

Fan economy in the Chinese media and entertainment industry: How feedback from super fans can propel creative industries' revenue

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Abstract

The media and entertainment industry in China is witnessing the changing nature of its relationships between fans and the artists/studios they follow. Fans, once merely passive recipients of marketing campaigns, are now shifting from sharing their original work (fan art, fan vids, fan fics) as active members of fan communities, and participants within the “gift economy”, to being content experts leveraged as co-creators by studios seeking to ensure the success of productions before they are released into the marketplace. China’s media and entertainment companies are beginning to embrace the creative powers of their fans, and are seeking new ways to develop, invest in, and nurture their fan community towards the co-creation of products, especially with high level “super fans”, surpassing the mere driving of purchases through lifestyle affinity. In this paper we define and discuss elements of Chinese “fans”, their evolving relationship with artists and studios, and their impact on the Chinese media and entertainment industry. This includes a description of fan “levels”, an adaptation of the ARPU (average revenue per unit) used to measure fan value, and a review of social media platforms that provide a technological base for company/fan interaction. We share examples from China’s music, film, and television industries based on interviews with industry practitioners, and offer some insights on how companies can benefit from this collaborative product development practice. In conclusion, we draw parallels between the direction of the fan-studio collaboration process with the rapidly expanding innovation process known as “design thinking”, where companies incorporate feedback from side-by-side collaboration with customers and expert users during the product development process.

Keywords

China, entertainment industry, fans, fan economy, media industry

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Introduction and Methodology

Herein the “fan economy” is, in its broadest sense, referring to the value and revenue generated via interactions between individual fans (especially “super fans”) and fan communities, with the artists/stars (and their production studios and programs) that they follow. In this context, gift transactions associated with the “gift economy” (i.e., when brands intentionally develop, invest in and nurture a fan community to drive purchases through lifestyle affinity (“Thoughtful China”, 2017; Wong, 2014) is subsumed within the larger discourse of corporate strategy with respect to content development and production, where gift transactions are increasingly giving way to market transactions (Stanfill and Condis, 2014).

Seeking to maximize sales and enhance profits of their products, studios, artists/stars, and the brands they create, are moving beyond their own individually developed ideas, towards a more collaborative product development process that leverages communication between artists and their fan base through social media platforms (such as Weibo and WeChat). In particular, they are seeking the frame of reference and feedback from high level or vested fans, which we also call “super fans”.

In this paper we’ve borrowed the perspective of design thinking methodology (based on the practices of the creative consultancy IDEO) to view recent developments of collaboration or “co-creation” between fan communities and production studios. Specifically, we noticed that the design thinking innovation process (Brown, 2008), which emphasizes working with customers and experts during the ideation phase of product development, runs parallel to collaborative production increasingly employed between artists, production studios, and their fans. Such collaborative production overlaps with current research on the “co-creation of value”, which requires the participation and interaction of producers and consumers (Honkanen, 2014).

Through a reading of available literature on theories of fan work (fan labor) within the gift economy (Stanfill and Condis, 2014) and via first person accounts on fan interaction within the applied market economy based on interviews with Chinese film, television and music industry practitioners, we present a series of examples on how the media and entertainment industry is shifting its attitude towards fans from being teams of low cost marketers to integrated members of an extended collaborative production team. This evolving relationship with fans is being leveraged to help ensure the success of new music, film, and TV products before they are released to the marketplace.

What is fan economy?

The role of a fan can be as an aficionado or supporter. In the media and entertainment industry, fans are consumers who carry tight bonds with artists and the brands they are associated with over long periods of time. Every fan has traits that influence his or her social behavior and habits of consumption. When a fan finds others with similar preferences for a brand or artist, they may create or join a “fan group” (such as a fan club), which can develop into a “fan culture” with identifiable customs, attitudes, and behavior. Fan groups often work tirelessly on the one thing they share together—supporting their idol and glowing in the satisfaction of their idols’ achievements. Increasingly, fans, with the aid of continually advancing social media platforms and mobile technologies, are developing long-term, stable, virtuous, and reciprocal relationships with their idols that not only satisfy the desires of fans to have personal connections with their idols but can also influence and serve to develop the public personas of artists and their brands in return.

In China, a “fan” is known as a *fensi* (粉丝). In Mandarin, *fensi* is a kind of noodle, but because its sounds similar to the English pronunciation of “fan,” *fensi* became popular and has since been used throughout Chinese culture in this transliterated state (Shi, 2012).

Three types of fans

According to George R. Milne and Mark A. McDonald, fan identification can be divided into three discernible levels: low (social fans), medium (focused fans), and high (vested fans) (Milne & McDonald, 1999). Fans that are characterized as *low* (low on emotion, low on financial commitment, and low on involvement) are usually attracted purely by the appearance of an artist, or merely the entertainment value of their product. Low identification fans spend little time and money on music productions and celebrity memorabilia, and are seldom involved with the day-to-day activities of artists’ lives. Fans characterized as *medium* have a tighter relationship with the artist(s) they are following. Medium or “focused” level fans appreciate an artist’s performance, personality, or social factors. Medium identification fans not only consume an artist’s products, but also spend money and time on tracking an artist’s personal information, and follow their big events such as a world tour. Fans characterized as *high*, or vested fans, are zealous. High identification fans are willing to pay significant amounts of money and time on their favorite artists. They are the most loyal of followers, with the strong feelings and long-term relationships with their celebrity idols. They may even see themselves as a part of an artist’s extended family, and believe that they have the right to protect and support their idols as if they were supporting their own family members. High level fans are often eager to show off their special status with some identifying slogan, badge, or symbol (often scene within the gift economy); for example, Lady Gaga’s fans describe themselves as “little monsters.”

Average revenue per unit

According to Zhang Zhe (张哲), the manager of the Chinese Pop-Rock band *Po Shang Cun* (坡上村),

Fans not only give to us [i.e. the rock band] financially, they also support us emotionally. Unlike the traditional marketing ways, which focus on fan groups, we recently started to focus on every single fan. It is hard to believe that we can reach every single person of our fan group, but we are trying to pursue them to join our official fan club ... We are using WeChat to communicate with our fans every day. Topics do not only focus on information *about* the band members, we also target the fans with online and offline activities that support the band—and the band will join in these activities to reinforce and support the fan behavior ... We like to get suggestions from our fans, because they are our target audience and our consumers; in these years, the Chinese music industry doesn’t just value an artist according to his/her artworks, but we also value an artist according to their ARPU (Average Revenue Per Unit), which requires an artist to not only secure a certain quantity of fans, but also requires [an artist] to secure fans of quality [i.e. to secure *high* identification fans in order to maximize revenue]. (Zhang Zhe, personal communication, July 2015)

The Chinese music industry has adopted this approach to identify the value of an artist. The ARPU does not only focus on the quantity of fans but also keeps an eye on the quality of each fan (i.e. each fan’s revenue-generating power). Sometimes, artists may have a large number of fans, but too many fans without strong purchasing power; if the ARPU of an artist is low, it may

be difficult to turn that fan base into revenue and may be an indicator on the long-term business prospects of a given artist. As an index newly applied to measure an artist's *value*, the ARPU implies that purchasing structures, pricing methods, and marketing strategies directed toward fans need to adapt to (and capitalize on) technological advancements in social media. In today's creative industries, where the costs of production and dissemination have decreased, and in an environment where fans can access music and film for free (whether legally or illegally), it is nearly impossible for artists to earn money directly from their artworks.

Labels and brands are digging into the media and entertainment industry to find new ways to increase ARPU. As a case study, we consider the Chinese pop singer Lu Han (鹿晗), currently one of the most popular male pop artists in China. Although originally from China, Lu Han first became famous in Korea as a member of the K-Pop group *EXO*, where he accumulated a large following of Korean and Chinese fans. In 2014, Lu rescinded his contract with SM Entertainment and relocated from Korea to China. Lu released his first mini digital album *Reloaded I* on the QQ music platform in 2015 and broke sales records with 350,000 sales in the first hour of its 14 September release. *Reloaded I* soon received the International Federation of the Phonographic Industry (IFPI) certification of "Platinum," and then on 11 June 2016 received a first-ever accolade in Chinese music history, a "Golden Platinum Certification" on the QQ music platform ("Lu Han's *Reloaded II*," 2015).

As a top-award winner, rising star, and pop idol, Lu helps us to illustrate the ARPU. *Reloaded I* was sold for only 5 RMB per album (about US\$0.75) on QQ music. The affordable cost of this album allowed nearly every fan, even teenagers without any income, to purchase the album and support their idol. This low cost is the basis for an "upsell" strategy, which aims to sell more of the same product, or related products, to the same customer. Many of Lu Han's fans, according to Zhang Zhe, bought more than 10 albums at this low price, and some fans even purchased more than 100 albums to receive a "digital badge" to verify his or her fan identity and show even greater support of their idol (Nilsson, 2014).

The receipt of digital badges gives fans a feeling of real-time interaction—and the feeling of meeting friends—with their artist idols, which provides significant emotional satisfaction for fans and additional value ("The 'Fan Economy': Virtual Gift Giving," 2015). Getting more revenue per fan is the goal for increasing ARPU, an important indicator of the relative power of the fan economy ("Appealing to Acfun Video Website," 2015).

On one hand, Lu Han's fan purchases increase the commercial value of Lu's brand. On the other hand, beyond mere commercial value within the cultural marketplace, the extended interaction and feeling of accomplishment that fans achieve through achieving badges help brands and artists to generate a "brand culture," which connects fans and artists with an invisible vital link. As media scholar and philosopher John Fiske (1992) states, "Fans create a fan culture with its own systems of production and distribution that forms ... a 'shadow cultural economy' that lies outside that of the cultural industries yet shares features with them which more normal popular culture lacks."

This sentiment was echoed by Nina, a *high*-level fan and leader of one of Lu Han's several fan clubs, who shared that when she bought a CD or merchandise of Lu (the follow-on upsell beyond the low-priced pop album), she does not only own a product but also delights in the emotional connection she feels with Lu Han at the same time, beyond the value of the product alone—such fan behavior is a key element of emotional capital. Zhang Qiang (张蔷), author of *Fans Are Powerful*, cites "emotional capital" as the key element that drives the fan economy (Zhang, 2010).

The Chinese media and entertainment industry is increasingly leveraging how artists and stars manage the emotional capital of their fans in order to generate maximum profit. The words "*qinggan ziben*" (情感资本) is the translation of "emotional capital" used in sociology, human

resource management, and brand management. Gender, geography, cultural backgrounds, education level, social behavior and income are all factors that drive fan culture. The most loyal fans are high level or vested fans and seek to buy everything associated with an artist's brand. Loyal fans will help promote artist products, protect their reputation, and provide feedback promptly when given the opportunity. In design thinking methodology, it is often the outlier, an obsessive personality such as loyal super fans, that can offer the greatest insight and feedback during product development.

Using a simple survey powered by SurveyMonkey and distributed via WeChat, we polled the fan group managed by "Nina", one of Lu Han's several fan clubs. In response to the question, "How much money, in Chinese yuan, did you spend on your idol(s) in the past year? (e.g. concert tickets, CD, merch, transportation costs, etc.)", we had over 200 replies. 40.1% of respondents stated that they did not spend more than 100 RMB in the past year on CDs, movie tickets, and/or other artist merchandise. 4.5% of respondents stated that they paid *more than* 10,000 RMB on artists and artist merchandise during the same time period. This latter group of respondents represents high level fans that typically exhibit significant emotional capital, brand loyalty, and maintain daily personal interaction with their artists' through social media.

The power of social media: Weibo and WeChat

There is much to be gained by media and entertainment industry companies by understanding the preferences and psychology of fans, such as what they like and dislike about a product, and what is important to satisfy their emotional needs. If companies and their artists/stars can meet these needs, fans will most likely be motivated to support and act on behalf of the company (i.e. it will be easier to upsell to their fan base and, in turn, companies can get a boost from their fan base toward reaching goals of marketing and promotion). How to understand the thinking of fans, and how to leverage fans, especially those high-level fans, is worthy of great consideration.

Michael Lin, general manager of research and consulting for Kantar Media CIC, has provided some great insight into this end in his videotaped interview, *Social Media in China, the Fan Economy*. "Be personal and down to earth in terms of your brand's communication styles," states Lin. "Try to become part of the online social community. Social platforms are not for long monologues but are for joining conversations. Stay in touch with society to become a formidable force within it" ("Social Media in China," 2015). Lin suggests that Chinese companies should join the online social communities in order to get closer to and listen to fans. Planning for and implementing a business strategy for social media are crucial for capitalizing on the fan economy. In 2015, there were 650 million Internet users in China, nearly twice the population of the United States ("2015 Chinese Social Media Statistics," 2015). The blocking in China of YouTube, Facebook, and Twitter has led to the flourishing of Chinese domestic social media platforms; in particular, Sina Weibo and Tencent WeChat are the two most popular social media platforms that users employ to access news, trends, statistics, and insights within China.

Weibo is a micro-blogging platform, a hybrid of Facebook and Twitter, which allows users to distribute posts up to a 140-character limit; users share pictures, videos, comments, the ability to "like" something, and to forward other users' posts. They can also verify the accounts of other users—especially celebrities. Within Weibo is *huati bang* (话题榜), a bulletin board where users can view "today's hot topics" and participate in group discussions. Marketers and celebrities create topics on Weibo in order to attract potential fans and expand their public appeal. According to Weibo, as of September 2015 it reaches 222 million active users per month and about

100 million active users per day (“Weibo Search Users Insights,” 2015). Its platform generates trillions of data points.

WeChat is the other influential social media platform in China. First released in 2011, WeChat is a mobile messaging app developed by Tencent. Originally marketed as *Weixin*, it was rebranded as WeChat for international users; it offers voice and text messaging, group messaging, games, WeChat payment, “red envelopes,” and “shake and meet” functionality to meet with friends nearby. According to Tencent’s 2015 annual report, WeChat reached about 697 million monthly active users as of December 2015, making WeChat the leading platform connecting users to content creators in China (Tencent, 2015).

Given the wide reach of these two social media platforms, it is crucial for artists and their affiliated companies to open and be active on official Weibo and WeChat accounts. Each platform offers follower statistics such as gender, geographic makeup, and preferred language, all information that can be useful to develop business strategy. Artist management companies in China have public relations teams dedicated to opening and managing official social media accounts for their pop stars and movie stars. In this next section, we share some marketing case studies that leverage these two social media platforms and the power of the fan economy.

Fan movies: *Tiny Times*

In recent years, the term “fan movie” (*fensi dianying*, 粉丝电影) describes a film that targets fans of a specific literary work or fans of a specific celebrity. However, unlike the recent past, fans are targeted not only for marketing and promotion but also for their perspectives in order to assist studios during the writing and production process. As a result, most fan movies generate high profit margins.

According to Jiang Shuyuan, movie producer, interacting with fans in order to get primary data on fans’ perspective of their creative products allows for a more accurate analysis of fans’ purchasing psychology and behavior, and in fact, it is becoming a necessary part of the process of fan movie production.

Tiny Times is a “series movie” that represents a typical Chinese fan movie adapted from a novel (i.e. a literary work). This film series was directed by Guo Jingming (郭敬明) and is based on the best-selling novel of the same name (also written by Guo). There are four *Tiny Times* movies, with *Tiny Times 3* generating the greatest revenue at 5.22 billion RMB (Jiang, 2015). Its success is due in great part to the marketing power derived from leveraging the Weibo platform and the influence of celebrity interaction on Weibo. Beyond the official *Tiny Times* Weibo account, the *Tiny Times*’ main actress, Yang Mi (杨幂), promoted her work on Weibo via the “hot topics” feature. Yang has about 60 million followers on her official Weibo account. In addition, Yang also has nearly 1000 fan groups; such a huge fan club (fan base) contributes significantly to the high box office returns for *Tiny Times*.

A strategy for the marketing and promotion team of *Tiny Times* was to create topics related to the movie on Weibo every day. Before releasing a movie, the team posted behind-the-scenes content, promotional videos, and daily affairs of its actors and actresses. In fact, all film stars were required to promote *Tiny Times* on their official Weibo accounts in order to reach the maximum potential audience. This included completed live online interviews with topics generated by fans and selecting and answering fans’ questions, all with the goal of maximizing fan engagement on social media.

Chinese novel series: *The Lost Tomb*

A popular Chinese novel series, *DaoMu BiJi* (盗墓笔记), translated as *The Lost Tomb*, is written by author Xu Lei (徐磊) who uses the pen name “Nanpai Sanshu” (南派三叔). *The Lost Tomb* is one of the most popular novel series in China dating back to 2007 and has several million fans following on WeChat. *The Lost Tomb* is a TV series and movie series, a tale of action and adventure featuring elements of the supernatural well known in Chinese literary circles (“My Opinion on the Lost Tomb,” 2015).

In 2013, Xu opened an official WeChat account to post new content related to *The Lost Tomb* and attracted about 400,000 followers in just 3 months. His WeChat account offered different membership price points for fans: 6RMB for 1 month, 15RMB for 3 months, 30RMB for 6 months, and 55RMB for 1 year. Members could read new content, including the latest chapter, or extra episodes of *The Lost Tomb*, comics, author’s notes, and news (“A Change of Internet Literary,” 2013). After becoming members, followers could communicate with other members to share perspectives on *The Lost Tomb* stories, analyze the supernatural depictions, and even create and share their own tomb adventure story. Xu would pick one or two fans to reply to, if he was intrigued by their posts. Additionally, Xu would occasionally give a riddle related to his works and used autographed novels as a reward if someone gave him a satisfying answer. The official account also provides a link for followers to buy merchandise such as T-shirts and printed copies of his novels.

According to Xu, most of this new content is only accessible to those who purchased a membership; others were given a free 1-month membership if they successfully invited two friends to follow. Xu Lei was the first Chinese novelist to communicate with fans using a WeChat official account. For Xu, it is important to know what fans think about his stories, which topics were trending well, and which of his characters they liked. Their feedback could affect his decision-making with respect to each character’s future or end. WeChat not only provides Xu with a sales and marketing channel but also provides a completely new way to connect with readers that can influence follow-up products in today’s Chinese market.

Chinese TV drama: *Swords of Legend*

The Chinese TV drama *Swords of Legend* (*Gujian Qitan*, 古剑奇谭) was very popular in 2014, produced by H&R Century (*Huanrui Shiji*, 欢瑞世纪) and the English Media Group (*Guangxian Chuanmei*, 光线传媒). Before becoming adapted as a TV drama, *Swords of Legend* had attracted a large fan base as a three-dimensional (3D) role-playing game developed by Shanghai Aurogon. And prior to producing the TV version, the *Swords of Legend* production team used Weibo for fan feedback and favor before releasing the TV drama.

Swords of Legend is an adventure story about a young swordsman named Baili Tusu and his journey of revenge. In the 3D role-playing game, players could control up to six different characters to experience stories and join in battle with the antagonist. Each character has distinct personalities and mysterious backgrounds, fueling the *Swords of Legend* narrative with fantastic themes about revenge, forgiveness, and love.

In July 2014, the *Swords of Legend* TV drama production team opened their official Weibo account and started to post the first images of its actors and actresses; soon, hundreds of game fans followed the official account providing various feedback on hairstyle and costumes. Although it was not uncommon for Chinese TV dramas adapted from games or literary works to receive



Figure 1. “Qiao Shaogong model already modified” (Ling, 2013).¹

negative comments for casting and costume design, what surprised the *Swords of Legend* fan base was just how much the TV drama production team appeared open-minded and willing to listen to fans. For example, Zeng Minghui (曾明辉), the main stylist for *Swords of Legend* (responsible for hairstyle, makeup, and costume design), personally replied to several fans' comments on his personal Weibo account. After 1 month, revised images were posted on the *Swords of Legend* official Weibo account, with hairstyle and costume changes obviously responding fan feedback.

Most fans had complained about the hairstyle of the antagonist Ouyang Shaogong (欧阳少恭). Before production began, Qiao Zhenyu (乔振宇) had been identified by the *Swords of Legend* fan base as the most suitable actor to play this character. When it was announced that the production team had secured Qiao to fill the role, thousands of fans exhibited their zeal and pleasure.

In another case, in one fan's post of her Weibo conversation with stylist Zeng Minghui, she complained about Ouyang Shaogong's hairstyle and pleaded with the production team to make a change (see Figure 1). In her opinion, given that the role of the antagonist was cruel and poisonous, his hairstyle looked too gentle and warm. On that same day, stylist Zeng replied to her and said he had already made some changes. Moreover, it is worth mentioning that the individual casted for the Ouyang Shaogong character looked extreme close to the look and feel of the game character, which met with great approval from the fan base (see Figures 2 and 3).

In another case, actress Chen Zihan (陈紫函), who portrays Hong Yu (红玉) in *Swords of Legend*, also received negative reviews from fans with respect to her character's costume and hairstyle. In July 2014, during the production process, Chen Zihan posted a Weibo message to express her thanks to fans for this feedback, and that the team was doing their best to satisfy fans' desires (see Figure 4). In an online live Weibo interview, a fan indicated that Chen's facial expressions were not like the game character Hong Yu. Chen expressed her difficulties with having a deeper



Figure 2. Game prototype (Ouyang, 2016).



Figure 3. “Ouyang Shaogong” (欧阳少恭)—before and after images (Ouyang, 2016).



Figure 4. Chen Zihan (陈紫函)'s Weibo message (Chen, 2013a).²



Figure 5. Chen Zihan evolves the role of Hong Yu (Chen, 2013b).^{3,4}

understanding of the game character and asked for fans' suggestions (see Figure 5), which made her fans feel like they were important, leading to more active discussion and greater fan loyalty.

With respect to Chen's first costume and hairstyle, fans complained the shoulder design and red flower on her hair did not persuade them to like her character. Several fans argued that the production team did not know enough about the original work, that is, according to the game, all characters' costumes and hairstyles were designed based on their story background. It would be woeful if the production team did not pay attention to such details; for example, in the game, Hong Yu is an immortal *living* in an ancient sword (see Figure 6), but in the TV drama, the first costume made Chen look more like a swordsman.



Figure 6. Game prototype (Hong, 2013).



Figure 7. “Already changed!!! Screenshot of Weibo conversation” (Liuying, 2016).

Moreover, a fan shared a screenshot of her conversation with stylist Zeng, discussing this same issue (see Figure 7); here as well, Zeng replied that the team had made some design and



Figure 8. “Hong Yu” (红玉)—before and after images (Hong, 2013).

hairstyle changes for Hong Yu. Therefore, through the efforts of fans and Chen herself, the costume for Hong Yu was changed several times, including the removal of the strange shoulder design and red flower in her hair (see Figure 8). After the completion of the TV drama, fans were impressed with Chen’s fan-based interaction and the team’s execution, resulting in numerous compliments of Hong Yu’s costume and hairstyle and contributing to greater fan loyalty.

However, the advice of fans did not merely require that the look of the characters in the TV drama follow that of the original game. For instance, the main actor Li Yifeng (李易峰), who portrayed “Baili Tusu” (百里屠苏) in *Swords of Legend*, had about 30 different costumes. Fans were satisfied with these costumes, as they recognized the efforts that the production team placed on this main character—yet his hairstyle received great disapproval from fans online.

Though his hairstyle was similar to the game character (see Figure 9), most fans indicated that his hairstyle should be changed as it did not fit the style of this particular actor. Thus, the production team took this feedback seriously and tried different hairstyles for Li, to see which was the most natural (see Figure 10). Till the end of the TV drama, “Baili Tusu” changed hairstyle several times, and the last two hairstyles got good reviews from fans.

Swords of Legend: visual effects reproduction

In July 2015, 1 year after the first release of *Swords of Legend*, the film’s official Weibo account announced that the series would be moved to another television network. However, this time, all visual effects would be reproduced in response to thousands of negative reviews with respect to their bad visual effects from the first year release (see Figure 11). The production team collected various criticisms from social media that their visual effects were terribly shoddy and that it was particularly embarrassing that the main character talked to a fox that looked like an ugly cat. This



Figure 9. Game prototype (Baili, 2016).

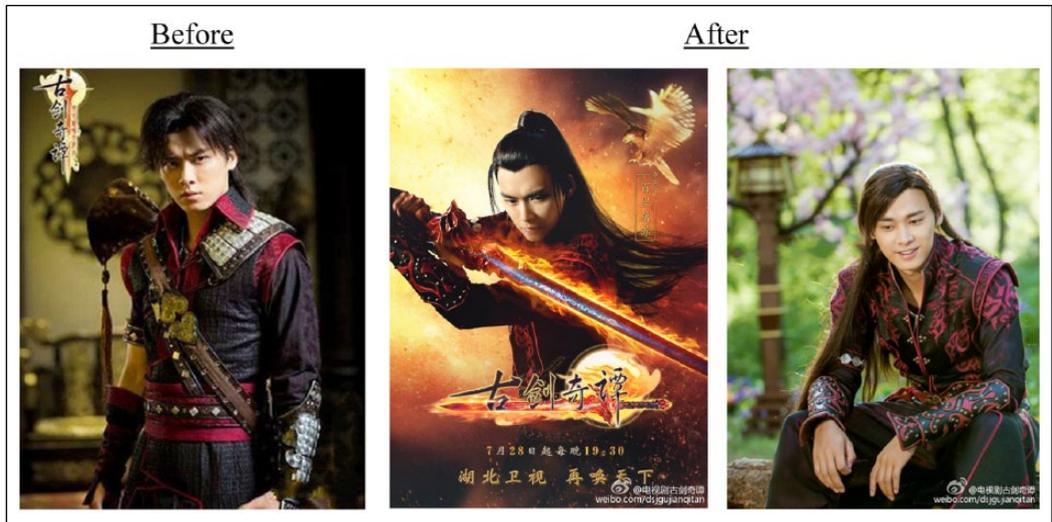


Figure 10. “Baili Tusu” (百里屠蘇)—before and after images (Baili, 2016).

was the first time that a Chinese TV drama production team reproduced all their visual effects for its second release; in fact, a subtitle was inserted for updated version of the TV drama that said, “Visual Effects Reproduction Version”. Only this version can now be found online as the original version has been permanently removed.



Figure 11. White fox effects shot—before and after image (Liang, 2016).

The case of *Swords of Legend* illustrates the increasingly strong connection between fans—especially high-level, vested fans—and the production team. And it is also representative of a shift in the production studio–fan relationship, where fans are moving from passive reviewers of content post-production to active participants of content during the production process. New social media platforms have become a channel for fans to participate in discussions about productions in process, through comments and feedback.

Variety and reality programs in China: Shenzhen Media Group

In the past 5 years, several variety and reality TV programs have begun to play an important role in Chinese television industry. Chinese producers have recognized the power of this programming to appeal to millions of fans, and there is now a trend to learn from other countries and to purchase the rights to make Chinese versions of programs such as *The Voice of China*, *Amazing Race*, and *I am A Singer*. In an interview with Ke Zhongping (柯仲平), a producer at the Shenzhen Media Group, a broadcast television and radio network, Ke stated that Chinese variety and reality programs are divided into two different types: programs on traditional cable/TV and programs on online video platforms (Zhongping Ke, personal communication, 16 June 2016). Ke stated that for both types, fan feedback is crucial for a production team to improve content from one episode to the next, and in his opinion, fans of video platform programs are more likely to be more professional and more influential, as most of them appear to give unique and professional reviews to support the program.

Xu Bo (徐博), another producer with the Shenzhen Media Group, oversees the development of TV variety programs and live shows. Xu, who has 10 years of experience, claims his team really focuses on analyzing fan data, which he accesses via several social media platforms, including Sina Weibo, Baidu Tieba, numerous fan club websites, Tencent QQ, and Tencent WeChat. In our interview with Xu, he discussed his opinions on the increasing influence of fans on new programs, indicating that the power of fans is not only huge but also unpredictable. He drew distinctions between fans of programs and fans of stars (Xu Bo, personal communication, 18 June 2016). This distinction is important when Xu's production team considers fans' advice, sometimes fans' desire, to see more of their star may conflict with the program content. Xu stated that even if just one fan shares a unique and specific viewpoint, his production team will take it seriously and that they are always willing to listen to criticism. In addition to program budget allocation, studio audience preferences, and feedback from artist management team, fan feedback and advice are

also taken into consideration, and sometimes may account for up to 60%–70% of content for a single episode.

Xu's production team has set up a special WeChat chat group to draw fans to participate in discussion; however, access into this group has a high standard for acceptance—Xu is seeking only the highest identification level of fan. To attract the most loyal followers of their program, they ask difficult questions about the program content that must be answered within a short period of time, that only the most fanatic fans would be able to answer. Those who come up with the correct answer in the allotted time period are provided with the WeChat Quick Response (QR) code and admitted to the WeChat chat group. This approach has helped Xu's team ensure a high-quality group of fans that communicate and share thoughts with the production team, that not only manage themselves well but also often organize activities offline. This special WeChat group occasionally reaches about 500 fans, but their goal is 360 active fans while keeping around 100 spaces available for inviting new blood.

Due to new program content being confidential, Xu could not disclose details on the popular programs he is working on, but he did share examples of how he integrated fan feedback during the production process of two of his previous, smaller programs. For one program, *Financial Beauty Mission* (*Caijing Meinv Bao*, 财经美女抱), Xu's production team imported expensive equipment to produce virtual backgrounds. However, feedback from fans related to a Korean-style 3D virtual background that was used was not appropriate for the program. In the following episode, the production team replaced the virtual background with a new one that looked more relaxed and friendly. This resulted in immediate and positive feedback online after the change was made. The second example comes from the program *Whale Live Music* (*Jingyu Yinyue Xianchang*, 鲸鱼音乐现场), a live music show that invites various independent artists to perform. Xu claimed that they used multiple cameras to do a "4K ultra HD" fixed seat position live broadcast for their first production. However, fan feedback revealed dislike for this concert broadcasting style, favoring instead a moving camera perspective, increasing each individual audience members' point of view, allowing them to feel closer to the artists. In addition, fan feedback regarding selection and arranging of artists' songs, artists' opinions, and several programming factors were iterated in order to improve the quality of the live music show.

Mr. Miss

"Mr. Miss" is a young Chinese Jazz-Pop group that consists of two members Liu Lian (刘恋) and Du Kai (杜凯); their success began with a debut performance at Peking University, which was followed by performances at numerous music festivals. They became famous on the TV show *China's Got Talent*. Although they were not the champions of the show, an indie label named "CaoTai Music" (*Caotai Huisheng*, 草台回声) offered them a recording contract. Liu and Du accepted the invitation and began their professional career together in 2011. As the two talented youths were not satisfied with their Jazz-Pop identity, they sought to innovate their style in their most recent music.

In their latest song, "Give Tomorrow's Trouble to the Tomorrow" (*Mingtian De Fannaoyao Jiao Gei Mingtian*, 明天的烦恼交给明天), from their current project "Urban Healing Trilogy" (*Chengshi Zhiyu Sanbuqu*, 城市治愈三部曲), Mr. Miss decided to ask their fans to give them some ideas about "life troubles" and invited 1000 fans to join the program. According to Mr. Miss,

We would like to break the traditional crowdsourcing format, and traditional communication methods. In the Chinese indie music industry, most musicians use crowdsourcing for financial support, but we decided to use

the platform to get as many ideas as possible—not money. We planned to collect 1001 “life troubles” from our fans, and used a “bullet screen” to help us to design an update our music video based on fan interaction.

A “bullet screen” (*danmu*, 弹幕) is originally from Japan and has widely been used by Chinese video websites since 2014. “Bullets” refer to text messages that audience members send via their mobile phones while watching a film or video. The messages are then projected onto the screen; at any given time, a scene may be overlaid with multiple “bullets,” or comments, scrolling across the screen (Qin, 2014).

The band’s manager Ge Fei (戈非) said,

We would like to have as much communication as possible with our fans.

It is very important to know your audiences. [Our fans] are the direct consumers of our music, we cannot produce the music just based on our ideas, [we] need to understand their taste ... We don’t want to isolate Mr. Miss like an “unreachable artist,” but would like to be a friend of the fans, to support and comfort them with the music. So we would like to hear all their voices, and make changes according to their needs. (Ge Fei, personal communication, 26 June 2016).

Upon achieving their goal of 1001 messages, Ge shared how some of the messages are alluring and noteworthy: “We are very confident with our decision, and we would like to thank all of the people who use their intelligence to support us. We cannot imagine the result without their efforts.” Mr. Miss and their team are working on the final cut of the new music video of “Give Tomorrow’s Trouble to Tomorrow,” and have decided to use the same method—crowdsourcing—to inspire their upcoming musical works.

Conclusion

In the TV drama *Swords of Legends*, which was derived from a 3D role-playing game of the same name, fans from original releases shared their dissatisfaction with costume designs and requested that producers work to redesign the costumes. The production team of the drama, wisely, accepted fan advice and, as a result, aided the drama to receive an enhanced audience rating, with several fans offering great satisfaction with costumes and hairstyles used in the production. The positive outcome from such fan participation is a greater sense of ownership of the final outcome and, in turn, greater fan loyalty. Not only does this result in greater repeat business, that is, fans will *buy* next-generation products such as future releases, but fans also become more interested and will consume follow-up product offerings and secondary merchandise, that is, they are easier to upsell to, resulting in greater revenue generated per fan.

Beyond merely casting popular stars, the *Swords of Legend* production team exerted great effort toward fan interaction. The team, including actors and actresses, respected fans’ creative ideas and took their feedback seriously; they recognized that fans might have a perspective *as experts* of the original game content, far superior to the members of the production team. The production teams’ execution with respect to fan interaction helped ensure that *Swords of Legend* would succeed as a popular TV drama. No longer do celebrities and production teams keep a great distance from their public; in fact, they are seeking new ways to get closer to their fans and to learn from them.

When customers participate within the production process as if a team member, they support the brand with ardor and pay more for merchandise associated with their artist. Fans feel that their favorite artist or star is a part of their lives as if a friend, or even a family member. By leveraging

the fan economy, media and entertainment companies in China are leveraging social media and fans' emotional capital to create more robust product offerings through fan collaboration during the production process while enhancing the loyalties of their fan bases, which leads to increased spending per fan (via upselling). This, in turn, leads to an increase in ARPU and the strengthening of the Chinese media and entertainment industry as a whole.

The fan economy has become a dominant trend in the media and entertainment industry in China, affecting the methods of production. Producers have started to realize the positive impact that fans can have on their products, not merely as consumers but also as participants in the development process. Making entertainment products in China is transforming from an individual and linear process toward a nonlinear, iterative process, involving the active participation of fans via social media and video-sharing websites. Some Chinese variety programs, as well as music artists such as Mr. Miss, consider fan interaction as a key part of the production process.

After a review of current literature on the gift economy and fan economy, and based upon several interviews with Chinese film, music, and television industries practitioners, we believe there is a change in the relationship that artists/stars and production studios are having with individual fans and fan communities. Increasingly companies are seeking to go beyond "becoming friends" with their fans for the sole purpose of convincing them to willingly participate in brand activities ("Thoughtful China," 2017), which some scholars describe as the morally reprehensible exploitation of fan labor (Stanfill and Condis, 2014). Instead, China's media and entertainment industries are increasingly embracing the creative powers of their fans, and are seeking new ways to develop, invest in, and nurture their fan community towards product co-creation. Furthermore, we see several parallels between how studios are engaging their fan base with what is called the "design thinking" innovation process, a methodology that relies upon collaboration with customers during product development that has become widely employed in today's corporate culture. Design thinking terminology such as collaboration, iteration and expert users correspond to notions of co-creation of value, circular giving (Turk, 2014), and super fans.

Studios are embracing feedback from fans during the production process so that, together, they can jointly produce mutually valued media and entertainment products that, hopefully, will help ensure their success within the creative industries marketplace.

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Notes

1. English Translation is as follows: [indent] "Master Zeng, please change the hair and clothes style of Qiao Shaogong, it's better to make his face whiter, the former look was really unbearable... after all, he is a good looking boss with a dark heart, the former look was really cheap / less valuable." Reply: "We have already revised his style".
2. English Translation is as follows:

Thank you for all your support and comments. These pictures are Hongyu's hairstyles from the beginning to now. And we are trying to do our best for the details of makeup and costumes. I would like to hear your criticisms. Wish the show is going to be a blast!

3. English Translation: Chen Zihan's (陈紫函) reply to Congzai Ai Xuexi is as follows:

I did some research and also tried the facial expressions and postures you suggested, but it looks so weird with a sexy smile in that costume. We have many pictures with different postures and facial expressions, but the production team chose these two. To be honest, it is easy to act as a cute girl

when I wore the costume of *Tiantian Youxi* (天天有喜), but Hongyu's costume makes me like a swordsman rather than an immortal. And I do have a personal camera to take selfie and practice different expressions.

4. English Translation: Chen Zihan's (陈紫函) Weibo Message is as follows:

To fans of *Swords of Legend*, I cannot find a way to build up the character. How can I build up the correct facial expressions with all of characteristics you've suggested ... I feel it may be too difficult to do that with my costume and my lines ...

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