Internet Stars in the Era of Self-Media

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Abstract. This paper discussed the appearance of Internet Stars and Internet stars business model in the era of self-media. With the relentless march of technology, the political support such as the “Internet Plus” policy and the progress of the society, self-media is having a great boom. Internet stars business model operates mainly through the following ways, the specialized content, the multi-platform cooperation and the variability of revenue models. Thus the author concludes that the business model as the representative of Internet economy, will still continue for some time to come.

Not long ago, a young fellow in Guangxi became very famous in the whole of China due to a video that expressed his mood of a painstaking breakup through a popular social media platform WeChat. His famous buzzword - Lansou Xiangku, which in Guangxi dialect, means “uncomfortable, want to cry”, has become an Internet sensation due to its funny pronunciation and lyrical tone. His first online live broadcast has attracted 20 million people after he became famous overnight. A multitude of media, advertisers and businessmen requested his cooperation to increase their popularity and brand awareness. This has become the paradigm of Chinese Internet stars, represented by their fast ascension to popularity, strong base of fans, and a plethora of income streams.

Who are Internet Stars

The term “Internet star”, simply defined as "the popular person of the Internet", refers to people that caused widespread sensation on the Internet due to personal appearance, actions or events. It mainly refers to people who form extensive social networks through gathering a large number of fans and subsequently converting their popularity into income streams. Fans are mainly interested in fields such as fashion, games, animation, photography, food, and pets.

Some think Internet stars only refer to ordinary people, but I consider besides the general public, some lesser-known celebrities rooted in traditional media can also become Internet stars. For example, long-term TV producer Luo Zhenyu and the musician and composer Gao Xiaosong who have originally either been less appealing to the public or outdated became Internet stars recently. They host self-media talk shows and adopt similar business models as those of Internet stars rising from the general public. Their rise to fame on the Internet is no longer constrained to traditional media but their appealing content, personal charisma, and seamless interaction with fans facilitated by self-media platforms. Thus, for the purpose of this report, “Internet stars” will refer to both people coming from
the general public and originally lesser-known celebrities.

The History of Internet Stars in China

The formation and development of Chinese Internet stars could be divided into three stages within a span of 20 years:

<table>
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<tr>
<th>Year</th>
<th>Representatives</th>
<th>Platforms Used</th>
<th>Feature/Content</th>
<th>Business Model</th>
<th>Influence</th>
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<tr>
<td>1999 - 2005</td>
<td>Anne Baby, Ning Caishen</td>
<td>Literature Website, Online Forums</td>
<td>Internet Novels, Blogs</td>
<td>Publications, Movie, TV drama adaptations</td>
<td>Brought about the development of online literature and its inclusion into the mainstream</td>
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<tr>
<td>2003 - 2010</td>
<td>Mu Zimei, Lotus Babe, Brother Sharp</td>
<td>Bulletin Board System (BBS), Online Forums, Baidu Tieba (Chinese Reddit)</td>
<td>Weird experiences and non-mainstream content documented through writing, blogs or photos</td>
<td>Unprofitable business model due to counterculture or lack of appeal</td>
<td>Negative words and images brought about cultural degradation</td>
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<tr>
<td>2012 - Present</td>
<td>Zhang Dazhi, Papi Jiang, Luo Zhenyu</td>
<td>WeChat (combination of various social apps), Weibo (Chinese Twitter), Taobao (Chinese Ebay), Youku (Chinese Youtube), MiaoPai (Chinese Vine)</td>
<td>Appealing personal branding, funny content, remarks and specialized content tailored to the fans' interest</td>
<td>Conversion of fans to consumers</td>
<td>Development of the Internet stars business model, utilization and commercialization of personal brand and appeal</td>
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Hence, one can see that Internet stars in the third stage can generate revenues from a multitude of fields through various social platforms as compared to limited content spread through a singular platform. Thus, it is crucial to understand the various digital platforms that facilitated the rise of Chinese Internet stars and the development of self-media. Many of the Chinese digital platforms portray similar characteristics as those of their American counterparts. Some popular platforms include social media tools such as WeChat and Weibo which is very similar to Twitter online shopping websites such as Taobao which relates to Ebay; video publishing tools such as Youku and Tudou which share the functions of Youtube; and Meitu, and Miaopai which are similar to Instagram and Snapchat. These digital platforms give Internet stars a stage to fully display their talents and attract a large number of fans.

Self-media and the Success of the Internet Stars Business Model

According to the statistics of China Internet Network Information Center (CNNIC), up until June 2016, the number of Internet users in China reached 710 million, while the new user growth rate reached 3.1% over the last six months. Among Internet users, mobile phone users reached 656 million, a proportion of which rose from 90.1% to 92.5% over the last six months. Mobile phone users show strong vitality and steady growth potential with the acquisition of new Internet users and migration of PC users to mobile platforms. This strong growth of mobile users has brought about the advent of the self-media age due to the mobile phone’s versatility, convenience and real-time sharing capabilities. This in turn has led to the rise of an economic phenomenon called the “Internet star business model”.

The Internet stars business model characterizes the value creation process of
Internet stars. This process includes the Internet star generating original content often tailored to a specific customer group. He/she then uses this high level of attraction from fans to promote certain products or services. In turn, fans become customers by purchasing what is advertised to them often due to the personal appeal. For example, Zhang Dayi, a Taobao (e-commerce platform) shop owner, promotes her own line of branded clothing and makes over 7 million dollars per month. She commands such a high income due to her popularity among her fans that rose from her unique taste in creating different dressing styles which was broadcast through her personal blog and other video websites.

Furthermore, political support such as the “Internet Plus” policy, which emphasizes accelerating fiber optic construction, improving broadband speed and promoting information consumption first proposed by Chinese Premier Li Keqiang in March 2015\[3\], has facilitated the development of the Internet stars business model. The Internet is one of the largest business sectors in China. According to data provided by the Chinese National Statistics Bureau: the national online retail sales were around 600 billion U.S. dollars in 2015 which is about 29% of China’ GDP and ranked first in the world. The Internet has also become an important force behind the transformation of the national economic structure. Through this policy, the Chinese government stressed the importance of “innovation of the masses” especially in the digital and Internet realm. As a result, a large number of venture capitalists and other capital providers has begun to shift their investment focus from the traditional real estate, industrial and mining industries to the Internet and other emerging industries. For example, “Papi Jiang” attracted millions of dollars from Zhen Fund, a prominent venture capital firm in China, and other companies in a short period of time by creating content that criticized certain social phenomenon and attracted a large number of followers. It is clear that the Internet star business model has integrated into the Chinese capital markets system and provides continuous momentum for the development of the “Internet Plus” model.

The Internet-star business model also developed due to the Chinese netizen’s need to express themselves by emphasizing individuality and non-conformity to tradition. Nowadays in China, with the rapid growth of the economy and increased competition, people have a variety of psychological imbalance and other symptoms. The Internet provides a space for the populace to release their inner pressures and relieve anxieties\[4\]. Compared with traditional media, self-media is both free and transparent. Programs that make fun of reality or go counter to tradition can attract a lot of attention. For example, Papi Jiang is good at pointed comments on some kind social phenomenon while Aike Lili makes funny representations with extreme exaggeration and unconventional makeup. Other Internet stars are characterized by their prominent skills. For example, Junping Devil specializes in skin care and body toning while Zhang Dayi Ave specializes in selecting clothes and broadcasting fashion combinations. Their appeal arises not only out of the products and services they promote but also their emphasis on the lifestyle of beauty and fashion and the idea of a balance between the body and the mind. These traits help Internet stars build an emotional connection with their fans.

**Operation Model of Internet Stars Business Model**

According to interviews conducted by China’s *Daily Business News*, Internet stars who owned Taobao (e-commerce platform) stores have seen gross profit margins reach as high as 300%. Another financial business data forecasted that
Internet stars and its related industries will reach nearly 10 billion dollars of revenues in 2016, which is more than the total box office revenue, 6 billion dollars, of the Chinese film industry in 2015. Some even assert that “Internet stars are more valuable than a movie star”. So how does Internet stars achieve such breathtaking income? What ways do the Internet stars business model operate in?

**Specialized Content.**

“Content is king”. In light of different ages, hobbies and consumption habits of fans, Internet stars must specialize in certain areas and carry out continuous updates to their content. To alleviate some of the burdens of everyday operations, Internet-star incubators assist with the design and implementation of a certain business model, often offering both operational expertise and financial resources while Internet stars are only responsible for communication with the fans and recommend goods.

**Multi-Platform Cooperation.**

With the rise of digital media platforms, a plethora of options are available to the rising Internet star to promote their unique content and offer relevant products and services. These platforms cooperate with each other to form a more holistic image of the Internet star. For example, Papi Jiang utilized her Weibo platform, similar to Twitter, to provide pointed commentary on social phenomenon at the beginning of 2015. By October, she was broadcasting her commentary on platforms such as Weibo, WeChat, and Youku (popular Chinese video streaming platform). By 2016, she had amassed more than 74 million subscribers across 8 different digital platforms[5]. The Internet star has, in effect, brought more ad revenues to these different platforms as fans use them to follow their favorite stars.

**Variability of Revenue Models[6].**

There are primarily two types of revenue models for Internet stars, namely online revenues and offline revenues. Internet stars generate online revenues through methods such as embedding ads in their broadcasts and also providing links to the products and services they promote. For example, fans who really like the products that Internet stars use can often find an external link to the relevant Taobao store that offers these products. Internet stars can also generate revenues from offline models such as speeches, publishing the content, and investing in other businesses. For example, Luo Zhenyu’s “Luoji Siwei” platform recommends and sells books, moon cakes, publishes biography, and invests in Papitube, etc. “Wu Xiaobo Channel” runs his own winery and train self-media electronic business. Others attend Internet stars training courses, invest in film or TV drama production, and so on.

In conclusion, the development of mobile technology and the widespread usage of the Internet brought about an era of self-media, which led to the rise of the Chinese Internet stars. These Internet stars are characterized by their appealing content and personal charisma which attract large numbers of fans and in turn bring about the creation of a new business model. This business model is further fueled by the support from political and social-economic factors such as the “Internet Plus” policy and the shifting needs of the public for more individuality and non-conformity to traditional values. In a sense, just like the movie industry, the future of Chinese Internet stars is bright and the business model that self-media has brought forth prove to be sustainable in the long run.
References


