

# An Analysis of the Interaction Between Internet Celebrity Economy and Social Networks

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## Abstract:

At the time of the development of social networks, a new type of professional influencer was born, and the trading market and online social structure that revolved around Internet celebrities were called the internet celebrity economy. In recent years, the Internet celebrity economy has become more mature. It has also brought a lot of profits to the whole society and provided jobs, opportunities to cross social network barriers, and other benefits. Still, people's impulsive consumption, total social productivity decline due to the comparison psychology generated by the Internet celebrity economy and other negative factors are a serious problem about the Internet celebrity economy and need to be solved. This study examines the beneficial and negative phenomena encountered in the internet celebrity economy's development and summarizes some suggestions on how to avoid them.

**Keywords:** Internet celebrity economy; Social networks; Influencers; Case Analysis.

## 1. Introduction

In this rapidly changing digital age, social networks have become an integral part of people's connection with each other. Through social networks, people can meet new groups, learn various information, and form their social circles. People have also formed a mature economic effect in the online Internet channel. People are different than ever and can access information from more dimensions, perspectives, and ways. For example, there is not only one medium for the dissemination of contemporary news; unlike newspapers in the past, now news can be displayed in front of the public in a variety of diversified ways such as video, audio, public accounts, or directly connected with people through live broadcasts. In China, the most popular and common social media platform is WeChat, which has made it faster and easier for people to connect in the market. The number of WeChat users is increasing steadily. WeChat's monthly active users grew from 1.31 billion in 2022 to 1.33 billion in 2023 [1]. They can become contacts by scanning a QR code, making their social network bigger than ever. In addition, the emergence of an unprecedented social platform called Douyin, the overseas version in other countries called TikTok, has completely opened China's online platform economy market, giving social media economic value for large-scale trade. Differ-

ent from traditional online shopping software such as Taobao, its collection model of short videos and e-commerce has allowed the online network to strengthen the growth of professional Internet celebrities. An influencer has the same influence as celebrities on social networks, but the channel of influence changes to online. They have led to the flow of information on the Internet and made netizens aware of the relationship between individuals and groups on the Internet. To be more specific, influencer followers are groups formed because they are interested in the same field. As the number of influencers on the online network increases, the category, size, and number of groups become more and more. However, with time, many negative impacts of the celebrity economy on social networks have been exposed. This paper will be dedicated to studying which specific defects of the internet celebrity economy have led to the emergence of which social phenomena and trying to find a balance between defects and perfections so as to find a better way to make the internet celebrity economy develop. The research would mainly focus on the social media platform TikTok and the country China. The study will first start by studying the internet model under the internet celebrity economy, discuss the influence of the network celebrity economy on human consumption phenomenon by using the secondary data method, and study how the net celebrity affects the overall social pro-

ductivity by using secondary data method and comparative analysis method. Finally, it discusses how to make the internet celebrity economy develop better so that it can avoid more drawbacks.

## **2. Literature Review**

### **2.1 Concept of Internet Celebrity Economy**

The so-called „Internet celebrity“ refers to anyone or anything who has a certain social influence on the Internet through any method and various means [2]. To be precise, the category of Internet celebrities is broad and varied, which includes not only the long-talked-about traditional social media influencers of the Internet - people who run their social accounts on social media and engage in a long-term pattern of information sharing with their audience- but also any object that has a strong presence and influence on the Internet, be it a human being, an animal, or even an object tagged as an emojis. As the name suggests, the „Internet celebrity economy“ is an economic model generated by the Internet celebrity networking module. The value of the internet celebrity and the influence on the social network is mutual; when a netizen has a larger number of followers, he or he has a greater ability to change the social structure of the network and reach a larger group of people. When people or objects receive high visibility that can be attributed to positive or negative attention, talent, and skills, or other, sustained or transient, intentional or accidental, they have an economic effect on trading on their internet influence; that is, they can convert the social flows into currency [3].

### **2.2 Concept of Social Network**

A „social network“ is simply a medium or a bridge for people to connect, and the online social network refers specifically to social media platforms such as TikTok and Instagram. A social network model is an aggregate model that simulates the relationships between people and shows how people relate to each other, their movements, and their social structure. Structure. A person or a group of people can be considered a unit of record in a network, with people often referred to as „nodes“ and groups of people such as families and organizations referred to as „actors“. In the social network model, we can predict interpersonal relationship patterns and connections between each unit, such as directionality, represented by horizontal lines with arrows called ties or links. Furthermore, the model also represents the relationships among members in a social network, called a sociogram [4].

## **3. The Influence of Network Celebrity Economy on Human Consumption Phenomenon**

With the maturity of live broadcasting technology and the development of online sales platforms, internet celebrities' main profit model and cash channel was born. They present product information more vividly through live streaming, a new marketing model, to motivate consumers to buy products [5]. When netizens tap on a streamer's live stream on any short video platform like Douyin, a shopping cart is displayed in the bottom right corner. When people tap on the shopping cart, it shows all the products that the streamers, such as a small introduction of the product and pricing information have introduced. Live streamers become shopping guides introducing the product in detail by displaying the functions [6]. People can order and buy directly from the short video platform. However, unlike traditional shopping methods, whether offline stores or online e-commerce platforms, live streaming strengthens people's desire to shop. This new way of live streaming can be very typical and common in China, and netizens are easily attracted to live streaming when browsing TikTok. The stimulation-organism-response theory (SOR) is often implied in e-commerce live broadcasts, especially in China. In psychology, SOR theory is used to analyze the impact of external environment stimulation on an individual's emotions and behavior [7]. According to the SOR, people's response is stronger when the external environment simulation is stronger. Unlike other countries, Chinese influencers specialize in creating a sense of atmosphere in the live broadcast room and quickly connect with people by understanding people's general preferences. Fans buy the products of the live broadcast room of the live streamers they follow out of a sense of trust in the same social network circle, while strangers are mostly attracted by the tension of being „out of stock“ in the live broadcast room. Other staff will chime in with the live streamers to trick customers into thinking there is not enough stock and emphasize the price advantage of the product, real-time interaction, and a shopping atmosphere that cannot be experienced with traditional shopping. This emotion stimulates SOR, leading to an increased desire to shop.

Furthermore, internet celebrities would improve social comparison, especially for immature teenagers. In today's highly internet environment, where most adolescents' peers and celebrities have an online presence on social network sites, the social network sites platform serves as a comparison incubator that provides greater affordances

for social comparison with their peers and celebrities [8]. Unlike offline shopping, when influencers share information online, they are not pushed to an individual but to a group of social networks. They can comment and connect with others in a closed network structure like the comment section. This also leads to the fact that some people may display their wealth in the comment section, which will cause others to feel envious, so they want to buy things they do not need to satisfy their vanity.

#### **4. Social Stratification Caused by Internet Celebrity Economy**

The statement that the Internet celebrity economy will lead to some people's success and attract more people to join the ranks sounds like a good thing because, in this way, the online economy can run on a larger scale. However, this will lead to more social class breakdown and polarization. In the past, people were likely stable in their social groups and classes, and it was not easy to cross classes through hard work and studying. They are fixed in that social structure and might just generate links from closely related nodes. The statement that the Internet celebrity economy will lead to some people's success and attract more people to join the ranks sounds like a good thing because, in this way, the online economy can run a larger society. However, this might lead to more social class breakdown and polarization. When the Internet and Internet celebrity professions appeared, it gave many people hope but, at the same time, invisibly extinguished the hope of many people. First of all, when people have „no gap“ contact with the upper social networks and „experienced“ the life of that group on the Internet, and see many cases of people who are not above the middle class becoming Internet celebrities and successfully making a lot of money through the Internet, they delusionally imagine that they can also become such „Internet celebrities“.

Nevertheless, the reality is always cruel; the Internet social network is huge, so huge that the probability is so small for everyone to achieve the ideal thing and become an Internet celebrity with traffic that can be turned into currency. The success of influencers leads to illusory and false self-perceptions. People who want to become influencers have been investing their time, money, and energy in how to become an influencer rather than trying other careers or ways to make money. Paranoid people would think that becoming an influencer is the only way out him,, and he is not ready to contribute to society before becoming an influencer, which leads to the decline of social productivity. However, internet celebrities themselves

do not produce output. People need to know how to use the identity of Internet celebrities reasonably and wisely and have contact with major e-commerce companies, such as bringing goods in the live broadcast room, advertising, and creating new e-commerce brands, otherwise the profession of Internet celebrity alone cannot make money for a long term.

According to the annual report released by the China 2023 China Network Performance (including live broadcast and short video) industry annual meeting, by 2022, the number of practitioners in China's live broadcast and short video industry will steadily expand. Over 150 million live streamers have been opened, up 7.1% yearly. The number of short video content creator accounts (referring to accounts that have created and published short video content) has exceeded 1 billion. In addition, the live broadcast and short video industries have directly or indirectly led to more than 100 million job opportunities, becoming a new choice for young people. The number of job seekers attracted by the main live broadcast and short video enterprises is about 500,000. A series of results show that the overall growth rate of China's live broadcast users has steadily increased, and the characteristics of the popularization of short videos have been further highlighted [9]. This phenomenon corresponds to the benefits of the internet celebrity economy, which has led to new industries gradually becoming prosperous and finding suitable employment opportunities for many people. This economic development has led to the economic development of the whole society and, at the same time, has made the overall interaction of each social group less blocked. However, the annual report released by the China 2023 China Network Performance (including live broadcast and short video) industry annual meeting also shows that 0.4% of live streamers earn more than 100,000 yuan a month, and 95.2% earn less than 5,000 yuan a month [10]. The „Pareto Principle“ in the live broadcast industry is obvious. The Pareto principle, also known as the 80/20 rule, is a theory that maintains that 80 percent of the output from a given situation or system is determined by 20 percent of the input [11]. In the internet celebrity industry, 20% earn 80% of the profits. People only see 20% of successful people who stand at the top of the industry; in fact, many more people are at the bottom of the industry.

#### **5. The Internet Celebrity Economy Has Led „Bad Guys“ Making Big Money**

The development of the internet celebrity economy has not only caused the social structure to change and the

classes to become more polarized, but it has also demonstrated a very unfair phenomenon. The internet celebrity economy has given some people who should not be a celebrity to become a celebrity and make a lot of money. For example, in recent years (2018-2022), one of the hottest live streamers of the year on Douyin has been called „Teacher Guo“ by fans, and she has more than 30 million fans on the whole network. According to statistics, her live broadcast turnover and advertising commission fees are nearly 10 million per year. However, if she loses her unique and funny way of speaking, she will be an unattractive image of a sloppy and lazy middle-aged woman. Once in the live broadcast, she exposed her underwear in front of the audience in the live broadcast room, causing the live broadcast room to be immediately blocked. As another example, recently (2023), a new internet celebrity named „Juanzi“ appeared on the Internet, and her video content was plagiarized from another blogger's content, which looked clunky and funny. But just because of her funny image and is considered a „very famous clown“ by the audience, her fan base has risen, and more and more advertising has been put into the video, resulting in her earning more and more advertising money. Many people are jealous of how they can make so much money with only high Chinese, and as undergraduate majors and above, they have to run around for a salary of thousands of dollars. However, the reality is so cruel; the profession on the online network is opposite to other industries in which traffic is king. Whether it's a brand or an investor, they always value an influencer's traffic rather than quality or content. No matter how funny or speechless a person is in the form of traffic, he can get the attention of people who can afford to give him money. This phenomenon has led to a complete imbalance between the cost and income of this industry; that is, people with high education cannot get a salary that meets the needs of people with high education.

## **6. How the Internet Celebrity Economy Can Grow Better**

First, to deal with over-consumption and unequal payoffs, social network supervisory authorities need to monitor and control web celebrities' videos and live broadcasts more strictly. Whenever offensive content, causes others to compare themselves with others, or has an incorrect outlook, the department should immediately block the person's account or limit his or her traffic. Secondly, to break the Pareto principle, the department must promote and release more friendly policies to help the „vulnerable“. For

example, the department can push free traffic to those who work hard to create high-quality original works, which is also a way for the department to help web celebrities break down information barriers.

## **7. Conclusion**

The internet celebrity economy is a fruitful demonstration of a new industry that has gradually developed and matured in the last decade or so, and the status of this economy is steadily and gradually thriving. The emergence of the online Internet has led to the effective development of the profession of internet celebrity, especially in China, where internet celebrities are developing faster than in other countries. Under this rapid development, ordinary people can realize the originally impossible class crossing and break the network social structure barriers by becoming an internet celebrity. It also makes the combination of traditional e-commerce with short videos and live broadcasting rooms develop a brand new way of marketing commodities. This way of marketing also leads to a stronger economic status. However, these series of developments have also brought drawbacks. First, the new marketing method may lead to a more comparison mentality in interpersonal relationships, causing people to purchase many things they don't need.

Moreover, the emergence of internet celebrities has led many people with unrealistic dreams to keep giving their time and energy to become internet celebrities, pulling down the productivity of society. It also leads to the phenomenon of unequal payoffs and rewards, which is known as the Pareto Principle. To improve the internet celebrity economy and avoid these disadvantages in the future, the government should take some effective measures to deal with and change this situation. The research still has a slight flaw in the collection and analysis of data statistics, and we hope that future researchers can analyze the current situation of social network structure and provide more effective and appropriate solutions to address the flaws and provide data to support it.

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