Sinclair is a multi-award-winning independent communications agency, specialising in PR, digital, experiential and social media marketing. We work across industry and sector with one goal in mind – to create business impact for brands and corporations.

#ConversationsThatMatter is a content series curated by our expert consultants and strategists to ensure brands are harnessing the power of persuasive storytelling.

By dissecting the next marketing and PR catchphrases, we explore communications trends which shape conversations that can build value, inspire action, change opinion and ultimately grow reputation.
Fan Economy

noun.
“New era of marketing”

- Refers to a business model in which the economic value and revenue is generated via interactions between fan communities and celebrities or influencers.

- Fan economy is ubiquitous in the modern entertainment industry, product sales, and services sectors.

- In recent years, the prevalence of internet and social media has changed the face of fandom, shifting the role of fans from passive recipients of marketing campaigns to active members of fan communities with original content (fan art, videos, merchandise, events).
Fan loyalty as a currency

Traditionally, the entertainment industry and professional sports, such as football clubs, have capitalised on fan loyalty for many years by selling branded merchandise. Not until recently did the fan economy begin to shift in nature. One of the most notable shifts in characteristics lies in the purchase of products attached to idols, with massive endorsement deals designed to boost the commercial value of these wares. As product consumption within a fan-driven economy rides on emotional value beyond functional elements, this has proven to be an exceptionally successful marketing strategy.

The fan economy is not only confined to celebrities, but also digital influencers who leverage their sway to promote and recommend products on social media platforms. These influencers impact the fan economy by boosting their incredibly loyal followers within a given area of specialty, who act and purchase based on the endorsements of these personalities. As a result, brands have sought partnerships with digital influencers to produce sponsored videos, individual promo codes, and even collaborative products, all to gain a share of the online fan economy. In the height of the COVID-19 pandemic, when the public was homebound, live commerce saw a large boom in China and SEA countries on platforms such as Taobao, Douyin and Shopee. Combining instant shopping with audience participation, live commerce encompasses the entire consumer journey, from awareness to transaction.
Nurture the “Fansumer”

From custom-made merchandise to advertising billboards, fans who actively participate in the process of promotion and other meaningful activities, such as fundraisers for campaigns to express their idol devotion, are commonly referred to as “fansumers”. The term combines the words “fan” and “consumer”, demonstrating that nowadays fans not only follow and purchase endorsed products from their idols, but they also express a desire to engage in the image making and value building of their idols.

“Fansumers” are often characterized by their high spending power and influence on an idol’s development. Hence, brands have made “fansumers” a key target, not only from a consumer perspective, but also by embracing their creative powers in the co-creation of products and marketing activities in order to establish engagement and deepen connections amongst fans and consumers alike.
Embrace local

For the past decade, Korean pop culture has been the dominant force across key regions within the APAC region, with K-pop and K-drama idols causing a craze across the local “fan economy”. With the pandemic still affecting every part of the world, a shift towards achieving increased local resonance within individual markets is becoming more of a priority for many marketers. Take the Hong Kong market as an example, we have seen a rising trend centered on the preservation of local culture and identity, from supporting traditional shops and local produce, to embracing local idols. Since the debut of the boy group Mirror, from the variety show King Maker, the Mirror phenomenon has reignited the local “fan economy”, while at the same time boosting the awareness of other local entertainer and celebrities. Fans find special resonance in reality television programmes, as they witness young and ambitious locals achieving their dreams. From a commercial aspect, brands are hoping to translate that emotional pull and loyalty by adopting and collaborating with local idols in order to connect with their enthusiastic fan base, who also possess high purchasing power.
Virtual celebrities can go above and beyond

The notion of virtual idols have long existed, however, technological innovations and AI have elevated this concept to new heights. Virtual figures, such as “Lil Miquela”, resemble real life people in appearance, style and values, and have accumulated huge followings, comparable to actual influencers. Virtual KOLs can not only adapt their appearance and thoughts to appeal and connect with specific audience segments, they are also widely adopted by brands for their perfect image, a risk-free approach that prevents negative backlash that sometimes comes from working with real-life influencers, who may potentially become involved in scandals under the heightened scrutiny of the internet.

Given their popularity among digital savvy audiences, luxury brands like Tesla, Dior, Balenciaga and Vogue have worked with established virtual KOLs in the China market, whereas brands such as Estée Lauder have launched a self-developed virtual model for their own use. From virtual live-streamers (VTubers to virtual reporters and even virtual alter-egos of actual influencers, the potential of future applications for virtual KOLs is limitless.
As this marketing sector continues to surge, fans are the most important assets. When utilised appropriately, the ‘fan economy’ will bring about tremendous value for brands. As the concept evolves, fans strive to increase their idol’s value through frequent purchases of endorsed products and generating volume on social media. Brands who wish to leverage the fan economy need to trigger this emotional capital by establishing a close association with suitable endorsers, illustrating resonance between, and finding ways to involve fans in the creation of products and marketing initiative so as to build the brand’s awareness and loyalty amongst the fan community. While fan economy traditionally focuses on celebrities, as we progress towards an increasingly digital future, social media influencers and virtual KOLs have grown significantly in recent years and constitute a growing share in the market given the abundance of options for brands to select from.
The COVID-19 pandemic has changed the world, illuminated consumer behavioural shifts, and accelerated systemic changes across global businesses, with its implications set to be permanent.

With the implementation of vaccinations and ease of restrictions in many places around the world, we all look forward to the post COVID-19 period, when we anticipate a rise in remote social interactions and additional reliance on advanced technology within the business context.

As we return to “business as normal”, responding to the internal and external shifts in expectations will help companies navigate successfully through these changes.
While digital transformation has been an ongoing agenda item for organisational development, the arrival of the COVID-19 pandemic has made clear the strategic importance of technology as a critical component of business operations. It encompasses a multitude of layers in organisational practices, from the adoption of advanced technology in daily operations, remote working, data security protection, and cloud migration, to customer engagement and e-commerce. The early days of what may be considered the Post-COVID period saw a sharp rise in technological literacy among consumers with the increased use of voice commands, wearable technology, and contactless services. As consumer expectations begin to rise, businesses should focus on narratives such as internal data integration and automation, big data analytics and machine learning optimisation to improve customer targeting, and multi-channel experiences in the form of chatbots, digital self-serve spaces, and interactive video content, to ensure quality customer engagement and to stay afloat in the increasingly competitive landscape.
The “stay-at-home” economy will not go away

Staying and working from home mandates and social distancing measures driven by the pandemic have given birth to the “stay-at-home-economy”, also known as the “crib economy”.

The period of staying at home has permanently reshaped how we work, shop, dine and entertain. It has caused a seismic shift to consumer behaviour, particularly in the adoption of e-commerce and “phygital” services including home delivery, curb side pickup and social selling. Businesses have become more agile, with increases in “shopertainment” content offering a broader range of experiences to meet with the evolving needs and desires of their consumer base. Moving forward, customer experience will become the more prevalent key brand differentiator over price and product.

To stay ahead of this, a good starting point is to optimise user experience through diversified omni-channel communications to ensure a seamless consumer journey from brand exploration to product delivery. For example, Dior cosmetics introduced a virtual “try-on” function for consumers to discover and try different makeups online prior making a purchase, while Charlotte Tilbury offers a personalised virtual makeup consultation with their beauty advisers to mimic the face-to-face experience.
Sync your brand through ever-changing shared values

The pandemic period has provided an opportunity for consumers to revisit the fundamentals of life and personal values, which has extended into finding meaning and resonance through consumer behaviour.

As consumers become more socially aware, it is imperative for businesses to grasp the changing values of these individuals and deliver a personalised experience that can strengthen brand connections with target market groups. When it comes to building relationships in the post-pandemic era, business should emphasise on authenticity and empathy in terms of brand narratives, tapping into human elements and identifying shared values that consumers care about. For example, illustrating corporate responsibility, diversity, and engagement in sustainability issues, or establishing a sense of community, focusing on localisation, and highlighting health and hygiene sensitivities. Examples of this include fashion brands Mango and H&M, who, in contributing their part for the environment, have committed to producing clothing with sustainably sourced materials.

Meanwhile, in order to promote and empower diversity, luxury brands including Gucci and Chanel have set up Diversity & Inclusion departments and have gone to great lengths to ensure representation in their communication efforts.
Interactive content, but bite-sized please

Today’s sophisticated consumers look for targeted, personal experiences that are specific to their needs, and at the same time want to interact with and digest brand information within a very limited time span. Interactive content have been a fast-growing trend in communications for some time now, through the likes of VR and AR experiences as well as 3D images, social media polls and quizzes. During this booming era of content, developing an ongoing but genuine relationship between brand and consumers is essential.
As we progress towards the Post-Covid Era, change and uncertainty are inevitable. The realities of this crisis have caused a reconsideration on our values and needs, with many changes set to be permanent and having a long-lasting impact to our society and economy as a whole. From the acceleration in digital transformation, the need for personalised and interactive experiences, to hygiene and health standards, and the stay-at-home economy, consumers’ habits and values have shifted considerably in a space of two years. Businesses who stay vigilant and agile in responding to the internal and external shifts in consumer expectations will prove to be those in the most favourable positions.