

# ***The Development Status of the Fan Economy from the Perspective of Consuming Psychology in the Era of New Media***

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**Abstract:** The widespread use of new media and the Internet has altered people's consumption behaviors. Brand management and product promotion strategies have also improved. Since production eventually chooses to be consumed, the conventional consumption model primarily satisfies people's fundamental material necessities. People's consumption has increased as a result of the growth of the social economy to include spiritual and emotional demands. The new era's consumption paradigm has altered to allow consumer demand to drive industry production. The emotional consumption of consumers is being investigated by media and business, and they are able to capture people's need to use consumption to find emotional solace. Utilize the fan economy to sculpt the emotional resonance between your brand's offerings and customers in order to build a strong social presence for your brand. This paper will look at the fan economy's current state of development in light of new media from the perspective of consumer psychology. Find the key elements that influence customers' purchasing decisions in today's society through research and a review of pertinent literature. Additionally, how the evolution of the Internet has influenced how the consumer market has changed and how this has influenced customer behavior. The article's main goal is to demonstrate that customers are now more interested in emotional value than only material or economic advantages when determining whether an action is worthwhile.

**Keywords:** consumer psychology, fan economy, social media, brand, sociology

## **1. Introduction**

With the development of the times, the widespread use of the Internet and electronic technology has largely changed people's consumption patterns. The media's mode of advertising and operation for products has also changed. The traditional consumption model provides people with the basic necessities of life, but with the development of social economy, people's consumption is no longer limited to material needs, spiritual and emotional needs have also become part of consumption, and the consumer market has also undergone great changes. Psychologists have also found that consumption affects people's identities and conveys the social status of different groups [1]. The major changes in the consumer market have also led to a significant increase in the position of the media in the consumer market.

In the modern society dominated by the Internet, social media can connect countless individuals in society and convert their attention into a huge influence, and this influence is a commodity that attracts advertisers and companies [1][2]. Digital interactive media is empowered in today's era of big data to capture audience preferences and needs, which helps advertisers use the media to better grow their audiences [2]. Thus, companies and advertisers have taken control of the media and have become the economic backbone behind the media [1][3]. Meanwhile, media and business research on contemporary consumer psychology has contributed to the occurrence of consumer behavior. Brands and companies are now capturing the emotional and spiritual needs of contemporary consumers, and more and more brands are emphasizing brand concepts and brand stories more than the products themselves, hoping to establish a psychological resonance and a spiritual link with consumers. Consumers are also willing to pay for such emotional concepts and pursue the psychological satisfaction brought by the consumption behavior.

This paper will focus on the impact of media on consumer psychology and the consumer market, examining where consumers' emotional consumption and psychological satisfaction come from. At the same time, we will explore how the fan economy behind the brand is formed and what kind of impact it has on the market. The ultimate goal of this article is to discover what factors determine the worthiness of purchasing behavior in today's society.

## **2. Consumer Psychology in the New Era: We Need "Spiritual Comfort"**

The development of the internet and the evolution of electronic technology have undoubtedly increased the formation of impulse consumption [4]. Online shopping has now become another mainstream market for people's consumption. Online shopping deprives people of the most realistic observation and understanding of physical goods, which frequently results in consumers' imagination of the goods and the actual ones received not matching, and the quality varying, leading to the purchase being regretted. At the same time, the emergence of electronic payment has reduced the consumer's perception of the purchase behavior. Compared to cash payments, the fast and convenient nature of electronic payments interferes with consumers' psychological guilt over the payment behavior [1][4]. As a result, the advent of digital algorithms has also led to more impulsive spending behaviors.

In the era of Big Data, the advent of digital algorithms has given media and businesses the opportunity to better understand consumer preferences [2]. When we browse or search for products on social media, digital algorithms remember our browsing history, and when they receive recommended products pushed by algorithms, consumers are primarily in an irrational state in which their brains are dominated by emotions. This rapid push of products deprives consumers of the opportunity to think calmly. When the time between people's desire to consume and their ability to make a purchase is short, it is difficult for consumers to judge the necessity and usefulness of the product, and the inspection of the quality of the product is easily overshadowed by the desire to consume. It is easy to create an "impulse", the most fundamental source of this "impulsive" is the desire to buy, rather than the desire for the product itself [4]. That is, when the idea of "I like it" comes to the consumer's mind, the algorithm immediately converts this psychology into "owning it" and gives the consumer the opportunity to "own it" at the same time [1].

When this "impulsive" purchase is completed, the brief satisfaction of the desire to buy will give the consumer a sense of certainty that the purchase is worthwhile. However, because the consumer has not had enough time to think about and judge the usefulness and necessity of the product, when the consumer receives the product physically, he or she will question the product itself. "Do I need it?" When such a question arises after the purchase has taken place, rather than before, the "impulsive" consumption is often complete.

The great influence of digital algorithms on consumers' purchasing behavior reveals to us the consumer psychology in the new media era. As social and economic development becomes better and better, people no longer worry about the basic necessities of life, they are willing to pursue spiritual satisfaction than simple material needs, and emotional well-being also becomes the basis for judging whether consumption behavior is worthwhile [1]. Most of the audiences of new media are not poor, and most of them do not worry about having enough food and clothing. In this case, many consumers will choose to spend their surplus income for their own pleasure.

In today's high-speed society, people are under tremendous pressure to work and study. People are always afraid of not working as hard as others in order to get more financial rewards, a better quality of life and better opportunities. High-speed operation and highly competitive pressure have become the labels of this society. In such a high-pressure social environment, people are psychologically burdened with a sense of burden that cannot be released. People need a way to relieve their inner pressure, as a way to relieve the hard work and study. Social media, no doubt, will become a place for people to release their stress and heal their hearts. Social media gives people a platform to escape from the real world. On social media, people's names, gender, occupation and all other identifying information can be hidden, people can speak freely and have the power to know all the things they are interested in. As a result, social media has become an almost inseparable part of people's lives. People's dependence on media provides ideas and support for the formation of the media consumption market.

Consumption is an important way that people use to please themselves and give self-compassion [1]. People choose to consume appropriately as a sense of ritual when they succeed, when they fail, when they are blessed, and when they are sad. Food, clothes, jewelry, enjoying services, etc. are all consumption. Most of the time, this kind of consumption is a kind of consolation or healing for consumers. People use this kind of consumption to break out of the confines of a boring life, to find some new experiences in life, and to enjoy the different perceptions that consumption brings to them [1]. It is a kind of 'spiritual solace' that brings people some joy in their ordinary lives through consumption, even if some of the joy does not last long, but is only a small and short-lived pleasure that can bring them a brief sense of psychological happiness. People experience better services or get the goods they want through consumption, which can inspire people to feel hopeful about their work and studies, and they also experience a sense of accomplishment from this small happiness. The reward for working hard and living conscientiously will be a better life experience, a higher quality of consumption. Through material consumption, people are also given a sense of identity and belonging to their status [1]. In the new media age, consumers can learn about the different lives of different people through the media, and they can also find consumer goods in the media that can truly heal them. Such consumption may not be an essential need in people's lives, but it can be a source of spiritual comfort and a catalyst for the pursuit of a higher quality of life [1].

### 3. 'Fans' and 'Fan Economy'

The fan economy has become a popular trend in the consumer market in recent years. The most fundamental formation of the fan economy appears in the entertainment industry. Mainly, the followers of artists and celebrities pay for the artists' and celebrities' works, endorsement products, and other goods, thus creating a purchasing power that becomes a symbol of the artists' influence [5]. Businesses and advertisers use the emotional investment of fans in celebrities to create an association between products and celebrities. Fans buy not only the product itself but also a psychological fantasy when they consume it [6]. A great characteristic of the fan economy is that its consumers are highly loyal and sticky to the celebrity, with persistent and strong spending power [5]. Social media assume an important guiding role in the development of the fan economy. Media helps advertisers and

businesses to collect the interest points and preferences of their target audiences, thus increasing loyalty and ultimately translating into higher spending power [7].

The growth of the fan economy has led to more specific criteria for positioning the business value of celebrities in today's entertainment industry. Celebrities with greater fan purchasing power will be more popular with businesses and brands, resulting in increased exposure and opportunities. The influence of fan purchasing power on celebrities also creates competitiveness among fan bases. Fans emotionally identify their favorite celebrities as being in the same "camp" as themselves and hope to "win" against other "camps". For fans, this creates a psychological sense of "honor" and is consumed more for self-esteem and emotional joy. Businesses produce many products with empty "gimmicks" for the fan market, and their ultimate pursuit is not the consumer's demand for the product itself but to pay for the "gimmick" of publicity. However, the psychological satisfaction brought by fans' emotional consumption is short-lived, and the frequent use of the celebrity effect in the market will make fans numb to this consumption pattern. When fans no longer feel the emotional pleasure of this mode of consumption, they will regret their consumption and it will become a kind of "impulse consumption".

#### **4. The Composition of the Brand's 'Fan Economy'**

The rapid development of the Internet and the widespread use of digital algorithms have enabled the fan economy to penetrate more industries. Businesses have seized the modern people's demand for emotional satisfaction and spiritual consumption, packaged and beautified their brands through social media, shaped more three-dimensional brand stories and brand concepts for their brands, and established representative brand images, thus achieving independent communication with consumers and enhancing consumers' exclusivity and brand identity for their brands. The uniqueness of the brand and the brand story resonate with consumers emotionally, thus making the brand itself popular and sought after, and having a more loyal consumer base [7][8]. For businesses and enterprises, fan economy is undoubtedly a powerful guarantee for the operation and maintenance of brands. Gucci, for example, has many consumers who are obsessed with the Gucci brand, and every time a new Gucci product is released, it is followed by loyal consumers. Owning a new Gucci product is a status symbol and a trend, and this psychological satisfaction and sense of superiority become what consumers are looking for [1].

The establishment of new brands relies more on the creation of a fan economy than brands like Gucci, which already have a certain, well-known, and established consumer base. Through the help of mass media and advertising, new brands are able to use the fan economy model to gain their first followers [1]. Mass media helps brands to find the topics and trends on which society is focused, allowing them to better capture the attention of consumers. When consumers are attracted to a brand's advertising content, they are subconsciously influenced and feel emotionally connected to it [1]. Today's advertising is no longer just about the product itself, but brands and advertisers have learned to add values and deeper meanings to their products, thus inciting consumers to feel good about and trust the brand. Brands are putting themselves in the role of a leader, giving voice to a group of people through brand concepts and stories, and attracting consumers who resonate with them to become their followers, thus building a solid audience [1].

As the brand's fan economy takes shape, more and more activities targeting the brand's fans are launched, with a variety of "gifts" and "offers" stimulating consumers to step into the consumption vortex established by the brand through the Internet and electronic technology [5]. However, for consumers, the fan economy is an addictive form of consumption. When consumers develop a sense of identity in a brand, purchasing a product or service becomes a credential to become a certain consumer group, and thus gain a sense of self-esteem. However, the actual effect may be negative;

instead, this pursuit of the brand leads consumers to constantly climb up the ladder, creating more anxiety in the mind [1][6][7].

## 5. Discussion

Nowadays, people are no longer motivated to consume purely for the purpose of buying practical goods or services, but rather to obtain happiness through consumption [1]. Yet, emotional consumption can easily lead to "regret" and it is difficult for consumers to judge whether it is worth it at the moment of consumption. If this is the case, how do we define whether consumption is worthwhile or not? People's perception of happiness is subjective, and it is difficult to use a standardized criterion to determine whether different consumption behaviors are good or bad [1]. Generally, consumption behaviors that bring positive self-approval and fulfillment to the consumer are considered worthwhile. Consumption that brings substantial benefits to consumers' lives and that helps people find a sense of identity and belonging are also valuable. At the same time, consumption behavior can bring absolute happiness to consumers when they give meaning to it [1].

However, because the new media age leads the consumer market, big data and digital algorithms challenge consumer rationality and confuse people's judgment of consumer behavior. The use of the Internet itself is a consumer behavior that is easily addictive [1]. In today's society, consumers are extremely dependent on social media, and they habitually gather information from social media platforms [1]. These popular consumer trends on the Internet have always been able to convince consumers and gain their trust. Through the pushing of advertisements and the collection of users' personal information, social media can lead consumers to be interested in the specified products and to have the desire to buy them. In this case, consumers lose the ability to think for themselves, and the consumer behavior performed at this time is non-subjective to the consumer, so it is difficult to bring them a real sense of well-being. However, addiction to social networks is unavoidable for the present generation, and it is difficult not to fall under the spell of digital algorithms again when people realize that many consumption behaviors are not worthwhile [1].

## 6. Conclusion

A study of the consumer market and consumption patterns in the new media era reveals that today's consumers have a high demand for emotional satisfaction. As technology and the Internet continue to evolve, the dependence on social media and the widespread use of digital algorithms bring convenience to consumers and at the same time undermine their rights. It promotes digital algorithms to guide people's desires, and the public can easily lose their judgment as they become psychologically controlled by them. Many impulse purchases are made, and the regret they bring to consumers is greater than the joy they feel when the purchase is made, which has a negative effect. The fan economy has also taken advantage of modern consumer psychology and has become a trend in the consumer market. Today, the fan economy is not only used in the entertainment industry, it has infiltrated into various industries.

It is sophisticated to judge whether consume behavior is worthwhile. Real happiness for consumer behavior that is not judged subjectively is challenging to achieve. The effects of consumer behavior rarely produce long-term true happiness, yet even while the happiness that consumption brings to the consumer is momentary, it is still endowed with value [1]. It is desirable to engage in actions that help the consumer heal emotionally or that inspire and encourage others to lead active lives.

The major limitation of the research is that it focuses on the bias of the crowd. The audience groups mainly targeted by this study are not highly generalizable. This study demonstrates that the research object is economically stable. The marketing strategy of the fan economy in the new media era needs the audience to actively pursue and consume beyond the material's underlying emotion. Therefore, it

is inevitable that consumers with lower economic capacity will be ignored by the research. In addition, consumers' definitions and assessments of emotional demands vary due to individual differences. The variables in the research are vague, and the data cannot support the accuracy of the research. In future research, it is necessary to find a more accurate measure of emotional value, and to consider the existence of emotional consumption in different classes from more perspectives.

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