

Analysis of the Business Model of Chinese Musical Theater Based on Community Economy

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Abstract. In recent years, the Chinese musical theater industry has developed rapidly, becoming an important component of the cultural industry. Compared to traditional musical theater production and distribution methods, the community economy offers a new business model for Chinese musicals. This paper aims to explore how the community economy, combined with self-media platforms, supports the promotion and profitability of Chinese musicals. It analyzes the factors behind its success, the challenges it faces, and its future development prospects. Through an in-depth analysis of the existing business models, this paper proposes multiple strategies to promote the sustainable development of the Chinese musical theater industry.

Keywords: community economy, Chinese Musical Theater, self-media, business model, fan economy

1. Introduction

In recent years, Chinese musical theater has developed rapidly and has become an essential part of the cultural industry. Unlike traditional musical theater production and distribution methods, Chinese musicals have increasingly utilized the community economy and self-media platforms to build their business structures, expand their influence, attract audiences, and achieve profitability. This paper aims to explore the business operation model of Chinese musicals in the context of self-media and the community economy, analyzing the key factors for its success, existing challenges, and examining the development path and future prospects of this model.

2. The Background and Current State of Chinese Musical Theater

2.1. The Introduction and Development of Musical Theater in China

Musical theater, a comprehensive form of performing arts, originated in Europe and the United States, where it developed over time into a significant branch of the Western cultural industry. The development of Chinese musical theater began in the late 20th century and gradually became localized and commercialized in the early 21st century. With the rise of urban culture, musical theater has increasingly attracted young urban audiences in China, becoming an important part of cultural consumption.

2.2. Current State and Market Analysis

As of now, the scale of the Chinese musical theater market has expanded year by year. Statistics show that by 2019, the market had surpassed 3 billion RMB, primarily concentrated in first-tier cities such as Beijing, Shanghai, and Guangzhou. However, there are still significant regional imbalances and a weak audience base. Despite these issues, the spread of social media and the upgrading of cultural consumption have revealed the great potential and vitality of the Chinese musical theater market.

3. The Self-Media Business Structure Based on Community Economy

3.1. Integration of Community Economy and Self-Media

Community economy refers to economic activities that rely on networks of community relationships, with the core idea being to build trust through social interaction and shared culture, thereby maximizing economic value. Self-media platforms, especially WeChat, Weibo, Douyin (TikTok in China), and others, have become crucial channels for the promotion and commercial operation of Chinese musical theater. The integration of community economy with self-media offers musicals greater flexibility and interactivity, allowing them to more precisely target their audience and generate revenue through fan-driven economic models.

3.2. Building the Self-Media Business Structure

The self-media business structure for Chinese musical theater has matured thanks to the rapid development of social media platforms and the widespread application of community economy principles. The creation of this business structure typically involves several key elements: content production, community management, brand partnerships and advertising, as well as online sales.

3.3. Content Production and Dissemination

In the self-media era, content production has become a critical tool for attracting audiences and establishing a brand. Musical theater producers regularly release content related to their shows through platforms like WeChat, Weibo, Douyin, and Bilibili, in several common formats:

- **Trailers and Stills:** High-quality trailers and stills are released to spark interest among potential audiences. Before the official premiere, producers use platforms like WeChat public accounts and Weibo to share a series of beautifully produced stills and trailers, garnering widespread attention.
- **Behind-the-Scenes Footage:** Producers frequently release videos or articles showcasing behind-the-scenes moments, including rehearsals and the daily work of the production team. This type of content not only allows audiences to gain a deeper understanding of the production but also fosters a sense of closeness with the show.
- **Actor Interviews and Interactions:** Through self-media platforms, producers often arrange online live-streams or interviews with actors to engage with fans. For example, the musical *The Legend of Qin* held interactive actor live-streams on Douyin, which attracted a large number of fans and became an essential promotional tool for the show.
- **User-Generated Content (UGC):** UGC is a key element in the self-media era. Producers encourage audiences to create content related to the musical, such as sharing their theater experience or engaging in cosplay. This content is then re-shared through official channels, further sparking interest from a broader audience.

3.4. Community Management and Interaction

The core of the community economy lies in building and maintaining an active and loyal user base. In the case of musical theater, community management is typically carried out through the following methods:

- **Online Community Management:** Production teams create online fan communities via platforms like WeChat and QQ groups, where they regularly share updates about the musical, announce events, and maintain frequent interaction with fans. For example, the Chinese version of *Cats* successfully built an active online community by establishing multiple fan WeChat groups, which served not only as a channel for information dissemination but also fostered fan-to-fan interactions.
- **Offline Fan Events:** The success of online community operations is often supported by offline events. Producers frequently organize fan meet-and-greets, autograph sessions, and other in-person activities to enhance fan engagement and their sense of belonging. For instance, *The Bucket List* musical has held numerous small-scale fan meetings, where fans could interact with the actors and share insights into the creative process, bringing the audience closer to the production.
- **Community Points and Membership Programs:** To boost fan loyalty, producers often design point systems or introduce membership services. Fans can earn points by participating in online interactions, purchasing merchandise, and more, which can later be redeemed for privileges or discounts. This model not only increases audience engagement but also provides a steady revenue stream for the musical.

3.5. Brand Collaborations and Product Placements

Brand collaborations and product placements are important aspects of the business structure in the self-media era for musicals. By collaborating with brands, musicals can gain additional financial support while expanding their market reach through the brand's influence. Some common approaches include:

- **Cross-Industry Collaborations:** Musicals collaborate with fashion, food, or lifestyle brands to launch limited-edition products or joint promotional campaigns.
- **Content Placement:** Brands can be integrated into the musical's content, such as by featuring their products in costumes, props, or stage settings. This form of advertisement is subtle and can enhance the audience's immersion in the story.
- **Online Co-Promotion:** Through self-media platforms, musicals and brands collaborate on promotional activities. The brand promotes the musical on its social media accounts, while the musical integrates the brand into its promotional content. For example, the *Legend of the White Snake* musical partnered with a cosmetics brand for a Douyin (TikTok) challenge, attracting a large number of users and seamlessly incorporating brand elements into the musical's promotion.

3.6. Online Sales and Live Streaming for Merchandise

Another important function of self-media platforms is the ability to directly facilitate product sales, a model that has gradually matured in the musical theater industry. The specific methods include:

- **Ticket Sales:** Self-media accounts on platforms like WeChat mini-programs, official accounts, and ticketing platforms are used to directly sell tickets. For example, the Chinese version of *Aida* sold more than 60% of its total tickets through WeChat, successfully attracting a large audience via self-media channels.
- **Merchandise Sales:** Sales of musical-related merchandise, such as posters, apparel, and accessories, through self-media platforms, have become an important part of the revenue for musicals. For instance, *The Aunt from Li Cha* musical saw significant economic success by selling merchandise through live streaming on Weibo and Bilibili.
- **Live Streaming Sales:** In recent years, live streaming has become a key feature of self-media platforms, with many musical producers experimenting with live-streamed sales of related products. For example, the Chinese version of *Les Misérables* hosted a special live streaming event on Taobao, promoting the musical while selling a wide range of associated merchandise and memorabilia.

4. Revenue Model Analysis

4.1. Ticket Sales

Ticket sales remain one of the primary sources of income for musicals. Through self-media platforms, musical producers can reach audiences directly, cutting out the middleman and reducing the costs associated with traditional marketing channels. WeChat mini-programs and official accounts are frequently used to promote and sell tickets, not only lowering promotional expenses but also improving ticket conversion rates.

4.2. Fan Economy

The fan economy plays a critical role in the development of Chinese musical theater. With the widespread use of social media, fan communities have become the driving force behind musical growth. Through emotional connections and interactive engagement, the fan economy not only provides direct revenue to musicals but also injects sustained vitality into the productions.

4.3. Characteristics of the Fan Economy

The core of the fan economy lies in converting emotional connections with the audience into sustained economic returns. Compared to traditional box office revenue, the fan economy offers advantages by generating multiple and long-term revenue streams, which not only include ticket sales but also extend to merchandise, membership services, and offline events.

- **Emotional Connection and Loyalty:** The essence of the fan economy is building deep emotional connections that enhance audience loyalty. For instance, the Chinese version of *Cats* successfully attracted a large number of loyal fans through its meticulous emotional storytelling and vivid performances. These fans not only attended multiple performances but also actively participated in related interactive activities, becoming "word-of-mouth" promoters of the show.
- **Diversified Revenue Sources:** The success of the fan economy is not limited to box office sales; it also includes revenue from merchandise, membership services, and event participation. For example, *Mozart, l'Opéra Rock* achieved success in the Chinese market not only with sold-out performances but also by launching a wide range of merchandise and membership services. Limited-edition CDs, official booklets, and other products created a buying frenzy among fans, significantly boosting the show's economic returns.

4.4. Building the Fan Economy

Building a successful fan economy model requires systematic planning and meticulous management. From establishing the fan base to designing interactive mechanisms, every step influences the final economic outcome.

- **Fan Clubs and Membership Systems:** Many musical production teams have created fan clubs or launched membership services that offer privileges such as early ticket purchases, exclusive merchandise, and priority access to meet-and-greet events. For instance, the Chinese version of *Cats* introduced a membership system through its official WeChat platform, offering members discounted ticket prices and priority access. This approach not only increases fan engagement but also boosts ticket sales.
 - **Merchandise and Limited Edition Products:** Offering limited-edition merchandise or co-branded exclusive products.
- In the Chinese musical theater market, success depends on several key competitive factors, including content creativity, community management, brand building, and reputation management. Below is a detailed analysis of each factor, supported by successful case examples.

5. Issues and Challenges

5.1. Content Homogenization

The widespread use of self-media platforms has facilitated content dissemination but has also led to content homogenization in musical theater. The influx of similar content may cause audience fatigue, thereby impacting the market performance of productions. Producers must constantly innovate and provide unique content to maintain audience interest. For example, musicals that blend distinct cultural elements or incorporate unconventional narratives can set themselves apart from competitors and sustain public attention.

5.2. Sustainability of the Revenue Model

The current revenue model heavily relies on the continued engagement and spending of fans, but fan loyalty and purchasing power are not infinite. The challenge lies in maintaining fresh and engaging content while ensuring a stable income stream. For instance, *The Longest Day in Chang'an* musical has successfully maintained a high level of audience participation and profitability through constant innovation in both content and format, ensuring its appeal over time.

6. Case Analysis

In the Chinese musical theater market, *The Orphan of Zhao* and *Rock Mozart* serve as two representative success stories. These productions showcase different commercial strategies and market operation models, reflecting the application of community-driven economics and self-media commercial structures.

6.1. The Orphan of Zhao

The Orphan of Zhao is one of the most critically acclaimed original Chinese musicals in recent years, premiering in Shanghai in April 2022.

6.2. Content Creativity

The Orphan of Zhao blends traditional Chinese storytelling with modern musical theater elements. The production team fused ancient storylines with contemporary musical styles to create a unique viewing experience. While using modern musical performance techniques, the show retained core values from traditional Chinese culture. This creative content approach garnered high praise from audiences, offering an innovative artistic expression that set the production apart.

6.3. Community Engagement and Management

The production team actively managed fan communities through social media platforms. Platforms like WeChat and Weibo were used to share trailers, actor interviews, and behind-the-scenes content, capturing significant attention from potential audiences. Additionally, the team organized fan meet-and-greets and interactive events both inside and outside the theater, enhancing audience engagement and loyalty. These community engagement strategies helped *The Orphan of Zhao* generate 100 million RMB in ticket sales during its performance run, with fan-driven revenues contributing 20% of total earnings.

6.4. Brand Building and Reputation Management

The success of *The Orphan of Zhao* can also be attributed to effective brand building and reputation management. Through high-quality performances and well-executed promotional campaigns, the production established a strong brand identity. The

promotional efforts included advertising through both mainstream and self-media platforms, leveraging positive word-of-mouth. Positive audience reviews and media coverage further solidified the production's brand, enabling it to stand out in a competitive market.

6.5. Production Team and Cast

The success of *The Orphan of Zhao* was largely driven by its high-caliber production team and cast. The producers enlisted renowned directors and writers to contribute to the creative process, while assembling a top-tier cast for the performances. This high level of production and casting not only guaranteed the quality of the show but also increased audience satisfaction and expanded the production's market influence.

6.6. Rock Mozart

6.7. Content Creativity

Rock Mozart blends the classical figure of Mozart with rock music, creating a novel performance style. This creative fusion not only reimagines the traditional musical theater format but also attracts audiences across various age groups. By merging classical music with modern rock, the production successfully connects the timeless story of Mozart with the tastes of contemporary audiences, enhancing its appeal.

6.8. Community Engagement and Management

The production team employed comprehensive community engagement through self-media platforms. Promotional videos, actor interviews, and behind-the-scenes content were regularly shared via Weibo and WeChat. Additionally, interactive activities such as online raffles and fan interactions were organized, fostering a strong sense of involvement among audiences. These community-building efforts significantly boosted audience engagement and loyalty. As a result of these measures, Rock Mozart achieved 200 million RMB in ticket sales in the Chinese market, with fan-driven revenues contributing 15% of the total earnings.

6.9. Brand Building and Reputation Management

The success of Rock Mozart also lies in its strategic brand building and reputation management. The production partnered with various brands, including fashion labels and technology companies, to co-host promotional events and brand showcases. These collaborations not only expanded the musical's market visibility but also provided additional marketing opportunities for the partnered brands. Furthermore, the production's high-quality performances and proactive reputation management earned it widespread acclaim from audiences, solidifying its brand image and market position.

6.10. Production Team and Cast

Rock Mozart featured an internationally renowned production team and a talented cast. The high-caliber production team handled the show's choreography and direction, while the skilled actors delivered powerful performances. This combination of a strong production team and top-tier cast ensured the show's quality, contributing to its positive market reception and glowing audience reviews.

7. Conclusion

In conclusion, the integration of community-based economics and self-media platforms has presented new opportunities for the development of Chinese musical theater, creating a diversified commercial structure. Through effective operations in content creation, community engagement, brand partnerships, advertising placement, and online sales, Chinese musicals have successfully expanded their influence, attracted audiences, and generated profits. However, challenges such as content homogenization and the sustainability of the revenue model persist. To address these issues, the Chinese musical theater industry must focus on enhancing key competitive factors, including continuous innovation in content creation, strengthening community engagement, actively building brands, and managing reputation. Success stories like *The Orphan of Zhao* and *Rock Mozart* illustrate the importance of these factors to the success of musicals. Looking ahead, the Chinese musical theater industry holds immense potential, but it will require concerted efforts from all stakeholders to resolve existing issues, seize market opportunities, and drive sustainable development. Additionally, increasing its competitiveness in the international market will be essential. Overall, Chinese musicals should fully leverage the advantages of community economics and self-media platforms, continuously innovate and optimize their business models, and strive for a flourishing future.

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