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Research on IP Slice Marketing Strategy from the Perspective of Cultural Industry Management: Postprint

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Abstract

We discovered that numerous accounts began affiliating with main accounts, including Luo Yonghao and Xiao Yang Ge, and broadcasting video clips from these main accounts, yet the financial flow and business philosophy remained obscure. We observed that these sub-accounts employ product links associated with IPs or internet celebrities such as Xiao Yang Ge and Luo Yonghao for commercial purposes. Therefore, this paper applies the theory of economies of scale, complemented by in-depth interviews with relevant industry practitioners, to analyze and derive the IP slice marketing model: initially, obtain authorization to become a sub-account; subsequently, edit content based on materials provided by the main account; upon completion of editing, distribute video content by publishing videos with embedded product links; generate traffic through short videos; earn commissions from product sales; and ultimately, allocate profits according to the sales ratio.

Full Text

Preamble

Research on IP Slice Marketing Strategy from the Perspective of Cultural Industry Management

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Abstract: We observed that numerous sub-accounts have begun following main accounts, including those of Luo Yonghao and Xiao Yang Ge, reposting video clips from these primary accounts, though the financial flows and business logic

remained opaque. These sub-accounts were found to use sales links associated with the IPs or internet celebrities like Xiao Yang Ge and Luo Yonghao. This paper employs economies of scale theory combined with in-depth interviews of industry practitioners to analyze the IP slice marketing model. The findings reveal a process whereby sub-accounts first obtain authorization, then edit materials provided by the main account, distribute video content with embedded product links, generate traffic through short videos, earn commissions from product sales, and finally share revenue according to a predetermined sales ratio.

Key words: IP slice marketing; theory of economies of scale; in-depth interview; operation mode

1.1 Background Introduction

Since 2019, the development of Internet OTT (Over-the-Top) services, combined with cloud computing and 5G networks, has provided technical infrastructure for the digital economy's expansion. Building upon the accumulated experience of live-streaming e-commerce since 2016 and the emergence of short-video platforms in 2018, short-video commerce has become a crucial marketing approach within the e-commerce sector. Under the mature operational model of building accounts and monetizing traffic, we observed that many short-video platform sub-accounts began following main accounts such as those of Luo Yonghao and Xiao Yang Ge, reposting clips from these primary accounts. However, the financial circulation and underlying business philosophy remained difficult to discern. This observation prompted our central research questions: How do these sub-accounts achieve profitability? And how can mutual benefit be realized between sub-accounts and main accounts?

2.1 Literature Review of IP Slice Marketing Phenomenon

The advantages of IP slicing are threefold. First, after obtaining slicing authorization, sub-accounts can release videos without legal concerns about copyright infringement. Second, by leveraging the existing influence of internet celebrities, videos gain greater exposure and achieve higher product conversion rates. Third, sub-accounts need not establish studios or purchase professional filming equipment; they simply edit live-streaming materials provided by the official account for batch release. The IP slicing authorization of Xiao Yang Ge represents an IP address management technology that divides a single IP address into multiple addresses, thereby enhancing network security and reliability.

Domestic scholars Li Bei and Guo Canbo (2022) examined the “internet celebrity IP” fashion e-commerce model, concluding that it uses “fan attraction” as its means, audio as its medium, and cooperates with product brands through hunger marketing and interactive marketing to complete the entire process. In 2021, scholar Yang Zhiyun proposed in “Live Streaming E-commerce 2.0: From E-commerce Anchor to ‘Star IP’ Live Broadcast Features” that the new era of live-streaming e-commerce 2.0 involves continuously creating IPs to form an IP

matrix. Different stars correspond to different styles and audiences, making live broadcasts more thematic and labeled while preventing the exhaustion of a single star's traffic, thereby achieving a sustainable content and product ecosystem. In 2023, scholar Ren Tianbao suggested in "Content E-commerce + IKP: Growth Logic, Operation Mode and Development Suggestions" that the conventional IKP model on TikTok and other short-video platforms involves releasing vertical short videos to attract traffic, converting traffic into cash through courses, and delivering courses via mini-apps.

The IP slice marketing operation mode simplifies this process by directly utilizing main account traffic for secondary creation based on the primary account's content, enabling precise audience recommendation and monetization through live shopping.

2.2 Literature Review of Economies of Scale Theory

Traditional economies of scale theory posits an inverse relationship between a firm's output quantity and its average cost at a given time—larger output leads to lower average costs. However, focusing solely on production or product quantity scale cannot satisfy market demands for product variety scale. Modern economies of scale theory redefines scale to better accommodate market diversification, including not only tangible assets but also intangible assets, and explains phenomena of intra-product division of labor.

Scholar Wang Bingyi (2005) innovatively expanded traditional scale economy theory by examining new changes in how enterprises achieve scale economies within network economies. In 2008, scholar Sun Weidong analyzed obvious defects in traditional theory and proposed a new scale economy framework for modern SMEs. In 2015, Tian Ping applied scale economy theory to China's commerce and circulation industry, proposing that moderate scale achieves optimal scale economy. Also in 2015, Yang Lei and Wang Jue examined China's service outsourcing industry through the lens of scale economy theory, suggesting Chinese enterprises should clarify their position in the industrial value chain and develop rational internal division of labor.

Nevertheless, these studies did not examine the new network marketing model through scale economy theory, leaving unanswered questions about how sub-accounts achieve profits and how mutual benefit and win-win outcomes can be realized between main and sub-accounts.

2.3 Questions Raised

Therefore, this paper applies scale economy theory to address two key questions: Why does the network slice marketing phenomenon emerge within the context of e-commerce consumption? And can a hypothetical cooperative process model—in which main accounts authorize other accounts to seek various forms of cooperation—be successfully implemented?

3.1 In-Depth Interview Method

In-depth interviewing is a direct, unstructured, personal interview technique used to reveal interviewees' underlying motivations, beliefs, attitudes, and emotions regarding a particular problem or phenomenon. While simple observation may overlook the deep psychological activities of fan groups, in-depth interviews enable researchers to achieve a more comprehensive and profound understanding of these groups and their behavioral practices.

Research Subjects: The author selected 15 network slice practitioners from the official TikTok account of Hefei Sanyang Network Technology Co., Ltd. as interview participants.

Sampling Method: Purposive sampling was employed to select suitable subjects, supplemented by “intensity sampling” and “snowball sampling” principles to identify individuals with high information density. Purposive sampling involves selecting respondents based on research objectives and the investigator's subjective analysis. Building upon this, snowball sampling begins with a few population members, surveys them, asks them to identify other eligible individuals they know, and then proceeds to those identified individuals in an expanding chain. The number and length of interviews were not fixed, and interviews were conducted online using media tools such as TikTok private messages, QQ, and WeChat. To ensure data authenticity, accuracy, and completeness, the author established harmonious research relationships with interviewees, focusing on respondents' own understanding of their groups. After transcribing interview recordings, coding and “continuous comparison” methods were used to integrate original data into categories for analysis.

3.1.1 Interview Outline Production

Interview questions were divided into three main sections. The first section covered basic respondent information, including age, education level, and skill level. The second section translated research questions into interview dimensions, covering perspectives on video slicing work, specific cooperative profit strategies, and release and auditing processes. The third section prepared potential deep-dive questions. During interviews, the investigator avoided the four ethical violations highlighted by scholar Alan Bryman: harming participants; failing to obtain informed consent; violating participant privacy; and deceiving participants. Interviewees could remain silent or withdraw midway if they had questions or dissatisfaction. Materials respondents requested not to disclose were excluded from the study.

4 Research Findings and Discussion Points

Observing the frequent appearance of network slicing on short-video platforms, we hypothesized a cooperation process model: authorization → IP slicing → product sales. In this model, the main account seeks various cooperations and

authorizes other accounts to record live videos, slice highlights from broadcasts, remake them into new short videos, upload them with shopping cart functionality, earn profit shares from sales, and ultimately distribute revenue according to sales ratios. But how do practitioners actually cooperate with main accounts in “network slicing”? Is the profit model as hypothesized? Interviewee responses supported this hypothesis:

“After applying for authorization, it becomes a sub-account of Three Sheep MCN, and then it can distribute video content, get traffic through short videos, and earn commission for related goods. You get 30%, and MCN gets 70%.” (S1)

“However, it should be noted that the authorized account should also abide by the rules. I read the rules well, and do not violate the rules in order to make better money.” (S2)

“There is a time limit for the use of the material, and video output is required after obtaining the license. If the account continues to have no output, the permission will be withdrawn.” (S3)

“I first started editing according to the material provided by MCN, and sent the video with shopping link after the editing was completed.” (S4)

“Video streaming is a horse racing mechanism, and multiple accounts run at the same time to have the effect; matrix is the key. After achieving a certain scale, you can start to recruit people for the company, specializing in editing every day, and enjoy the commission.” (S5)

4.1 Resource Sharing of IP Slice Marketing Brings Economies of Scale

In “New Development of Scale Economy and International Trade Theory in E-Commerce Environment,” Kong proposed that virtual enterprises achieve scale economy advantages through resource sharing. Through information technology and communication, virtual enterprise members use convenient information exchange to select partners based on sufficient information, truly realizing information sharing and ensuring better cooperation and optimized resource allocation among all members.

The company behind network slice operations functions like such a virtual enterprise, integrating top domestic content creation and operation talent with new retail industry participants. It provides comprehensive services from content creation, packaging, operation, supply chain, and commercialization for short-video artists, e-commerce anchors, and corporate organizations, creating a supply chain ecosystem in the new retail mode. With a complete content distribution matrix and the original five-step closed-loop method of “teaching, practicing, measuring, testing, and evaluating,” it helps ordinary people achieve “a job where there is a home.” Through short-video platforms, content creation combined with products helps brands achieve online marketing and promotes the digital upgrade of traditional enterprises in the new retail mode.

Practitioners use main account traffic to attract fans, then recreate live videos. The main account provides content resources while sub-accounts conduct secondary attraction. The main account shares live material editing work through sub-accounts, and sub-accounts share commissions by selling homologous goods, realizing a content distribution matrix that further expands the scope of economies of scale.

4.2 The Buyer's Market of IP Slice Marketing Has Large Demand

In e-commerce, economies of scale exist not only on the supply side but also on the demand side (or buyer's economies of scale). Supply-side economies of scale rely on expanding production scale to reduce costs and increase manufacturer returns. Demand-side economies of scale rely on expanding market size to increase purchasing power and enhance vendor returns.

The "Crazy Xiao Yang Ge" TikTok account has exceeded 100 million followers, giving it unparalleled sales capacity. According to Feigua data, as of November 9, Xiao Yang Ge conducted 29 live broadcasts over the past three months, generating GMV of 1-2.5 billion yuan with average sales of 50-75 million yuan per session. In contrast, the recently popular Dongfang Selection live stream achieved GMV of 1-2.5 billion yuan during the same period but required 89 live streams.

As main account traffic skyrockets, numerous sub-accounts release clips of Xiao Yang Ge's live sales broadcasts. None of these videos are released by Xiao Yang Ge's official account but rather by various alternate accounts. Using this "live slice" method, sub-accounts obtain official authorization from Xiao Yang Ge to release clipped live broadcast material with official purchase links. The main account successfully radiates its IP influence more widely while earning additional commercial benefits.

According to Time Weekly, over 2,000 people have been authorized for Xiao Yang Ge's live slicing, generating approximately 16 million yuan monthly profit from live slicing alone. Basic information disclosed by AIC for Hefei Three Sheep Network Technology Co., Ltd. shows its retail scope includes but is not limited to shoes, hats, clothing, daily necessities, electronic components, automobiles, hardware, stationery, cameras and equipment, cosmetics, personal hygiene products, sporting goods, household appliances, furniture, jewelry, fruits and vegetables, agricultural products, arts and crafts, and collectibles. This demonstrates that the demand-side market involved in network slice marketing is quite extensive.

4.3 The Network Organization of IP Slice Marketing Makes Marketing More Systematic

The network organization of IP slice marketing includes virtual organization, team-based organization, adaptive organization, rapid cycle organization, learning organization, and horizontal or process-based organization. These organizational forms share common features—they all emphasize four basic characteristics: dispersion, unity, virtuality, and parallelism. Their interrelationship functions as follows: fierce market competition requires concentrating the best resources, inevitably leading to decentralized manufacturing; previous centralized and hierarchical controls no longer meet decentralized production needs; the production process relies on a networked production environment requiring time and cost savings through parallel processing and computer previews of decentralized activities, enabling parallelism and virtualization.

First, a network organization composed of associated small and medium-sized enterprises in the same industry can achieve external effects by increasing scale numbers. Additionally, horizontal network organizations composed of unrelated SMEs help expand enterprise market boundaries and realize economies of scale through “market capacity” expansion.

For example, Hefei Three Sheep Network Technology Co., Ltd.'s business scope includes general items: technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; information technology consulting services; software development; photography and printing services; personal business services; etiquette services; conference and exhibition services; brand management; network equipment sales; audio equipment sales; advertising design, agency, publishing, and production; literary creation; personal Internet live services; organization of cultural and artistic exchange activities; cultural and entertainment brokerage services; leasing services; corporate image planning; project planning and public relations services; general cargo storage services; camera and video production services; educational consulting services. These require network organizations of SMEs associated with the same industry for vertical scale extension, which reduces content production costs.

Some commodity retailing, conversely, requires unrelated SMEs to form horizontal network organizations for horizontal scale extension, expanding the fan economy horizontally through scale and increasing monetization channels. These industries include: clothing and apparel retail; shoes and hats retail; daily necessities sales; electronic components retail; glasses sales; Internet sales; automobile sales; motorcycle and parts wholesale; hardware products retail; electronic products sales; stationery supplies retail; cameras and equipment sales; computer software and hardware and auxiliary equipment retail; cosmetics retail; personal hygiene products sales; sporting goods and equipment retail; household appliances sales; daily necessities sales; furniture sales; needle and textile sales; jewelry retail; fresh fruit retail; fresh vegetables retail; edible agricultural prod-

ucts retail; arts and crafts and collectibles retail; gifts and flowers sales; watch sales; toys sales; auto parts retail; instrument sales; health ceramic products sales; communication equipment sales; plastic products sales; labor protection supplies sales; food sales; food Internet sales; health food sales.

5.1 IP Slice Operation Mode

Based on the above analysis, our hypothesis is verified. The IP slice marketing operation mode proceeds as follows: First, apply to MCN (Three Sheep) for authorization. After authorization, the account becomes a sub-account of Three Sheep MCN, enabling video content distribution, traffic generation through short videos, and commission earnings from product sales, with sub-accounts receiving 30% of profits and the MCN company receiving 70%. Sub-accounts then begin editing according to materials provided by the MCN, and after editing completion, post videos with shopping links.

Through interviews, we found that material usage is time-limited; after obtaining authorization, sub-accounts must produce video content. If an account remains inactive, permission will be withdrawn. Video traffic acquisition follows a horse-racing mechanism—only multiple accounts operating simultaneously creates effective results, making the IP matrix critical. When an account reaches a certain scale, it can begin recruiting personnel, at which point the operator simply specializes in daily editing while enjoying commission earnings.

5.2 Impact of IP Slice Operation

Numerous large IP slicing accounts exist online. Additionally, many live e-commerce businesses are currently licensing IP live slicing, transferring operating costs to third parties while only maintaining IP influence themselves.

For example, for the IP “Fan Deng Reading,” many accounts related to “Fan Deng” exist on short-video platforms. Some have official platform identity, while non-official accounts also opened book sales links. Similarly, Dong Yuhui, the anchor of Dongfang Selection, has numerous related accounts on short-video platforms that appear closely connected to him. These accounts’ video content primarily features excerpts of Dong Yuhui’s “famous quotes,” then attaches a shopping cart to sell corresponding products. Almost any well-known person or IP attracts numerous slicing accounts.

The IP live broadcast authorization operation mode carries significant risks. If sub-accounts use this traffic to sell counterfeit or substandard goods for profit, it creates substantial negative impact on brand image. Xiao Yang Ge’s solution involves strict authorization regulation. According to the “Short Video Community Self-Discipline Convention” and “Live Broadcast Self-Discipline Convention” released by Xiao Yang Ge, strict requirements govern third-party account profile pictures, video content, and sales content. For instance, third-party accounts cannot directly copy Xiao Yang Ge’s comedic content but must use of-

ficial materials. Sub-accounts must also use products provided by Three Sheep. If third-party accounts wish to live-stream, studio layout and anchor attire must meet specific requirements.

IP live broadcast slice authorization is feasible but requires e-commerce companies and content platforms to enhance governance while ensuring effective supply chain management so product problems can be resolved immediately, thereby maintaining positive influence.

5.3 Inadequacy of This Study

This paper lacks integration of economies of scale theory within the IP slice marketing model analysis. Regarding research methods, interviewee selection was limited to employees of the same company. Similar IP slice marketing companies include Dongfang Selection and Luo Yonghao, suggesting that expanding the interviewee scope could avoid homogenization issues.

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