and experience, and the perfect combination of the two makes the O2O marketing model better able to increase fans' satisfaction and loyalty to the idol.

6. The Marketing Model of Fan Economy in the Age of Social Media

6.1 Social Marketing

Social marketing refers to a marketing method that uses social platforms such as Weibo, WeChat, and Douyin to spread brands to fans through information such as text, pictures, and videos. The key to socialization lies in the interactivity and openness of marketing. Brands can interact with fans and enable fans to interact with each other to spread brand concepts and experiences. Nike's marketing

model can well reflect the application of social marketing in sports and social interaction. It enhances users' value recognition and loyalty to the brand through social interaction and sports challenges. Nike's sports social application "Nike Run Club" (NRC) provides a running community that records running data, shares experiences, and interacts with others so that a runner is not alone. With the App, fans can create their running community, compete fiercely in virtual events online, and connect with others through competitions to participate in offline real world running activities. Nike's marketing model has achieved quite good results, so that the perfect combination of social interaction creativity and brand marketing, the daily life habits of fans into the process of long-term valuable contact with the brand.

6.2 Dematerialization Marketing (DDM)

Disintermediated marketing is a marketing method that does not go through intermediate links. That is after the advertising intermediaries in marketing are eliminated, the brand can directly face users. Its advertising effect and user stickiness will be greatly improved compared with traditional forms of advertising. The most important feature of it is direct access and instant interaction, where brands can interact more directly with their fans on social platforms, live streaming and other platforms, removing the need for distributors, retailers, and even advertisers. Xiaomi, for example, has shortened its product development cycle by collecting feedback directly from its fan community, the "Mi Fans," and even participating with them in the design of its products. Meanwhile, by doing this millet electronic products consumers feel the brand's sincerity, and commitment to creating quality products and the user considers the spirit of enterprise; in turn, the role of rice fans to millet deeper embrace, the sense of participation and loyalty of the fans and subsequently enhanced. The effective way of dematerialization marketing is to reduce the cost of brand marketing for customers and improve the market competitiveness of the brand so that the brand can get timely feedback from the market.

6.3 Pan-Media Marketing

Pan-media marketing is the process of making all kinds of content on demand on high-traffic media platforms such as Sina Weibo, Bilibili, etc., to realize the precise delivery of different kinds of media, different platforms, and different forms of content to satisfy the feeling of their needs. Traditional marketing models often adopt relatively extensive communication strategies and is difficult to accurately reach the target audience. However, pan-media marketing is a marketing model based on big data and artificial

intelligence technology. As a result, it can analyze users' interests, behaviors, and preferences in depth to achieve accurate delivery. According to the characteristics of different media platforms and the differences in user groups, enterprises, and brand owners create content that matches them for personalized push. The multi-path content release of pan-media marketing, through the integration of media channels, can comprehensively cover different types of user groups, no matter which platform they are active on, and can be exposed to brand information, thus maximizing brand exposure. The market environment and user demands are constantly changing. Traditional marketing methods find it difficult to quickly adapt to these changes. However, pan-media marketing has strong flexibility and can adjust strategies and content promptly to address changes and challenges in the market and better meet user needs. Therefore, it is a marketing method that is more likely to stimulate fan participation, promote the incubation of advertiser influencers, and increase the coverage of the promoted population.

6.4 Self-Media Marketing

Self-media marketing is the most typical manifestation of fan economy. Fans are the audience, communicators, and creators of brand information. Self-media can reach fans through direct channels such as Weibo and WeChat official accounts and produce content, forming emotional interactions with fans who have emotional bonds. The core of this marketing is for brands to reach their favorite segment of the population, allowing fans to remain personalized and interactive while forming a strong emotional identity with the brand's needs. For example, a certain self-media blogger in China has a unique video style that combines delicious food with family affection, showing the charm of traditional Chinese culture. The success of this media marketing lies in making fans not just users but emotionalizing them. Once emotionalized, it can generate strong emotional identification, and there will be some incremental behaviors based on the brand. The key to the success of the self-media marketing model lies in whether content creators can grasp the overall emotional state of fans and can continuously use later interaction and dissemination to maintain brand spillover.

7. Conclusion

The fan economy and its marketing model in the era of social media present diversification and complexity, and the research has gained an in-depth understanding of the connotation, characteristics, and close relationship with social media through combing and analyzing the related literature. Driven by social media, the consumption mode

of the fan economy is constantly upgraded, brand value is extended, and the O2O model is also expanded. Based on the new characteristics of fan economy in the social media era, new fan economy marketing models, namely social marketing, dematerialization marketing, pan-media marketing, and self-media marketing, etc., provide various choices for enterprises and brands. However, the brand and relevant departments should also be soberly aware that the fan economy still faces problems in the development process: how to avoid excessive consumption and network violence, how to ensure the healthy and sustainable development of the fan economy, etc., which need future research to develop in this direction.

Looking to the future, the continuous innovation and development of social media technology is an inevitable trend. The fan economy will continue to show strong vitality and potential. The academic and business communities are expected to pay more attention to the development of the fan economy and strengthen the research on its internal marketing models and mechanisms to provide more targeted guidance and suggestions for enterprises and brands; It is also hoped that enterprises and brands can make full use of the advantages of the fan economy, innovate their marketing models, enhance their brand value and realize sustainable development; the government and

relevant departments should strengthen the supervision of the fan economy, guide its healthy development and create a favorable market environment.

In conclusion, the fan economy in the era of social media has brought new opportunities and challenges for marketing, and the academia, the business sector, and the relevant departments need to continue to explore and innovate to adapt to the development trend of the times and to realize a win-win situation in terms of economic and social benefits.

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