

Research on We Media and MCN Development

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Abstract: "We Media" has risen rapidly and recently become an inseparable part of people's lives. Its diversification, Civilization, and Generalization are the main factors for the rapid development of "We Media." However, the "We Media" industry's proliferation has brought about two problems: the sustainability of content creation and the difficulty of realization caused by the single profit model. Many content creators find it difficult to survive in an expanding marketplace due to a lack of professional content. MCN companies were born at this time. As a medium between content creators and online platforms, MCN companies can provide better publicity for content creators and create a suitable business model. This paper analyzes the current situation and prospect of "We Media" and MCN companies to provide better development direction for "We Media" and MCN companies.

1. Introduction

With the continuous development of technology, the way people deliver information is also changing. In recent years, based on the unique characteristics of "We Media", various network platforms have risen rapidly, and short video apps have become popular. As a kind of new media in the 21st century, we media is developing rapidly, changing people's way of receiving and transmitting information, and becoming an indispensable part of people's life.

2. Review on the Development of We Media

2.1. What is We Media

We media, also known as "personal media" or "citizen media", is a general term for new media.[1] Private, universal, and independent communicators deliver normative and non-normative information to an indeterminate majority or specific individuals through modern, electronic means. Back in the last century, communication scientist McLuhan proposed "similarity theory of media as a message," and the American Press Institute's Media Center subsequently published a research report on "We Media" jointly proposed by Shayne Bowman (2003) and Chris Willis (2003), which gave a very cautious definition of "We Media," "We Media is a way for ordinary citizens to be connected to the global system through digital technology, to provide and share their real views, their news." [2] There are many everyday examples of we media platforms: Blogs, Microblogs, WeChat, Baidu Official Posting Bar, Forums/BBS, and other online communities.

2.2. Reasons for the Rapid Development of We Media

The rapid development of we media nowadays is dependent on both technical support and practical needs.

The first is technical support. As we all know, science and technology are the first productivity. From the rapid development of digital technology, the global coverage of the Internet, the creation of mobile technology, and the realization of 5G, technological development and innovation have always provided more possibilities for we media. Besides, more and more applications are advocating a more user-friendly design, so the simplicity of operation also dramatically reduces the threshold of operation for we media, creating a broader market for we media.[3]

Secondly, there are practical needs. In this information society, people's life is getting faster and faster. The compactness of time and the increase of life pressure have gradually changed the way people choose to receive information.[3] The short video is a new type of communication method that quickly replaces the long video form and becomes an essential communication method in people's daily lives. With its high efficiency, convenience, and time-saving features, we media soon became the first choice of people's information transmission tools, becoming an indispensable part of our daily life.

2.3. Features of the Development of We Media

2.3.1. Diversification

Compared with the traditional media, the diversity of the main subject of the Media makes its coverage more extensive. Due to this characteristic of we media, all kinds of information can find a place here, such as the display of personal skills, sharing of life experience, exchange of interests, thinking about specific topics, and so on.

2.3.2. Civilization

Although with the continuous development of we media, many famous teachers and scholars have created their own we media accounts online and exerted specific influences, most of the main propagators of we media are still the "grassroots class", that is, the people at the bottom of society.[3] Most of the views they publish are subjective and judgmental.

2.3.3. Generalization

With unstoppable momentum, we media is transforming from a tool for information disseminating into a new type of interpersonal communication tool. From e-mail to Ins, WeChat, and other chatting software, and then from BBS to SNS sites, we media is entering into people's daily lives, continually optimizing and improving its communication and interaction functions. The affinity of interpersonal communication and wide popularity of we media communication make it gradually become the way for modern people to contact and communicate, and become an indispensable part of our lives.

3. Problems Faced by the Development of We Media and Solutions

3.1. Bottlenecks in the Development of We Media

With the rapid growth of we media, more and more people choose to use it as their tool to get their message across. The explosive growth of we media has also brought about two significant problems. The first one is about the sustainability of the content. How to produce excellent content efficiently and with high quality is the biggest challenge for all media. If the output of premium content is not

sustainable, it will not attract enough traffic to form a profitable business model. Next is the problem of monetization. How to make the considerable traffic attracted by the premium contents monetize, and form a set of profit models, are needed to be solved in this field. If it is not profitable in the long run, the operation of we media will become problematic.

3.2. Solutions for Content Creation Sustainability

3.2.1. Financial Support and Means of Dissemination through the Platform

In the era of new media, without the support of platforms and sufficient capital, it is difficult for content creators to gain space for development and achieve profitability.[4] The considerable revenue is established in the case of that media people's traffic is large enough, and the promotion and support of a robust platform can undoubtedly attract more traffic for content creators, thus helping to form a useful business model.

3.2.2. Introduce Capital and Integrate with Industry

The media frenzy of recent years has naturally been driven by capital. More and more investment institutions are willing to support famous content creators through the output of capital because the traffic and fan stickiness it processes brings the possibility of sustained profitability.[4] For example, "Logic Thinking" has received investment from the China Culture Industry Fund. Combined with the industry, it can make better use of the mass advantage of we media and create a better future for we media.

3.2.3. Cooperate with MCN Agencies

A large part of content creators' inability to consistently produce quality content stems from a lack of workforce. That is because, in addition to continue producing new content, producers must also take care of the operation and profitability of their accounts. The emergence of MCN agencies can significantly solve this problem of lack of efficiency. Besides, some MCN agencies will even assist content creators, improve the quality of content, maintain the continuous output of quality content, and provide professional services to content creators.

3.3. Sustainable Ways of Monetization

3.3.1. AD Revenue

Advertising has always been a fundamental way of making money in the media industry and the best choice of we media.[4] The traffic and fan stickiness that comes with the famous content creators has led to more frequent cooperation with advertisers in recent years. Advertisers can provide rich funding and compensation for media professionals, while media professionals can help advertisers better publicize their work, bringing them higher exposure and attention. This is not only a mutually beneficial process but also a stable profit model.

3.3.2. Develop Content E-commerce

In this age of we media, mobile internet information's quickness makes linking content to goods a reality. Many excellent content creators are based on the traditional advertising profit model, and the traffic attracted by quality content is directed to the target e-commerce, connecting consumers and businesses, and triggering consumer behavior.

3.3.3. IP Development

In the field of content entrepreneurship, IP stands for Intellectual Property. Through the personality characteristics of content creators, creating their personality IP is the key to much sought after.[4] In turn, content creators can exploit the influence of their IP to develop TV series, movies, and other forms of content, creating a rich IP content industry chain. Ultimately, based on IP-based content, various profit models can be developed, thus forming a stable business model.

3.3.4. Knowledge Payment

In recent years, knowledge payment has gradually developed into an important business model. By paying for better quality content, users can bring certain revenues to content creators. The core of knowledge payment lies in the fan stickiness of the content creators.[4] Only when their strength is hard enough to output quality content and form a specific fan base continuously can more people participate in this model of knowledge payment.

3.4. Professionalization Trend of We Media Development

If we media wants to have a sustainable development, its professionalization requirements are getting higher and higher. How to professionalize content, making content production more vertical, and grow their IP value, has become a big problem for many content producers. Moreover, at this time, many of them are seeking help from professional organizations. The Multi-Channel Network (MCN) was born to meet this need.

4. The Emergence and Significance of MCN

The concept of MCN was born in the United States. In layman's terms, MCN is equivalent to an intermediary between media professionals and online platforms, which is not responsible for producing content but helps content producers to solve problems such as commercial promotion and liquidation, and finally makes a proportional share of profits.[5] In China, the primary tasks of MCN include commercial realization, operation, combining UGC/PGC/PUGC content, and ensuring the continuous output of KOL's (Key Opinion Leader) content with the support of capital and cooperative management, ultimately forming a stable commercial model.[5]

The MCN organization promotes the professional development of we media industry, mainly in the following three points:

4.1. Win-Win Cooperation between the MCN and the Platform

For MCNs, active cooperation with platform owners means more promotional opportunities and more traffic. Chinese leading domestic online platforms, such as TikTok, Kwai, and Sina Weibo, have actively launched cooperation programs and support programs with MCN organizations.[6] In this age of algorithms, premium content means easier referrals. Furthermore, to get more exposure and traffic, content producers usually choose to sign up with MCN agencies that also have deep cooperation with online platforms. On the one hand, it enables the platform to have stable, high-quality content updated in real-time, and many MCN KOLs can feed the whole platform with their own traffic.[6] Besides, MCN agencies can reduce the problem of decentralized management and improve management efficiency, so it is a win-win situation for both sides.[6]

4.2. MCN Agencies Can Effectively Grasp the Production of Core Content by Cultivating Netizens.

The core resource of MCN agency is its netizens. They not only contract netizens with a particular fan base and traffic flow but also discover and cultivate new netizens themselves. Therefore, the incubation of netizens has also become a fixed mode for MCN agencies. At the UGC stage, KOL needs to conceptualize and plan the entire content of their works, and have no time to take care of commercial model and other issues.[6] Simultaneously, it is tough for personal strength to produce quality content continuously, and bottlenecks can quickly appear.

4.3. MCN Agencies Can Help Brands to Realize Their Business.

Yong Hu, a famous Chinese scholar, once said: "In the Internet environment, the super communication effect and the ultra-low marginal cost of the community itself make the expansion of the community have greater economic value." At present, the trend of integrating the online celebrity chain in the celebrity economy is becoming more and more apparent. MCN agencies sign contracts with platforms to use social media platforms' rich social marketing tools to communicate accurately with target groups. It has gradually become a new trend in social marketing. In the data of "2019 China Digital Marketing Trends", we can learn that KOL has become the most popular marketing mode among advertisers, as KOL can effectively help brands deliver messages to their fan base and influence consumers' purchase decisions, thus bringing commercial realizations to brands.[6]

5. Conclusion

MCN institutions have well met the needs of the development of we media in the current Internet era, filled many functional gaps, and significantly promoted the development of internet celebrities' financial industry chain. However, there are also many problems, such as the contradiction between KOL and MCN agencies in the distribution of benefits, the contradiction between the accidental development and sustainability of MCN agencies, and the increasing seriousness of homogeneous contents. The above problems also prove that MCN agencies are becoming more and more popular in this we media boom. The above problems also prove that MCN agencies still have a long way to go in this era of media prevalence.

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