

China's live-streaming sites offer chance to gain cash, fame

April 14 2016, by By Louise Watt



In this Feb. 28, 2016 photo, online web performer Wang Weiying, 18, speaks during an interview in Beijing. Wang has turned to one live broadcast site, Huajiao, to earn money to study abroad. She pulls in around 2,000 yuan (\$310) each month for 20 hours of broadcasts, sometimes talking into her mobile phone as she walks along the street. (AP Photo/Mark Schiefelbein)

China's live-streaming sites have become a burgeoning cottage industry, offering money-making opportunities and even stardom to their mostly

female hosts and an entertaining new alternative for millions of viewers to online dramas and stodgy state-controlled TV.

Zhang Qige, a 23-year-old woman who plays computer games and chats on her webcam, attracts hundreds of thousands of real-time viewers at once. She has more than 2 million subscribers on the website Douyu TV and an average viewership of 400,000 for each nightly show.

"They like me chatting with them," explained Zhang, who says she earns more than 1 million yuan a year (\$150,000) from her performances. "They feel like I'm talking to them face to face."

The proliferation of such shows and sites demonstrate the entrepreneurial drive of young Chinese as well as the financial potential of social media in the country, which has 668 million people online—the world's largest.

But their popularity also reflects the loneliness of Chinese urban life as well as the growing surplus of single men, blamed in part on the country's former one-child policy.

Much of the content on various live streaming sites could be considered seedy, and some goes well beyond the borders of good taste. Many female broadcasters wear revealing costumes, and authorities recently cracked down after live pornographic scenes were broadcast on at least two sites. In one case, 34 people in the central province of Anhui were arrested for taking part.



In this Feb. 28, 2016 photo, a smartphone shows online web performer Wang Weiying, 18, as she broadcasts a live stream from her smartphone in a cafe in Beijing. Wang has turned to one live broadcast site, Huajiao, to earn money to study abroad. She pulls in around 2,000 yuan (\$310) each month for 20 hours of broadcasts, sometimes talking into her mobile phone as she walks along the street. (AP Photo/Mark Schiefelbein)

The spread of such platforms has drawn close government scrutiny, with the Ministry of Culture saying Thursday that Douyu and other sites have been added to a list of websites found broadcasting pornographic and other objectionable content and will be handed unspecified penalties. The ministry said online live-streaming platforms draw around 200 million users, with major sites running several thousand live-streaming "studios" simultaneously.

These sites derive a small proportion of their revenue through advertising. They survive primarily through a practice invented by

Chinese companies: virtual gifting.

Viewers can buy these imaginary gifts such as images of flowers or bottles of beer for their favorite performers, who receive a portion of the cash, with the site getting a hefty cut. Viewers can also send comments that pop up onscreen, giving them the perception they are interacting with the host.



In this Feb. 28, 2016 photo, online web performer Wang Weiyang, 18, adjusts her hair as she broadcasts a live stream from her smartphone in a cafe in Beijing. Wang has turned to one live broadcast site, Huajiao, to earn money to study abroad. She pulls in around 2,000 yuan (\$310) each month for 20 hours of broadcasts, sometimes talking into her mobile phone as she walks along the street. (AP Photo/Mark Schiefelbein)

"I think everyone, without exception, likes to watch beautiful girls," said

a 28-year-old single office worker who asked that he be identified only by his surname, Zhai. He said he spends 500-800 yuan (\$80-120) a week purchasing virtual gifts on four or more different sites.

This business model works in China because it builds on the traditional culture of giving red envelopes stuffed with money at weddings and fruit, cigarettes or bottles of booze at Lunar New Year.

"Gifting is a common practice offline, and having that happen online to make it easier to form social relationships seems quite natural," said Hans Tung, a managing partner at GGV Capital, a venture capital firm.



In this Feb. 28, 2016 photo, online web performer Wang Weiying, 18, broadcasts a live stream from her smartphone as she walks down a street in Beijing. Wang has turned to one live broadcast site, Huajiao, to earn money to study abroad. She pulls in around 2,000 yuan (\$310) each month for 20 hours of broadcasts, sometimes talking into her mobile phone as she walks along the street. (AP Photo/Mark Schiefelbein)

U.S. players are paying attention, but so far haven't gotten this model to work. "There are a lot more ways people can make money now online ... that is not as prevalent outside of Asia," Tung said.

One of the biggest Chinese hosting sites, YY, is listed on the Nasdaq stock exchange and saw its revenues rise 60 percent to 5.9 billion yuan (\$910 million) last year, according to unaudited financial results announced in March. It claims more than 120 million active users who spend an average of 48 hours per month on the site.

Young Chinese see virtual gifting as a fun way to spend their disposable income, said Dong Mengyuan, head of entertainment content at China Renaissance, an investment bank that focuses on Internet and technology companies.



In this Feb. 28, 2016 photo, online web performer Wang Weiying, 18, broadcasts a live stream from her smartphone as she walks down a street in Beijing. Wang has turned to one live broadcast site, Huajiao, to earn money to study abroad. She pulls in around 2,000 yuan (\$310) each month for 20 hours of broadcasts, sometimes talking into her mobile phone as she walks along the street. (AP Photo/Mark Schiefelbein)

"They don't just only pay for their clothes, food and some other basic demands," she said. "They also want to pay for something like entertainment."

Many young people are exploiting the trend simply to make some money.

Eighteen-year-old Wang Weiying has turned to one live broadcast site, Huajiao, to earn money to study abroad. She pulls in around 2,000 yuan (\$310) each month for 20 hours of broadcasts, sometimes talking into her mobile phone as she walks along the street.



In this Feb. 28, 2016 photo, office worker Zhai, 28, who asked that only his last name be used, watches a live web stream from a Korean web performer on his computer at his apartment in Beijing. China's live-streaming sites have become a burgeoning cottage industry, offering money-making opportunities and even stardom to their mostly female hosts and an entertaining new alternative for millions of viewers to online dramas and stodgy state-controlled TV. Zhai said he spends 500-800 yuan (\$80-120) a week purchasing virtual gifts on four or more different sites. (AP Photo/Mark Schiefelbein)

"I'm dressed very cute today," she says in one broadcast, showing her pink painted and bejeweled nails to her invisible fans.

The competition is already stiff. In the quest to draw viewers, Wang has sometimes broadcast 100 hours a month or more.

"After classes, I'm already tired but I have to compete with others in terms of the time I broadcast for," she said. "I have to keep a smile on

my face even though I'm already exhausted. I get depressed at times."



In this Feb. 28, 2016 photo, office worker Zhai, 28, who asked that only his last name be used, pets his cat while watching a live web stream from a Korean web performer on his computer at his apartment in Beijing. China's live-streaming sites have become a burgeoning cottage industry, offering money-making opportunities and even stardom to their mostly female hosts and an entertaining new alternative for millions of viewers to online dramas and stodgy state-controlled TV. Zhai said he spends 500-800 yuan (\$80-120) a week purchasing virtual gifts on four or more different sites. (AP Photo/Mark Schiefelbein)

In the U.S., there are live streaming services like Meerkat and Twitter's Periscope that allow people to use their smartphones to shoot video, and Facebook has recently expanded its own version—Facebook Live—to all users. Initially, the feature was just for celebrities and other public figures.

One woman who has made it big in China is Papi Jiang, whose real name is Jiang Yilei.

The film student started posting videos of herself cracking jokes on the Twitter-like Sina Weibo last year. She now has more than 10 million followers and has raised 12 million yuan (\$1.8 million) from investors for a share of her brand, according to media reports. Suggested amounts for tipping on her WeChat channel go as high as 256 yuan (\$40).



In this Feb. 28, 2016 photo, a Korean web performer strikes a pose while live streaming, as seen on the computer of office worker Zhai, 28, who asked that only his last name be used, at his apartment in Beijing. China's live-streaming sites have become a burgeoning cottage industry, offering money-making opportunities and even stardom to their mostly female hosts and an entertaining new alternative for millions of viewers to online dramas and stodgy state-controlled TV. Zhai said he spends 500-800 yuan (\$80-120) a week purchasing virtual gifts on four or more different sites. (AP Photo/Mark Schiefelbein)

Online courses have also become money-earners. A physics teacher in southwest China made 18,842 yuan (\$2,910) after more than 2,000 students signed up for his one-hour high school physics class for 9 yuan (\$1.40) each, local newspaper Guiyang Daily reported last month. The hosting platform took a 20 percent cut.

Wang, a first-year university student, says she's different from the performers who want to make a name for themselves and enter the entertainment industry.

"I see it as a stepping stone to reach my ultimate goal ... to earn some money to be able to study abroad," said Wang, who has been live streaming for five months. She is still trying to establish herself with just 26,000 subscribers.



In this Feb. 19, 2016 photo, an assistant puts makeup on the face of web performer Zhang Qige as she prepares for a live streaming session at an Internet

broadcasting studio in Shanghai. Zhang, a 23-year-old woman who plays computer games and chats on her webcam, attracts hundreds of thousands of real-time viewers at once. She has more than 2 million subscribers on the website Douyu TV and an average viewership of 400,000 for each nightly show. (AP Photo/Paul Traynor)



In this Feb. 19, 2016 photo, an assistant puts makeup on the face of web performer Zhang Qige as she prepares for a live streaming session at an internet broadcasting studio in Shanghai. Zhang, a 23-year-old woman who plays computer games and chats on her webcam, attracts hundreds of thousands of real-time viewers at once. She has more than 2 million subscribers on the website Douyu TV and an average viewership of 400,000 for each nightly show. (AP Photo/Paul Traynor)



In this Feb. 19, 2016 photo, web performer Zhang Qige broadcasts a live streaming session at an Internet broadcasting studio in Shanghai. Zhang, a 23-year-old woman who plays computer games and chats on her webcam, attracts hundreds of thousands of real-time viewers at once. She has more than 2 million subscribers on the website Douyu TV and an average viewership of 400,000 for each nightly show. (AP Photo/Paul Traynor)



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