Analysis of Personalized Marketing Strategy: A Case Study of Xiaohongshu in China

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Abstract: This paper analyzes the personalized marketing methods of Xiaohongshu and demonstrates their benefits through successful case studies of Pizza Hut and Under Armour (UA). The study begins with an introduction to Xiaohongshu and its development history, highlighting its unique role in digital marketing. Following this, the paper provides an in-depth analysis of personalized marketing campaigns by Pizza Hut and UA on Xiaohongshu, showcasing how the platform's advanced algorithms and user-centric strategies enhance brand visibility, user engagement, and customer loyalty. The research reveals specific strategies like targeted content creation, influencer collaborations, and data-driven insights. The findings show that Xiaohongshu's personalized marketing significantly boosts brand awareness, engagement rates, and customer retention. By summarizing successful patterns and experiences, the paper offers valuable insights into the practical applications and commercial potential of personalized marketing on Xiaohongshu. This study contributes to digital marketing by providing new perspectives and strategies, emphasizing the transformative impact of personalized marketing on brand performance and consumer relationships.

Keywords: Social Media Marketing, Xiaohongshu, Digital Marketing

1. Introduction

According to the latest data from The 49th Statistical Report on Internet Development in China released by the China Internet Network Information Center (CNNIC), the number of online shopping users in China reached 842 million as of December 2021, 59.68 million higher than that in the same period of last year [1]. In the background of digitization, social median becomes one of the important channel for companies to realize their marketing strategies. With the spread of the Internet and changes in consumer behaviour, especially in China. The rise of social e-commerce platforms prove new challenges and opportunities to the brand marketing. The rise of social media has not only changed people's daily life style, but also played a revolutionary role in the business field. Especially in China, with the high-speed development and ubiquitous of Internet technology, new consumer behaviour patterns have been formed up. This presents unprecedented challenges and opportunities for traditional marketing strategies. Among them, social e-commerce platforms have become the new battleground for brand marketing because they combined the dual advantages of social networking and e-commerce. Xiaohongshu as the most powerful social e-commerce platform, the unique content system and precise user groups attracts many brand's attention and involvement. Since the

Xiaohongshu have been promoted, there came an explosive growth in the number of users. More and more brands are beginning to realize the significance of marketing on Xiaohongshu. Users in Xiaohongshu generally focusing on the quality of content, personalisation and social interaction with brands. Brand need to make more precise marketing strategies to attract and retain customers.

The Xiaohongshu is an online shopping platform also as a social media in China. The Xiaohongshu community is available on both desktop and mobile phone. The information are laying out by pinterest-sytle. It still combined with videos and lives. Users also sharing product reviews and travel destination descriptions, especially popular in beauty industry. UGC actively promotes personal opinion, social interaction and knowledge sharing. Through UGC, potential consumers can explore content shared by others to gain more authentic and comprehensive information about the product, as well as contribute their own experiences for others to consider. This interactive platform enables consumers to enhance their knowledge of the product by interacting with others, enhancing the credibility of the product, which in turn influences their purchase intentions [2-4]. Unlike the traditional UGC (User Generated Content) marketing model, Xiaohongshu creates a virtual community where users can share their lives or specific products directly, attracting fans to purchase the same product. This process is often referred to as a behavior of "strongly recommend" [5]. Due to this method, the impact of word-of-mouth is being magnified. More and more social media influencer comes to this platform and promote the products. Many marketing method are used by them, such as content marketing, cooperating with Key Opinion Leader (KOL), community engagement and using short videos and lives.

The research methodology of this study is literature analysis. Firstly, the passage introduce about the characteristics, user base and its development history of the Xiaohongshu. Then, by analysing several case studies of brands that have achieved remarkable success on the Xiaohongshu, this study can reveal how these brands have built a strong user base through well-designed content and interactive strategies. Finally, some best practices and future trends about marketing on Xiaohongshu are concluded, with a view to providing some useful insights for brands to succeed on the platform. This includes not only how to more effectively utilise the specific features and tools of the Xiaohongshu to enhance user interaction and content sharing, but also forward-thinking about future changes in the technology and market environment of social e-commerce platforms.

2. Introduction to the Xiaohongshu Platform

2.1. Development History

Xiaohongshu was originally founded as a community platform for sharing overseas shopping experiences. One of the founders, Marina Qu, was inspired by her shopping experience while travelling overseas. Xiaohongshu started out as a pdf file called Xiaohongshu Outbound Shopping Tips, which was loved and downloaded by many people in China. In the year 2013, Xiaohongshu Shopping Notes app appeared. From the very beginning, it constructed the prototype of a UGC content community, which focused on providing a platform for various types of nautical users' content output and interaction, with a shopping transaction as the main focus. It provides a platform for female groups to do overseas shopping and sharing and accumulates word of mouth and recognition through real consumer users and market information. In the meantime, a group of seed users were cultivated.

In 2014 Xiaohongshu moved from pure sharing of overseas shopping information to cross-border e-commerce. It adopts a B2C self-management model and imports into the country through cross-border e-commerce bonded warehouses. The female market and the community atmosphere of UGC provide a boost to e-commerce realisation. In just half a year without any advertising, its sales even exceeded 200 million. At the end of 2017, the cross-border e-commerce industry in general was low. Xiaohongshu began to transform, it broke the limitations of the original overseas shopping, and

through the star effect-- the KOL drove the platform traffic.It transformed from an e-commerce community to a life-sharing community. Xiaohongshu focuses on the female market, and its reputation in terms of visibility and young users is getting better and better, and it has become the necessary software for many young female consumers. In 2019, Xiao Hongshu reorganised and upgraded its structure. The community sharing and shopping will be more professional. Now Xiaohongshu has become more and more popular with young people. Through the combination of content sharing and e-commerce functions this model attracts China's millennials and generation Z.

2.2. Functions and Features

Xiaohongshu is a platform for sharing lifestyles as well as a platform for consumers to buy products. It has the functions of both social media and shopping platform. Xiaohongshu has two different mobile terminals: mobile phone and PC. Xiaohongshu is characterised by big data analysis, based on the user's usual habits, bloggers to follow, search keywords, etc. Thus the app can accurately and efficiently matching the topics that the customer may be interested in or other people's sharing, as well as some of the shopping products. This makes the audience of users' sharing clearer and the shopping group of the goods more concrete, while facilitating the brands and consumers.

2.3. Sales Methods

China's Xiaohongshu is getting more and more attention and popularity among brands and consumers. In the Xiaohongshu, especially the Key Opinion Leader (KOL) and Key Opinion Customer (KOC).KOC plays an extremely important role. Both KOL and KOC are relatively new marketing tools that take advantage of social media in terms of reach and influence. In KOL marketing, users trust the influence of KOL in this area. KOL is usually an expert in a certain field, KOL's fans are very sticky, values and other aspects of the same KOL, so this kind of people's recommendations will be carefully read by the fans and like. KOC is also the small blogger people usually see. KOC does not have a very strong influence in the public, but this kind of people in the vertical users have a greater decision-making influence. In some platforms with a strong ability to bring goods, can be understood as a smaller amount of fans of the KOL. In general terms, is in a certain field of strong enthusiasts. Compared with KOL, KOC's communication is closer to the user, more closely connected to the average user. The release of the content is more able to influence other users through empathy. As for KOL, due to the reason of cooperating with the brand for a long time, the content of publicity is not necessarily true, so some information is not trusted by the disloyal fans. KOC is equivalent to a friend's identity, will share their own content of life, interest, and speak for the brand in the capacity of an ordinary user, which is more affinity. At the same time KOC will also objectively evaluate products that do not work well, in addition to posting opinions that are favourable to the brand.

For the brand, although the total influence of KOL is bigger than that of KOC, but the price of KOC is lower than KOL. The influence can also nearly reach the degree of KOL, so KOC is also chosen by many brands. In Xiaohongshu, KOC plays an extremely important role. KOC is loved and amplified by brands and consumers. Due to the characteristics of Xiaohongshu, which combines social media and shopping platforms, KOC can play its role in this platform. Anyone can become a KOC, and anyone can follow a KOC. This is one of Xiaohongshu's most successful marketing methods, which amplifies the influence of KOC. At the same time this result does not make all users spontaneous behaviour Xiaohongshu itself at the same time also provides a lot of ways to help users become KOC. For example it has some traffic support for some people posting lifestyle shares. In addition, the platform has a creative services platform portal that unlocks exclusive features for creators, making creative publishing data analysis and commercial realisation more efficient, where the visualisation of user data will help creators see more clearly which aspect of their publishing

interests them more. So that they can strengthen that aspect of their publishing or contact in the future. Xiaohongshu through the seed user acquisition, seize the user's mind, crowd break the circle, sleepy users wake up these four main methods, for different demands of the brand, to provide different solutions to open the Xiaohongshu product seeding.

3. Case Study

Brands are marketing on Xiaohongshu in a way that goes beyond just advertising, here has generated a unique kind of personalized marketing in Xiaohongshu. Here are some examples of personalized marketing provided by Xiaohongshu, which fits the marketing approach of the Xiaohongshu platform and makes a very effective campaign for the brand.

3.1. Under Armour

3.1.1. Background

Pamela, jump rope, and yoga are popular sports among young women. The American sports brand Under Armour (UA) has cultivated the professional sports market for many years. Known for its hardcore and high-tech image, UA has successfully established itself in the male-dominated market. However, with the advent of the Her Era, there is a pressing need for UA to explore new avenues and capture incremental customers. This presents a challenging task for UA: to truly understand the new female demographic and become their ally. In May 2021, UA undertook a successful endeavor in this regard by collaborating with the personalized marketing strategy of Xiaohongshu.

3.1.2. Implementation

The first step of widening the new track is to gain insight into the industry and choosing the right market. The main consumer of Xiaohongshu is female, which fits in with the direction of UA's expansion. Here comes to a new conceptual, Her Area. That means nowadays female shows more purchasing power in self-actualization. UA specializes in aids for professional sports. And this type of merchandise belongs to the category of self-needs. Women's professional sports support merchandise is nowadays being noticed and loved by a lot of people. According to the data from the Xiaohongshu, Pamela, Jump Rope, Yoga has become a high-profile topic in the sports and fitness industry.

Exercise has transformed into a form of self-actualization for women during the insight in the Xiaohongshu.UA proposes a new attitude towards life for women, which called Powerful and Elegant. It means that females can both be powerful and elegant is a new living attitude. The attitude become a key word in Xiaohongshu. Tough the personalized strategy of Xiaohongshu and the positive brand image of UA, the key word is highly linked to the feature of the UA products. This combination, along with the brand communication strategy, gives consumers the attitude they want in life. At the same time, the Xiaohongshu provides the theme which called Sweat Beautifully. It is a personalized strategy to help UA expand. Many different keywords related to the topic were proposed, which further added to the heat of the topic. This series of keywords is further explained through influencers combining the sports scene with femininity, inspiring a more multifaceted emotional experience for users. These keywords also help customers and advocates to communicate brand values and better implement the Xiaohongshu personalized strategy.

UA through three steps to realize the brand expansion. The first step is to send some benefits to get the brand highly exposed. In the core step, they created some keywords which related to the theme. In the final step, they keep interacting with consumers and cooperate with the influencers posting to continuously enhance the influence of the brand.

UA combines the online and offline activities to motivate the engage of the consumers, leveraging the strengths of both the platform and the brand. Firstly, in the warm-up phase of the event, the theme of Sweat Beautifully was deeply penetrated into the minds of users through the advertisement output of Xiaohongshu. Combined with online and offline registration activities and KOC's synchronized voice to attract participants and attract attention. And then they put the Surprise Boxes, which means that consumer can get free UA products or coupons if they open it. The surprise boxes are probabilistic acquisition if the consumer comments the related posts of UA. These method motivates consumers to search the keywords related to the theme also improve positive brand awareness of UA. Finally, Xiaohongshu use the offline theme activities which combined the IP of both the UA and the Xiaohongshu. They encourage consumers to take the perfect moments snap with the activity which is the most popular way among the youngers. When UGC includes experiential disclosure, it effectively reduces the psychological distance between consumers and products [6]. So Xiaohongshu combined the videos and picture posts. Through the star effect and so on, it enhances the professionalism, interactivity and fun. Eventually the theme of Sweat Beautifully to achieve a comprehensive detonation of word of mouth, sales, and truly realize a win-win situation for users, UA and Xiaohongshu. Through the process, the related female sports key words to UA is raised to 31% and the related female products also sells well.

3.2. Pizza Hut

The case of Pizza Hut is a great example of breaking down brand stereotypes and using multifaceted partnerships to renew a brand's image.

3.2.1. Background

Recent years the search trend of taking the perfect moments snap with the restaurant is growing. The afternoon tea is the most popular. More and more youngers are willing to taking perfect moments in the restaurants so that they can post on the social media. Young people are passionate about new tastes and finding out hidden menus. Many people in Xiaohongshu search for restaurant of afternoon tea. Consumers go through the comments of Xiaohongshu to decide whether to go the restaurant. Many consumers have a stereotypical image of Pizza Hut. Many people hold the view that Pizza Hut is designed for the family and offers fast food. It has no link to the afternoon tea. So it is very important for the Pizza Hut to break the stereotypical image to attract more consumers.

3.2.2. Implementation

According to the data from the Xiaohongshu, more and more people are willing to post the perfect moment snap with the restaurant. The younger are paying more attention to this action. How to combine the action with the Pizza Hut is very important. The key words, Afternoon Tea, offers a new idea of Pizza Hut's marketing. Pizza Hut has launched the theme Co-Creation Afternoon Tea. The Pizza Hut co-create with different IPs and brands. The unique theme attracts younger to post the perfect moments snap with the Pizza Hut's afternoon tea in order to further create the brand awareness.

To better explain the theme, the Pizza Hut also promote some new products in the Chinese new year and corporate with the Xiaohongshu. The Pizza Hut offers special Chinese New Year themed afternoon tea. The name of the desserts are related to happiness, money and so on which represent positive expectations. It is necessary to mention that the dessert named money has both positive meaning and new tasty. It provide the topic for online talking. In spring. The Pizza Hut also cooperate with a China's beauty brand and Xiaohongshu to create another theme to promote some special shaped desserts just like the eyeshadow palette. These different and creative themes give Pizza Hut Afternoon Tea a unique and fresh look.

Xiaohongshu combines the marketing strategy through the online and offline. Activate shop visits from online to offline channeling, Pizza Hut has been successfully associated with post the perfect moments snap. Xiaohongshu launched the image of new product experience officer, which is a marketing tool provided by Xiaohongshu to the majority of brands and quality content producers. Brands will experience the offline Pizza Hut afternoon tea to randomly give the opportunity to influencers or lucky customers, and through the feedback given by these users, to further achieve positive promotional effects. According to a survey by BrightLocal in 2023, 76 % of consumers regularly peruse online reviews while shopping online [7]. This interaction allows consumers to deepen their understanding of the product through interaction with others. Xiaohongshu through the publicity, distribution of benefits, offline experience and feedback. The three personalized strategy steps promote the brand and get a good promotion effect.84% of new product experiencers posted UGC notes, and the notes made extensive references to recognising Pizza Hut benefits. It brought a good word-of-mouth to the Pizza Hut.

The positive word-of-mouth of is of great significant. It is related to the comments from others and the number of feedback. Given their personalized understanding of product information, consumers often rely on the experiences of familiar UGC creators when making purchasing decisions, which potentially influences their initial purchase intentions [5]. When a UGC creator is a celebrity, the content they post on public platforms can evoke imitation behavior among their followers, resulting in what is commonly referred to as the decisionsnotes mad [8]. In recent years, an increasing number of celebrity groups have shared UGC on platforms such as Xiaohongshu, diminishing the aura surrounding celebrities and making them more relatable to the public. In order to further accumulate brand reputation, the new product experiencer's notes will be released on a priority basis, laying a positive tone for the brand's word-of-mouth. The Xiaohongshu platform will also be used to orientate users to the platform's traffic. Under the leadership of the influencers, the brand will have a positive word of mouth. Users are attracted by these key words and linking the key words to the brand. Thus the brand popularity will be increased. It breaks the original stereotype of the brand, opens up a new track for the brand. Pizza Hut also breaks down stereotypes.

4. Xiaohongshu Personalized Strategy

4.1. Discussion

The personalized marketing strategy of Xiaohongshu cannot be separated from Find the Right Entry Point, Deepen the Theme and Online and Offline Joint Marketing. The personalized marketing strategy should firstly meet the needs of the brand. Taking advantage of Little Red Book's big data statistics, it captures hotspots by analysing real-time hotspot changes. Connect brand-related scenes with hotspots. Capture the characteristics of the brand and combine them with the current popular keywords. Refine the characteristics of the product to match the preferences of the user group. It is important to connect the brand with key topics and keywords. Through new marketing methods such as co-branding, it is important to bring freshness and excitement to different brands. It is also important to have a deep understanding of the topic. The focus of this kind of marketing is not only to launch a theme, but also how to relate to some hot keywords, or to propose some words as phrases under this theme that can potentially trigger the heat and advocate an attitude towards life. Finally, joint marketing online and offline is also important. Marketing online first attracts customers, allowing them to go from recognising or reacquainting themselves with the brand to being willing to try the brand and finally giving feedback. These three steps make the user gradually become a loyal customer of the brand. Similarly online activities inspire customers to travel offline to take photos and publish articles to attract more customers to experience the brand. Celebrity expertise has a positive effect on brand image, celebrity attractiveness has a positive effect on brand image and

celebrity trustworthiness also has a positive effect on brand image [9]. So both online and offline attract users to participate in immersive experiences through celebrity effects.

4.2. Analysis

To attract consumers' attention, businesses need to have an insight into consumers' consumption features, tap into their real needs, focus on innovative marketing-content, enrich entertainment and functional information, and achieve a relative balance between content marketing and users' needs [10].

Xiaohongshu needs to focus on the target market. Through the background of the analysis of user habits, as well as search keywords associated statistics, the brand will be associated terms linked to the relevant users. Or through the needs of some users link to the promotion of the brand. These users are more likely to buy the brand's products. Related topics will appear on the homepage of these users. Users who have a positive opinion of the brand or keyword will be selected to experience the new product, get a free trial and give positive feedback. This also has a positive impact on the word-of-mouth about the product and increases customer loyalty.

Xiaohongshu needs to help the brand define the product market and identify product-related subject lines. Marketing and publicising the theme word, expanding its scope of dissemination and popularity. Refine the theme word into online and offline activities, reflect the idea of the theme word in the activities, and give the product a sense of freshness and theme. At the same time, this passage also need to observe whether the relevant theme words have achieved positive, high exposure effect. If it does not achieve good results need to be changed in a timely manner. This will better stimulate customers' desire to share and expand the brand's exposure.

After Insight and define, brands need to further refine crowd strategy and content strategy operation. Through the combination of commercial products, brands can efficiently launch their products and seize the market. When brands want to expand into new markets, they should analyse the needs and cultural characteristics of the new markets to ensure the adaptability of their products and marketing strategies. Observe the reaction of the theme words on the Xiaohongshu platform. It is also good for brands to co-brand with other IPs or with Xiaohongshu. Related brands and platforms can enhance each other's brand influence through joint marketing activities or common products. Resources such as marketing channels, advertising space or product development capabilities are shared in the co-operation. Product features, content marketing, and community factors have significant positive effects on consumers [11].

After that, Xiaohongshu need to set up suitable sales and distribution channels in the new market, such as local brick-and-mortar shops, partners or online shops of Little Red Book. After the online theme has achieved good results, it is better to set up an offline campaign with the same theme for further promotion and sales. Combine themed events with online influencer campaigns to increase brand awareness in new markets. Research the needs of existing customers and the preferences of potential customers, and based on the theme words, develop new products or make certain innovations to meet these needs. However, care needs to be taken to ensure that the new product is consistent with the brand's overall image and values in order to maintain the brand's consistency and credibility. Leveraging the social media nature of Xiaohongshu, its broad reach and interactivity, regular content is published that engages users. On the Xiaohongshu platform, these manifest themselves in user-generated content contests or live events. Brands post relevant content on Xiaohongshu, respond to user questions and comments in the comments section to enhance the brand's customer service experience, or invite users to experience and give feedback by selecting goodies recommenders through special events.

In addition, the use of KOL and KOC is one of the most common ways of marketing on the Xiaohongshu platform. Brands screen individuals who have high social influence and match the

brand's image, and allow them to become the brand's positive spokespersons KOL collaborates with brand ambassadors, creates original content, and uses their social networks to spread the brand's message. These people publish positive comments or publicity for the brand through the Xiaohongshu platform, which precipitates content assets and crowd assets, attracts users' consumption intention, and realizes good products to good brands based on product word-of-mouth management.

5.   Conclusion

This passage reveals the unique advantages of Xiaohongshu in the field of digital marketing by exploring and analysing its personalized marketing approach. By analyzing two cases in which Pizza Hut and UA conducted personalized marketing on Xiaohongshu and achieved success, it is found that Xiaohongshu's personalized marketing strategy is not only able to effectively increase brand awareness, but also significantly increase user engagement and brand loyalty. These cases show that the unique social and content recommendation mechanism of the Xiaohongshu platform is able to accurately reach target users and drive interaction between users and brands. The relevance of this study is to provide an insight into the practical value and business potential of personalised marketing in Little Red Book through a detailed case study. The results of the study show that brands can achieve more accurate market positioning and more efficient user conversion through personalized marketing on Xiaohongshu, which in turn improves the overall marketing effect. This not only provides brands with new marketing ideas and strategies, but also provides a useful reference for theoretical research and practical exploration in the field of digital marketing.

Although this study provides valuable insights through detailed case studies, there are still some limitations. Firstly, the study sample is limited to two brands, Pizza Hut and UA, which may not be sufficiently comprehensive to represent all brands that engage in personalized marketing on Little Red Book. Second, this study is mainly based on existing cases and data, and lacks the support of long-time tracking and broader data. In addition, the effectiveness of personalized marketing is affected by a variety of factors, such as market environment and user preferences, which are difficult to fully control in the study. Future research should expand the sample to cover more brands and industries to verify the universality of Little Red Book's personalized marketing strategy. At the same time, long-term tracking studies should be carried out to analyse the long-term effects of personalised marketing. In addition, the optimal combination of different personalised marketing strategies should be explored to find a more effective implementation path to advance the theory and practice of digital marketing.

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