The Influences of Idol Effect on the Purchasing Decisions of Their Fans

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Abstract. Thanks to the structural transformation of consumption stimulated by the domestic economic development and the high-speed growth of culture industries, the “idol industry”, as a branch of the culture industry, has been confronted with great development opportunities in recent years, along with the gradual spread of fans consumer market. This era has witnessed the continuous update and progress of internet technology and social network service, such as the development of Sina Weibo. As China’s most influential open platform in this new-media time, it not only makes fans get closer to their idols, but provides a convenient and diversified interactive portal for fans group activities, turning itself into a significant base for the development of idol industry. Besides, the domestic entertainment industry has been gradually mature these years by drawing from extensive star-training experience of Japan and South Korea, and the pattern of platform contributing to content also accelerates the growth of the idol industry. “Idol Producer” and “Producer 101”, two famous talent shows respectively launched by iQIYI and Tencent in 2018, have both achieved great success. They continuously created a series of amazing sales records even after the last show, which represents the great potential consumer power of fans. Entertainment companies and branded merchants saw this opportunity, who begin to gain information and evaluate the idol effect via Big Data, locate targeted fans as their consumers and clients, and create specific products so as to explore the potential of fans consumer power to the most extent. Under the circumstance of the rapid growth of the idol culture, this essay takes “fans who would become potential consumers” as the research object. Based on the general consumption theory, the essay analyzes the characteristics of fans’ blistering consumer behaviors and explores the formation and influence mechanism based on the qualitative research methods, which finally leads to an investigation on the maximum idol effect and approaches of exploring fans purchasing power.

Keywords: Idol effect, Fans economy, Consumer behavior, Emotional capital.

1. Research Background

According to the international experiences, the idol industry will experience rapid development when the GDP per capita approximately reaches 10,000$. Now the average GDP has been closed to 9,000 dollars in China, and in some cities this figure has been more than 10,000 dollars. The latest culture industry data in 2017 released by NBS (National Bureau of Statistics) shows that the added value of national culture and culture-related industry was 3,078,500,000,000 yuan that occupied 4.14% of GDP in 2016, with an 13.0% increase year on year. Since the 18th CPC national congress, our domestic culture industry has overall maintained an appropriate rapid growth. Meanwhile, the domestic Internet penetration rates has also showed a tendency of fast increase. In the first half year of 2016, the number of internet users hit 720,000,000 with the internet penetration rate of 51.7%, and the number of mobile Internet subscribers were 656,000,000 with 92.5% coverage rate. [1] Weibo, as the most representative product of Internet development, has further provided extensive space for the culture industry and continuously explored its potential influence.

In early stage, China’s entertainment industrial system was still immature. The idol market was quite small, and the fan culture was regarded as a kind of non-mainstream subculture. Under such circumstance, fans were labeled as younger -based irrational and immature group, with no independent and strong consuming ability. Moreover, the scope of targeted customer was too limited to be valued in the market. Yet with the gradual increase of average income, the booming development of culture industry and the establishment of multi-dimensional Internet platform with large amount of traffic, the acquirement of users and net-flow for the platform was much more convenient, so that the whole entertainment industry, including music, film, TV play, TV show,
cartoon and game, has gradually become more mature in terms of scale, profit model and industrial chain, which lays a solid foundation for the further development of the idol industry. From then on, fans purchasing power and the valuable data created by fans has been taken more seriously in the whole market. According to data from iResearch and the Development Report of 2016 China’s Music Industry, as well as the Fans Industry Report released by Zhongtai Security in May 2017, the core music market valued 25,559,000,000 yuan in 2015, including record, digital music (mainly PC and mobile terminal, without value-added service), concert, souvenir and Internet performance. [2] Not only that, 2018 could surely be called as “the first year for Chinese idol”. For instance, “Idol Producer”, an Internet show produced by iQIYI in the early 2018, was very popular and soon became an explosive point on the Internet, which means that the industrial pattern of China’s idol culture is experiencing an unprecedented revolution. Talent shows like the “Idol Producer” determines thequalification of prep idols according to the number votes, which highly motivates fans’ activism. Still take the ‘Idol Producer” as a typical example, existing data shows that from the first to the last episode, fans of the top 20 trainees have altogether collected more than 13,000,000 yuan for their idols on owhat (a platform in which fans could support their idols through spending money), and Nongfu Spring as the title sponsor has also hit the jackpot with its online sales volume increasing by 500 times. On the other hand, Cai Xukun, the champion of “Idol Producer”, also become a man of the moment. Since his debut in April, the number of his Weibo fans has increased by 6,000,000+ with 114% growth rate in a short duration of four months, during which his fans’ activity ranked top three in 96% time, and ten of his weibo moments were altogether forwarded roughly 246,000,000 times. Correspondingly, the sales volume of the products he had endorsed during this time reached 102,684,096.1 yuan. ELLEMA, with Cai’s photo as its cover page, have been snapped up once they were sold online. In total 63,000 magazines were sold to fans, valued at RMB 2,537,640. Other souvenir products also hit new records in terms of sales pace and volume. Based on the above examples, the idol and artist brokerage business market are now at a stage of rapid development either from the perspective of the macro-context or micro-structure, within which fans group expand rapidly, covering different ages and showing stronger influence. Some fans with great economic strength and strong consuming ability have sprung up. As they themselves have a kind of “paying nature”, the role of fans has been much more valued in the market.

2. Literature Review

Zhangqiang, a famous Taiwan Writer, mentioned in her The Great Power of Fans that “fans economy takes emotional capital as its core, the fans community as its marketing tool to add value to the emotional capital, and the consumer as the leading role. [3] The marketing tool is led by consumers. Companies resort to consumers’ emotion to achieve their goals of adding value to the emotional capital for their brands and idols.” With regard to the main part of “fans economy”, Li Kanghua (2016) proposed that “two main parts coexist in the ‘fans economy’, that is, fan consumers and consumer fans. The former prefers consumer behavior itself, while the latter focuses more on the enthusiasm shown from the consumer behavior. [4] The former may develop their fans emotion after spending money while the latter is on the contrary.” Under the research background of idol culture development, this essay selects “consumer fans” in “fans economy” as the research subject. Meanwhile, the range of celebrity has been gradually extended with the rapid development of Internet technology, and different “celebrities” have their own special development patterns and fans group characteristics. They cannot be generalized as a same type. Therefore, in this essay celebrity is in its narrow sense defined as idol, which refers specifically to those idols and idol groups with their own fans, excluding celebrities from other trades and professions, cyber celebrities, celebrities for live webcast and prominent bloguers.

There is no doubt that the idol effect is the key reason for consumer fans during their purchasing decisions. Yan Aimin (2009) used the regression model in his research on “the influence of celebrity advertising on fans’ consumption attitude” and concluded that fans’ consumption attitude is highly associated with celebrity attraction, celebrity-fan consistency and advertising creativity. [5] The
The degree of emotionship is the most significant variable that influences fans’ consumer behavior. So how could celebrities really exert influence on their fans’ consumer behavior? This issue in essence needs to be analyzed from the fans’ consumption motivation. This kind of motivation oversteps the traditional logic of market salability, such as price incentive and function orientation. It is influenced by a kind of common emotion, which shows fans’ desire for self-expression and group identity (Li Zengyun, 2008). Britain marketing specialist Kevin Thomson defined this common emotional effect as “emotional capital”, which is composed of external emotional capital and internal emotional capital. Companies stimulate consumers’ strong emotional reactions by making good use of fan’s emotional capital, as consumer fans would have the desire and motivation to consume, and then turn their ideas into practice in order to satisfy their emotional needs. Therefore, Du Kaiyue (2009) believed that the idol effect, which could be understood as the economic value of idols, is directly decided by fans’ emotional intensity and endurance. This is a kind of “emotional economy”. Surely the purchasing decision of fans is not totally affected by the emotional capital, as fans consumption is still a kind of consumer behavior in nature, which is in accord with the basic theories of consumer behavior. Consumers’ decision-making process still has its purposefulness, processness, individuation of personal demands, complexity and situationality, and is limited by consumers’ income level, cultural and educational level, consumption concept and other social and economic factors. While consumers are further endowed with “fans” characteristics, they will also be influenced by idol’s realistic condition, the stimulation of limited souvenir, the utility and collectible value of products and the community culture of fans (Xie Xiaohang, 2017).

2.1 A Theory on Consumers’ Purchasing Decision

Consumers’ purchasing decision refers to “an active process in which consumers stimulated by their own needs and motivations analyze and assess two or more optional purchasing schemes, from which they select and implement the optimum one and then make evaluation after purchasing.”[7] The above process is first of all characterized by its objective, which means the purpose of it is to satisfy consumers’ certain needs so as to provide the driving force for consumers’ purchasing behaviors. Maslow, a prestigious American psychologist, mentioned in his hierarchy of needs theory that human beings’ needs could be divided into the following five levels ordered by importance: physiological needs, safety, love and belonging, esteem and self-actualization. [8] The first one is the basic need for everyone which is the foundation of one’s life and survival. With relatively poor economic condition, people will first buy products that meet their basic demands such as food and cloth. On this occasion consumers’ purchasing decision is mainly affected by the price and quality of products. While as the economic development has reached a certain level, people will pursue the higher-level spiritual needs, as the demand for material value have been satisfied. The realization approaches of spiritual needs now have gradually manifested the characteristics of variety along with the rapid growth of social entertainment, such as watching films, learning musical instrument and enjoying music. Under this circumstance, the idol culture, a quite new field from which people’s spiritual demands could be met, emerged as the time required. Idols attract public’s attention by virtue of their good appearance, outstanding performance, personal charm and other personal attributes that represent their internal and external image. Some of the public may have much stronger love and affection towards them, who gradually gather together through common behaviors and psychological identity, and finally form a certain fan group. The idol effect impacts fans through continuously launching associated products when fans are extremely keen on their idols, which stimulates fans to express their strong affection through purchasing behaviors. Correspondingly, fans are really willing to spend much time and energy on their idols for the sake of their own emotional needs. Holbrook (1987) once pointed out that the purchasing behaviors of these zealous fans is conductive to the formation of their unique group generality and emotional identity, which is actually what Maslow called as the needs of “love and belonging” in his hierarchy of needs theory. [9] Fans’ purchasing behaviors for their idols represent a kind of self-identity on their fans attribute, which brings them not only a sense of belonging within the fans group but also a sense of satisfaction as they would acquire spiritual pleasure in this process.
In conclusion, at this higher level of spiritual needs, people’s purchasing decisions are in fact influenced by various factors, covering not only economic factors such as price and quality, but also social and psychological factors that occupy much more important position in different consumer activities. The famous Kotler’s behavior selection mode mentions a simple mode that corresponds to the influence factors of consumer behavior, which summarizes various reactions and purchasing decisions of consumers with different characteristics after they are receiving marketing incentives and eternal stimulus. Marketing incentives, from the perspective of companies, stimulate consumers’ purchasing behaviors based on the implementation of a series of approaches and strategies involved with products, price, location and sales promotion. For instance, the high quality and novelty of products, the advantage of prices, the customer flow and the convenient level in sales places and sales events are all the influence factors during consumers’ purchasing decision. Additionally, external stimulus from the perspective of economy, technology, politics and culture also impacts consumer behaviors. For example, the level of economic development may affect the consumption structure; Technical level influences the selection of consumption products; And politics and culture to some extent guide and limit consumers’ purchasing decision. Consumers, in fact, would combine all of these above stimulating factors with their own individual characteristics, such as age, income level and psychological state within their own “black room”. After a series of decision-making processes, the purchasing decisions associated with products, brands, product distributors, occasions and quantity will ultimately be determined. This essay extends Kotler’s behavior selection mode and aims to specially analyze the influence factors of consumers’ purchasing behaviors based on the distinctiveness of fans identity and idol-endorsed products. As the above research background part has already mentioned the external stimulus, the following analyses will mainly focus on business companies and fans.

3. Marketing Incentives

3.1 Product

The marketing incentives in terms of product include price, utility, quality and style, the way of buying, the correlativity of product and idol, sell quantity and souvenir value. In this paper, fans spend their money mainly on the membership fee, concert, event ticket and souvenir (such as album, DVD, prints, etc.) without considering whether the products made by private factories has violated the infringement of idols’ portrait rights, idol-related online games, cartoon, movie and teleplay, variety show and advertisement and idol-endorsed products, which are all highly related with the celebrities. The commercial value of these celebrities has been in this way continuously excavated within the entertainment industry chain. Honestly speaking, fans make consumption decisions not mainly for owning the products; They have relatively lower requirement for the quality and style of the products and higher receptivity towards the range of price. The general consumer demand theory believes that the price of one product is anticorrelated with its quantity demanded, and consumers are not willing to spend much more money on the products of the same sort according to the law of diminishing marginal utility. However, this kind of general law is not suitable for the actual situation of fans’ consumer behaviors, which in some respects belong to the habit-forming consumer behavior that can be referred to as a kind of blistering consumption, characterized by according with the “increasing marginal utility” rule of conduct. Therefore, the correlativity of product and idol is of most significance that related with the consumption of products. For instance, products that are sold in the name of celebrities and those with unique idol-related logos, such as the official albums, photographs and various formal souvenirs, are the main selected objects during fans’ purchasing decision. In terms of the purchase quantity, fans would do their best to buy products within the scope of their financial capacity such as albums, digital audio discs and idol-endorsed products that on the one hand may to some extent represent their idols’ popularity and market appeal and on the other hand influence their idols’ subsequent resources and development proposal. Meanwhile, price is also an important factor that affects purchase quantity. The effect of price shows an increasing trend when the quantities of products reach a certain level, which made fans weigh the
value of products. Yet products with limited quantity and collectible value such as calendars and limited-edition DVD may touch off a boom in products buying, and fans may seriously count down the hours so as to punctually buy the products as soon as possible. In addition to that, ways of purchasing products also have some impacts on fans’ consumption decisions. Fans could buy the idol-related products on the spot of their idols’ events, or from the official websites, physical stores and Taobao shops. For example, some products are only sold on the concerts, and in this case some absent fans might rely on the competent fans organizers who could help purchase a large quantity of products.

3.2 Attitude

This key word here means the attitude based on which entertainment companies and business companies make good use of the idol effect to explore fans’ consuming ability and acquire economic profits, including the estimating of fans’ mental activities and sincerity. Post-Fordism believes that the maximum profit comes from the process in which companies provide products and service for some specific consumers to meet their specific demands. Companies, utilizing different information technologies and innovative organization forms, trace consumers’ behaviors in detail and give them timely response, so that they are capable to offer consumers different kinds of products in a much shorter production cycle and much lower stock level. The specific consumers, as mentioned above, are actually fans in the eyes of those business companies, and the specific demand that companies need to meet refers to a kind of expression of fans’ affection attached to their idols. Some companies locate specific fans group based on the online real-time data and hot spots on Weibo, and they would launch the idol-related products while at the same time take notice of the online suggestions and responses of fans on Weibo. After that, company’s response accordingly based on the sales volume and online data that help judge the idol effect so as to determine their following strategies. In this process, the attitude of companies towards fans is really quite crucial. Fans are under the great influence of their affection during their consumption of the idol-related products, and they tend to associate their strong emotions or feelings with certain purchasing behaviors or products which may lead to high emotional involvement. Once business companies expose their attention of overusing fans’ affection, their attitude of money encirclement and their perfunctoriness of making products in a rough way, fans could easily notice and resist these kinds of companies with unkindness. There are many typical examples involved in the fans boycotting towards business companies and the fans complaints towards entertainment companies in domestic fandom. From this perspective, how fans are treated in terms of the level of respect and sincerity is also of a great importance that affects fans’ purchasing decision.

3.3 The Influence of Individual Characteristics

(1) Stable factor. Stable factors mainly include age, income and gender of fans consumers, which may stably influence most fans’ purchasing decision. Generally speaking, fans in the fandom are usually females, contributing most of their money and time on buying idol-related products. From the perspective of age, it is commonly believed that people with elder age are more mature than those with younger age, who will grasp a certain criterion with more rational consumption habits. However, when average consumers change their identities into “fans”, the influences of their consumption habits accumulated through years of life experience will be greatly weakened. The “exceptional irrational consumption” is the most obvious characteristic of “fans consumption”. Fans with careful calculation and strict budgeting during their daily lives may even buy large quantity of their idols’ souvenirs repetitively. Therefore, the impact of age on fans’ consumption is mainly adjusted through the factor of income, which is regarded as the key precondition of all the purchasing behaviors. The higher the income, the more budget that could be taken into fans’ consideration of spending for their idols. As the young under-age fans generally have no source of income, the core strength of fans mainly concentrates on those adult fans with their own stable income, who additionally spend for their idols within the scope of their financial capacity.
(2) Mental factor. Mental factor generally refers to the emotional connection between fans and their idols. Different fans have different degrees of enthusiasm about their idols, which means that the money, emotional engagement and energy they are willing to input are also quite different.

(3) The influence of fans group. The influence of fans group could be divided into two sides: one for fans’ personal consumption concept and the other for fans’ role and status within the fandom.

(4) When it comes to the influence of people’s consumption concepts, American scholar Eric Arnold, Linda Paneth and George Zinke Khan once pointed out that culture values that affect people’s consumption behaviors include the other-oriented value, environment-oriented value and self-oriented value. [10] The first other-oriented value represents the interaction internally among fans. Because of the specialty of fans group, members could closely connect with each other based on their emotional resonance and various online & offline activities, so that fans’ consumption intentions are easily influenced by other members’ concepts and attitudes. The driving effect among fans is really strong. For example, if one fan has bought a certain idol-related product and share his/her enjoyment and other feelings on the common social platforms, other fans may also be influenced to have desire for purchasing it. Those high-profile fans in the fandom, in especial, are usually leaders of the fans group, who express their views with strong influence and effectively guide other fans’ opinions. The environment-orientation value refers to an invisible cognition of behavior formed during the long-term interactions and communications in the fandom. The relevant groups and communities may play the roles of supplying references and providing information for fans themselves, as well as further instilling some ideas into fans like what to buy, how much we need to buy, why to buy, etc. To give another example, we can know the information published by Cai Xukun’s fans groups and clubs on Weibo, and some key words like “brushing video playback amount” and “contributing to sales volume” can be easily found. The common sense of this fans community guides members to try their best to purchase the idol-related products, and may even stimulate sales by publishing the photos of their purchase records so as to compete with each other, showing that “the more products you buy, the better fans you are”. For Cai’s fans, winning much higher status and more profits for Cai Xukun are their value-based pursuit. On the contrary, Hu Ge’s fans community does not advocate this kind of excessive consumption, and Hu himself may even publish an announcement preventing fans from over consumption of some products. What Hu’s fans support is that Hu is capable to win profits for himself, and fans only need to express affection and offer support spiritually, so that fans and Hu can both develop independently. Most of fans would be influenced by this kind of group values, which is also known as the fandom culture. In addition, other-oriented value and environment-oriented value also take effect during the process of fans’ purchasing decision through depending on individual sensitivity to group influence and the close degree between individual fan and the whole group. The self-oriented value is the emotional connection between fans and their idols as well as fans’ personal consumption concept as we have mentioned above.

(5) In terms of the roles and status of individual fan/organization within the fandom, fans in this kind of specific community are usually inclined to adjust their consumption behaviors according to their own self-positioning. For instance, there are always some significant “leaders of fans” (“fentou” in Chinese) with many followers and strong influence on Weibo, who propagandize for their idols through publishing original articles, photos and secondary creation of the idol-related texts/pictures. They know much more information and news about idols, and have higher status in group activities with greater power of discourse, resulting in gaining stronger supports and popularity from other ordinary fans. On the one hand, leaders are more active in buying a larger number of products compared with other fans when new products are launched; On the other hand, they are willing to show their buying records online to actively advertising products for sale, which is also an impetus for other fans. As for the fans clubs, they play the double roles of both consumer and bridge in fans consumption, who are in charge of organizing various souvenir-purchasing activities and group-ticket activities. Well-organized and capable fans clubs gradually gain other fans’ trust as they perfect the organization mechanism and improve service efficiency in a long term. They help fans and companies finish a series of processes, providing fans with more convenient channels.
(6) In addition to the factors mentioned above, fans’ educational and cultural level, the competitive relationship with other fans groups, the celebrity-brand fit, fans’ engagement during the design of products and many other factors all affect fans’ consumption decisions.

4. Conclusions and Suggestions

Consumers, in economic theory, are usually endowed with the identity of “economic man”, based on which the theoretical model is built under rational decision making. However, the completely rational consumer model in classical economics is unpractical, as consumers actually make decisions in a non-ideal world. They consider things not only from the economic perspective, such as the relationship between price and quantity, marginal utility, etc. Fans’ consumer behaviors, different from the general consumer behaviors in terms of the motivation and characteristics of consumption, have profound significance in improving the researches of basic economics theory. Exploring consumer behaviors of fans from a new perspective help raise targeted suggestions for the reality. In a long term, future idol industry should gradually develop into the pan-entertainment market assembling music, film & television, variety show, cartoon, online series and other content carriers, which covers abundant contents and forms. It should also broaden previous development mode, realizing joint development and deep interact of all fields, based on which greater possibilities of gaining profits and more elastic profit model could be further explored. Meanwhile, the development of idol culture is also associated with the physical and mental development of Chinese youth and teenage. During the profit-making process, celebrities and companies also have the responsibility to effectively guide fans to form more rational consumption value and on the other hand prevent fans from excessive irrational consumption and "keep up with Joneses" in consumption. Moreover, companies in this process need to keep their commercial conscience. Though they mainly play the role of making profits, they cannot make products with low quality, low cost and high profits by excessively utilizing fans’ tolerance in the price and quality of the products. Instead of obviously earning fans’ money without sincerity, business companies should first respect fans’ psychological reaction, and at the same time make previous marketing researches, in order to know more about the specific fans group, precisely gain insight into fans’ real demands and directly hold the emphasis. They should also promote fans’ interact and engagement by ways of fans’ ideas assembling and fans voting. Focusing more on humanized design helps companies effectively explore the values that celebrities should give to products. Finally, idols themselves and their entertainment companies need to further improve their capabilities and restrain their own behaviors so as to establish good images for fans. Entertainment companies are supposed to pay much more attention to their idols’ exposure, vertical content productivity and the construction of the whole fans system. During the process of star training and packaging, companies should increase fans’ engagement and receptivity in various activities, face up to fans’ opinions and suggestions and continuously train idols’ capacities in all entertainment fields, maximizing the idol effect in a more effective way.

References


