

A Study on the Influence of Star Effect and Fan Economy on Commercial Brands from the Perspective of New Economy

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Abstract:

This article studies the new economy and celebrity effect, as well as the fan economy, also known as the entertainment economy. Fans have developed a mentality of following celebrities due to their own reasons and external influences, and a series of problems have also emerged. Offline activities promote short-term economic benefits, enhance the economic benefits of offline event venues, while satisfying the psychology of fans and promoting the profit development of brokerage companies. Brokerage companies often produce products related to artists themselves to satisfy fans and earn profits. The relationship between brand management and celebrity effect is becoming increasingly close. The influence of celebrity effect is increasing, and celebrity endorsement has become a common means of brand promotion. Positive effects can even help brands enhance visibility, but celebrity endorsements still have negative effects, and using celebrity endorsements requires bearing the negative impact of the artist. Brands that overly focus on celebrity effects may gain short-term benefits but may lose long-term development.

Keywords: Fan economy; celebrity effect; brand endorsement; rationalized celebrity marketing.

1. Introduction

The world economy is developing rapidly, and many emerging industries have emerged. With the stability of the basic economy, the development of emerging economies has also accelerated. Entertainment elements are slowly infiltrating into daily life, and the entertainment industry has formed a complete system, which is an important part of current economic development. The entertainment industry has many branches, among which the sports industry and celebrity economy are relatively prominent. Paying attention to new economic trends is of great help in analyzing and forecasting the future economic situation and direction. This article will use methods such as review research, case analysis, and data analysis to analyze the celebrity economy. This article will first discuss the psychological state of fans when facing artists, why they develop feelings of liking and are willing to invest in them. Secondly, this article will explore the impact of celebrity culture on business, including the impact of fan economy and celebrity effect on local short-term economy, the impact of celebrity related products and peripheral products on commercial brands, and the direct impact of the results generated after celebrity endorsement on brands. Finally, this article will provide suggestions for rationalizing celebrity marketing for brands.

2. Fan Mentality

The mentality exhibited by fans when facing artists is

closely related to the subsequent consumption, so it is necessary to explore the motivation of fans to pursue celebrities. Firstly, star chasing is an emotional need, more precisely, an emotional attachment. Fans may not just have a single need for their idols, and the emotions generated by each person during star chasing may be different. For some people, star chasing is a way to release stress and is a psychological comfort. Through star chasing, they can alleviate the difficulties and dissatisfaction in daily life, giving new expectations and goals in life [1]. Some fans have a mentality of pursuing celebrities because of a sense of self satisfaction, where they invest their imagined and expected lives in the stars. The reason why these artists attract fans may be due to some special personality traits or talents. The shining points of these artists attract some fans, partly because they want to become that kind of person, or because fans want to become friends with such people, and there is a possibility that fans want to become lovers with such people. The emergence of this quasi-social relationship can create strong emotional connections between fans and artists unilaterally. When people develop such a mentality, it is easy to be attracted to become fans of a certain artist. Some people may develop a mentality of following celebrities due to their unsatisfied social needs. Some may feel overwhelmed or very dissatisfied with their daily social interactions. When they cannot meet their social needs, they will naturally seek out like-minded individuals. Pursuing celebrities is obviously a very good way to have the same hobbies, and it is easy

to become friends in this context of liking the same people. These people usually keep in touch with other fans and continue to generate common topics, in this situation, it is easy for both parties to develop a sense of dependence and establish friendship. There are also some fans who have a learning attitude when facing artists. For example, Korean pop music culture is very outstanding, and South Korea launch many idol groups. The members of these idol groups can only get their debut opportunities through fierce competition and difficult training. They usually have some areas worth learning, such as excellent singing or dancing skills. Some fans will develop a worship emotion and want to improve their learning mentality, so they will start to pay attention to these artists as their fans and strive to learn their strengths [1]. It will affect the personalized development and personality enhancement of fans [2]. Of course, fans' liking for artists can also be very simple, stemming from their love for their appearance or their love for their songs and film works.

After fans develop a liking mentality towards artists, some people simply stay at the stage of liking them, but some are willing to give more for them, such as time, energy, and money. Firstly, some people are trying to satisfy their inner needs. Some fans need to constantly imply the connection between themselves and their idols through offline meetings, purchasing peripheral endorsed products, and other behaviors. This is a manifestation of liking that brings them happiness and satisfaction. There is also a mentality of conformity, perhaps originally not wanting to buy or spend money, but because everyone is doing such things, all „insiders“ have developed such behavior. In this situation, people easily follow the trend and develop a mentality of „everyone is spending money, just like everyone else.“ Because they don't want to be excluded and don't want to be special, they follow the trend and pay for the artist. Another part of the reason is that brokerage companies will stimulate fans to consume and use some marketing methods to increase sales. For example, in the K-pop cultural circle, brokerage companies make money through the albums sold by artists, so stimulating album sales has become a very important part. Brokerage companies use various means to stimulate fan psychology, such as different versions of albums, some undisclosed selfie cards, and album buyers can call artists through drawing lots. The brokerage companies fuel the situation, fans want to interact with idols, and fans are willing to compete. Once this happens, fans will naturally be willing to pay for the artist. Fans will invest time, energy, and money in offline activities, video sales, or celebrity endorsements to get closer to their idols.

3. Current Situation of Fans Pursuing Celebrities

3.1 Offline Activities

Fans will participate in offline activities to bring them-

selves closer to artists, and in fact, offline activities are an obvious example of a celebrity driving short-term economic benefits. Artists will hold concerts or meet fans in different cities or countries. Firstly, this activity itself is an act of driving economic growth. Taking China as an example, China is in a developing stage. However, the „idol industry“ has faced huge development opportunities in recent years, and the fan consumption market is gradually booming [3]. In this case, fan economy can to a certain extent drive the economic development of a city or, more broadly, a country. Firstly, concerts and fan meetings are essentially commercial activities that increase the revenue and economic benefits of brokerage companies by selling tickets. The emergence of offline activities for fans and idols can increase the benefits of local tourism economy and promote the development of tourism industry in some cities. There is a very famous male group in China called „TFbosity“ that is deeply loved by a lot of people. They have been in the industry for ten years and held a 10th anniversary concert in Xi'an, China. The holding of this concert has a huge impact on the city of Xi'an, bringing about 400 million yuan in tourism revenue. recently, the EXO famous kpop man idol group will hold a fan meeting in Incheon, South Korea. With a large number of fans from abroad coming to hotels around South Korea, the tourism industry in Incheon will have a short-term improvement. Because fans need to ensure basic food, drink, housing, and transportation, it may also lead to some shopping behaviors. It can be seen from the surrounding hotels that the fan economy and celebrity effect will have an impact on short-term tourism development.

3.2 Surrounding Celebrities

The connection between celebrities and fans, in addition to offline meetings or signing opportunities. Fans can also increase their sense of happiness by acquiring peripheral products or similar products from artists. In terms of economics, the peripheral products of celebrities are very good for gaining benefits, and the quality, style, and other issues of peripheral products are not first considered. The greatest value of peripheral products is actually the celebrity effect. As long as it is a favorite celebrity's peripheral product, a large number of fans will pay for it, because the production of peripheral products is not just a simple product, peripheral products are a better and more realistic experience for fans to pursue stars. From a business perspective, selling celebrity merchandise is a non-loss buying and selling business. The company copies thousands of copies of a selfie card, and the cost of selling it is very low. However, fans are willing to pay for it, and many fans will buy a large number of merchandises in order to gather all the small cards. This means that brokerage companies have achieved high returns through low-cost products. On the other hand, some products are provided for artists to uses, which can have a significant impact. The celebrity effect has a huge impact on a product. Even

if artists do not endorse it, fans may purchase products with the mentality of wanting to wear the same clothes and products as their idols, bringing some economic benefits to some brands. For example, there is a very famous phone case brand in South Korea, which has become very popular recently because many artists use this brand's phone cases. However, the cost-effectiveness of this brand's phone cases is not good. The price of a phone case is around 300-400 yuan, and the value of this brand's phone case is not worth that much money, but there are still people who spend money to buy it. This is because the brand's marketing method is to give the phone case to the artist for use. After the artist uses it, fans will discover it and buy the same model. So, the celebrity effect is very powerful. Many artists have a clear understanding of the celebrity effect, so many artists will establish their own brands through their own influence. Fans will not care too much about the products because fans only care about the artists themselves. Therefore, the brand's products are not important, and the artists themselves are the „selling points“ of these brands. This is a concrete manifestation of the celebrity effect and a manifestation of the strong fan economy.

4. Brand Endorsement

4.1 The Role and Impact of Celebrity Endorsements on Brands

Unlike surrounding products, celebrity endorsements seem to have become a business behavior that brands will definitely use. Brands of all sizes use the image of artists to promote the brand. In fact, this is a very concrete manifestation of fan economy and celebrity effect. Brands use artists for endorsement and promotion, and fans do not understand the brand too much. Fans will only pay for artists. Fans will have a favorable impression of the brand they endorse in order to elevate the artist's status and prove their commercial value. The use of celebrities in advertisements can increase brand awareness, attract celebrity fans, encourage practice, and enhance purchasing confidence [4]. This is a great opportunity for brands to enhance their brand awareness. It is a simple task to recommend a brand to fans, but it is actually a hard act to recommend a brand to the public. Advertising is an important commercial activity to enhance brand awareness [5]. Using celebrities in advertisements is also a very efficient way to quickly bring a brand into the public eye. The endorsement of a celebrity can embody the brand image, and the role of a spokesperson is to represent the image of a brand. Therefore, using a good artist as the brand's „logo“ not only successfully captures the hearts of fans, but also establishes a good image in front of the public. The relationship between celebrity endorsement and brand influence is a positive one [6].

4.2 Negative Impacts of Artists on the Brand

Celebrity endorsement products naturally have many benefits for brands, but celebrity endorsement also carries certain risks. A spokesperson is equivalent to the face of a brand. If an artist encounters problems, it is also a huge blow to a brand, first of all, it is the image issue in the public's mind. Consumers will generate negative emotions when facing artists with negative news. The more negative reviews there are, the poorer the public's impression of the brand they represent. Even if negative news does not directly involve a certain brand, but only its celebrity endorsers, the public may still reject the brand [7]. Secondly, fans and the public have different standards for judging celebrities and ordinary people, and the public has high moral standards for celebrities. The legal and moral bottom lines are just the most basic requirements. In fact, for many artists, romantic rumors and marriage rumors are fatal blows. Once fans resist such behavior, it will inevitably have some inevitable negative effects on the brand. Then, since brands use celebrities as a means of promotion, the traffic of celebrities is positively correlated with their endorsement costs. The higher the traffic, the higher the artist's quote for advertising. Some brands cannot afford such high promotional costs, so some brands may choose to lower the quality of their products in order to match the artist's traffic value. This has no impact in the short term because fans will pay for the artist, but this is not a long-term development path. After the short-term benefits brought by traffic artists, such brands are difficult to gain public recognition. False advertising is also a significant blow for artists to their brands, as brands cannot be guaranteed. Every artist knows the brand well. Once false advertising or exaggerated advertising occurs, it can be a significant blow to both the brand and the artist.

5. Brand Rationalization and Celebrity Marketing

In the era of traffic and big data, celebrity marketing has become commonplace for brands. However, excessive use of celebrity marketing is not a good measure to make reasonable use of celebrity traffic. Attracting fans and the public to grasp the scale is crucial for a brand. First of all, don't overly focus on traffic. While traffic artists are certainly good and have the most significant effects, the collapse anytime and anywhere can be a fatal blow to some brands. Therefore, when looking for celebrity endorsements, not only should you pay attention to traffic, but you also need to pay attention to the artist's moral qualities and legal awareness. So early review becomes crucial, as monitoring the behavioral quality of an artist can reduce the likelihood of harm to a brand. Choosing an artist should be a very rigorous behavior. Choosing an artist with low risk and long-term cooperation would be more helpful for the brand. For example, choosing some child star artists or artists with less negative reviews

will reduce the risk of negative impact on the brand. A brand's ultimate success is not necessarily due to the short-term economic benefits brought by a celebrity. A brand's emphasis on product design and quality is the top priority. Losing big things over small ones is a common problem among many brands nowadays. The success of companies such as Apple, Huawei, and Samsung are not due to the fan economy they bring to popular artists, but because of the value of the product itself. Star marketing is only of great help to short-term strategic development and economic benefits, but for the long-term development of a brand, the star economy is not an important part. Many issues that need to be considered in the long-term development of a brand, such as decision-making strategy, competitive environment, and market demand, are more important than focusing on the celebrity effect. „Celebrity collapsed „, has become a common problem in the entertainment industry, so when brands cooperate with celebrities, it is a very wise choice for them to „stop losses in a timely manner“ when the artist themselves encounter moral quality issues, legal bottom-line issues, and other issues. Many brands choose to avoid problems when facing unqualified artists, believing that the agency will not have a significant impact on the brand after solving the problem. However, this is not a positive solution. Brands should terminate the contract with the unqualified artist as soon as possible and actively respond to this matter. This solution is more likely to leave a good impression on the public's psychology.

6. Conclusion

This study focuses on observing the development of the new and emerging economic situation, with the entertainment industry being an important part of the new economy. The celebrity effect and fan economy are slowly penetrating the market and becoming important parts of many brand operations. Fans, due to various different attitudes, start to like an artist and are willing to spend money for them, so all actions will produce economic benefits. The generation of offline activities drives short-term economic benefits in the local area, and the production of some peripheral products greatly helps the financial situation of brokerage companies. The products that celebrities only come into contact with, or use can have an impact on a brand. Celebrity endorsement is an important part of brand management nowadays. It must be said that celebrity endorsement can have some positive effects, but it also causes fatal blows to many brands. Therefore, the rational use of celebrity effect is something that every brand needs to pay attention to. Paying attention to the moral quality of artists, emphasizing the brand itself, and actively respond-

ing to unqualified artists may be a good solution.

This article has some limitations. The review article lacks examples and strong evidence to prove the authenticity and effectiveness of the paper. Some concepts mentioned in the article lack some favorable evidence. If more accurate and effective data can be provided, the effectiveness of the article will be higher. The description of the mentality of chasing stars in the article is still quite limited. The psychological state is a very subjective occurrence, and it is not possible to accurately confirm that the fans of chasing stars do indeed have the other mentality described in the article or have developed other mentality.

The entertainment economy itself is an important part of the current world economy, and the celebrity effect is also a major topic in the future. This is of utmost importance. The development of the future economy cannot be separated from the entertainment economy, and the development of brands is also closely related to the celebrity effect and fan economy. Therefore, looking forward to the future, the relationship between celebrities and brands will become closer. Therefore, paying attention to this development is of great help in studying the future economic situation.

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