

Research on Marketing Strategy of Social E-commerce Platform

--Taking Xiaohongshu as an Example

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Abstract: With the continuous development of the new media era, the trend of integration of “e-commerce” and “social media” has gradually emerged. At the same time, social e-commerce platforms have low marketing costs, convenient payment methods, high customer stickiness, and a huge customer base, so they have rapidly occupied the e-commerce market in recent years and become the first choice for many merchants to carry out advertising and marketing and attract customers. Xiaohongshu is a representative case that has gained wide attention and popularity among social e-commerce platforms. Therefore, this paper will take Xiaohongshu as the research object to explore the marketing strategies of social e-commerce platforms, summarize their success, find out the current marketing problems of social e-commerce platforms, and put forward corresponding suggestions to contribute feasible views on marketing and enterprise development and construction. This report includes a review of previous relevant research, an introduction to the development of Xiaohongshu, a marketing strategy analysis, existing problems, and suggestions.

Keywords: Xiaohongshu, social e-commerce platform, market positioning, marketing model, marketing strategy

1. Introduction

1.1. Research Background

In 2017, Xiaohongshu became the number one fashion culture platform in the Chinese world. Subsequently, many entertainers, stars, and key opinion leaders entered the platform, bringing a large number of fans' attention to it, making it a phenomenon social platform. As of 2019, Xiaohongshu has more than 300 million users, with more than 150 million monthly active users, 83% of female users, 30.86% of users under the age of 24, and 30.2% of users between the ages of 25 and 30 [1]. As the 2022 Qiangua Active User Portrait Trend Report (Xiaohongshu Platform) shows, the number of monthly active users of this platform has exceeded 200 million, of which 70% are female users [2]. In recent years, the number of Citywalk notes has been increasing, covering cities such as Guangzhou, Hong Kong, Chengdu, and Chongqing. Last year, the search index for “Citywalk” in the Xiaohongshu

community increased more than five times. More and more urban young people join the ranks of Citywalk to see the city with their feet and get to know the life nearby [3].

1.2. Literature Review

Zhang pointed out in the “Xiaohongshu Marketing Strategy Analysis” that the product positioning of Xiaohongshu is the shopping experience-sharing community, in which the decentralized community can improve user engagement. The user orientation is concentrated in the first-tier cities between 18 and 30 young female white-collar workers and students. Content positioning is also a relevant guide for consumer groups in fashion, skincare, lifestyle, and so on [4]. Zhang pointed out in “Analysis of Big Data Precision Marketing and its Impact on Female Consumption - Taking Xiaohongshu as an example” that Xiaohongshu adopts a big data precision marketing model, customization and fragmentation of push information, content creation, and labeling of notes, and traffic distribution tends to be decentralized [2]. Zhou pointed out in “Analysis of KOL Marketing Model in the We-Media Era - Taking Xiaohongshu as an example” that Xiaohongshu has both the social function of community sharing and the function of e-commerce. Every day, thousands of users are “planting grass” in the community, sharing by KOL and celebrity talent, and then directly entering the Xiaohongshu shopping platform or other purchase platforms through the purchase link in the notes [5]. Zhu pointed out in “Research on C2B Business Model of Cross-border E-commerce based on UGC Community Marketing” that Xiaohongshu took community operation as a breakthrough and successfully created a new model of cross-border e-commerce business, leading the continuous expansion of UGC community e-commerce [6]. Zhou pointed out in “Investigation of Xiaohongshu Brand Construction under the Concept of Integrated Marketing Communication” that in the development of Xiaohongshu, the platform has completed a series of marketing integration processes by grasping the three key processes of creating meaningful community interaction, establishing market planning from outside to inside, and maintaining the consistency of market strategy; Finally, Xiaohongshu completes the transformation of integrated marketing communication process through the integration of channels and content, communication media and brand concept elements, to realize brand building [7].

1.3. Research Gap

According to the query of the database information, most scholars have studied how the Xiaohongshu could emerge from the Red Sea of social media and become the success of a media platform with a large audience base and steady growth. Many types of research analyzed its business model, marketing strategy, existing problems of the social e-commerce platform, and suggestions for optimizing the business model of Xiaohongshu, an e-commerce platform. In contrast, very few scholars have studied the shortcomings and negative effects of the Xiaohongshu platform’s marketing strategy aimed at women as the main audience, as well as the use of new media technologies such as big data and algorithms by social e-commerce platforms, which make users become “digital laborers” who bring traffic and benefits to Xiaohongshu and even other e-commerce platforms without knowing or fully knowing. Therefore, this study will analyze and elaborate on relevant contents in the “Analysis of the Problem” and “Suggestions” parts.

1.4. Research Framework

Using case analysis method, this study takes Xiaohongshu, a successful, popular social e-commerce media platform with a huge user base, as a case, and then analyzes and summarizes the marketing strategy of the entire social e-commerce platform. The writing ideas of this study are as follows: Firstly, by consulting relevant research materials and specific marketing data reports on official

databases such as CNKI, the development background, pulse strategy, current situation, marketing model, and marketing strategy of Xiaohongshu platform are summarized and summarized; Then it analyzes and points out the existing problems in the marketing model and strategy of Xiaohongshu and the places that can be discussed. Finally, the author puts forward some suggestions on the shortcomings of marketing strategy. Through analyzing the Xiaohongshu platform, this study aims to put forward creative suggestions for the future marketing, reform, and development of the entire social e-commerce platform and Internet enterprises.

2. Xiaohongshu Description

2.1. Xiaohongshu Development Profile

Founded in 2013 in Shanghai, Xiaohongshu is a content-sharing platform with the mission of “Inspire Lives” to share and discover the world’s wonders [8]. In December of the same year, the overseas shopping-sharing community was launched. In 2014, two financing rounds were completed in March and November. In the same year, the Xiaohongshu platform announced the official launch of the e-commerce platform, that is, the “welfare society”, from this time on the community upgrade to e-commerce. Since then, the business closed loop has been completed, and it has cooperated with a number of brands and started to operate on its own. A few years after its “Xiaohongshu” App was launched, its users exceeded 200 million [9]. As of 2022, Xiaohongshu’s monthly active users have passed 200 million, sharing more than 43 million, of which undergraduates and young people after 90 accounts for more than half, and users mainly live in high-line cities, and high stickiness and interaction with the platform [8].

2.2. Development Status of Xiaohongshu

At present, there are 30 million KOC (key opinion consumers) in the Xiaohongshu community; KOC improves platform users’ trust in the brand by means of ordinary sharing, which largely affects consumers’ purchasing behavior, reduces the advertising cost of merchants, and enhances the value of the brand. At the same time, due to the continuous emergence of MCN institutions, KOL (key opinion leaders) make use of their traffic advantages to promote the brand, and the network red industry has become a key link in the development path of e-commerce in Xiaohongshu Society. Based on the nature of the community and how KOL/KOC users share, Xiaohongshu currently builds a closed loop of influence that connects the brand, KOC, and consumers to create a business model, namely the B2K2C model. This is the biggest difference between Xiaohongshu and other shopping platforms and why Xiaohongshu can stand out from traditional e-commerce platforms such as Taobao and Jingdong [10].

3. Analysis of the Problem

3.1. The Female Media Image Is Too Heavy

Xiaohongshu has a large number of female users, which is typical female media, but it will also have certain problems and negative effects. The platform often presents a large number of stereotypical and single female images, such as “white and thin”, “head cover face”, “right shoulder” and so on, which have become essential labels for beautiful women. Under the influence of such texts, women’s aesthetics tend to be homogenized and unified. This kind of label can still reflect the current aesthetic trend of men and has not yet jumped out of the bondage of the “male gaze”. At the same time, this platform is good at creating a pleasant media environment for women, and female users easily form

wrong judgments about the existing social women and gradually lose their criticism and resistance to the hegemony of discourse [11].

3.2. Insufficient In-Depth Note Digging

Xiaohongshu has a variety of content sharing, including “beauty”, “travel”, “skin care”, “emotion” and so on. The platform also has its shopping channels, which is a successful case in integrating social interaction, sharing, planting grass, and shopping. However, because the entry threshold of the Xiaohongshu platform is low, bloggers tend to be “grassroots”, and the platform follows the mode of traffic realization, which leads to the homogenization and pan-entertainment phenomenon of a lot of content and the chaos of plagiarism, excessive imitation and carrying videos often occurs among various bloggers, such as the same hot event often appears in a period. On the other hand, the depth of note content is not deep enough. Although the small red book encourages the entry of knowledge-sharing bloggers, the number of followers of the top bloggers is still “beauty”, “skin care”, knowledge sharing, science, international politics, medical, scientific research, and other related notes are still very short.

3.3. Users Become the Platform’s “Digital Labor”

3.3.1. Platform “Digital Labor”

The term “digital labour” was first used by a communications scholar named N. Dyer-Witheford in a 1999 article. In this article, the author focuses on the gender division of high-tech labor and the geographical division of labor in the video game industry. In 2000, the British scholar Tiziana Terranova also mentioned the concept of “digital labour”. He argued that “labor problems in the Internet era cannot be analyzed solely by the logic of capitalist exploitation... “Cyberslavery is not just a form of labor on the Internet, it is a complex labor relationship.” She defined this labor relationship as “free labor.” For the research of “digital labor”, the communication circle has been discussed. Still, for the complete definition, there has been no clear answer. In his book *Digital Labor and Karl Marx*, Fox came up with a relatively clear definition of digital labor: “Digital workers are part of a collective labor force that lives, uses, and applies electronic media. They are not defined by a particular profession, but by the industry they serve, in which they are exploited by capital.”

3.3.2. Users Become “Digital Labor” in Xiaohongshu

In the Xiaohongshu, each click and browse of the relevant graphic content of the user contributes their attention to the Xiaohongshu, and this “attention” is also equivalent to a hidden labor that people do not perceive. When attention is scarce, but there is a market for it, the labor it produces can be valued. Through user communication, Xiaohongshu can realize the accurate match between user needs and business content, and users not only obtain the information and services they need through “communication and sharing” labor so that the seller can generate revenue but also bring advertising profits and marketing revenue to the platform. While using Xiaohongshu, a casual exchange may guide most of the content the platform pushes in the future. The Xiaohongshu will push “people who have commented”, “bloggers who have liked” and “people you may be interested in”, and through big data calculation, judge the information that users are interested in in the process of use according to the communication labor of users, and push it several times. In this process, it is also easier for users to realize the transition from interest to consumption. The labor paid by users to promote their level, such as liking, forwarding, commenting, publishing graphic content, etc., requires users to give full play to their subjective initiative, and the reproduction of capital is also directly affected by such content generation labor. This type of labor by users can more obviously reflect the popularity of

Opinion leaders within the platform, laying a foundation for them to obtain advertising and platform traffic support, which is also a process to promote the capital accumulation of “Key opinion leaders” (KOL) by using the labor of users. The user’s “dependence on labor” can also help the platform KOL adjust the direction of publishing content and reduce unnecessary cost inputs [12].

3.4. Hide the Lack of Advertising Regulation

After Xiaohongshu’s bloggers reach a certain number of followers, they can receive advertising endorsements. According to the research data, the advertising of the Xiaohongshu platform can be mainly divided into four types: “pure advertising type”, “product collection type”, “relevant content type” and “mention advertising type”. Article 14 of the Advertising Law of the People’s Republic of China stipulates that “advertisements shall be identifiable so that consumers can distinguish them as advertisements.” Xiaohongshu bloggers rarely specify or mention a specific company that the note works with when Posting ads. Therefore, there are problems of fuzziness, concealment, and difficulty in distinguishing. At the same time, there are Internet celebrities who overstate the efficacy of products, resulting in false publicity, and consumers blindly buy in untrue advertising and publicity. At present, the background of Xiaohongshu has a screening mechanism for sensitive words, false information, malicious drainage, and other content, and it can also report the content of notes and authors, but the supervision of hidden advertisements is still insufficient, and there is a lack of specific laws and regulations [13].

3.5. Content Distortion

With the rapid realization of traffic, social e-commerce platforms often over-chase hot spots and blindly follow the trend, resulting in exaggeration, distortion, and even direct fabrication of information. For example, to cater to businesses’ interests, beauty assessment bloggers in Xiaohongshu exaggerate the skincare effect of products. Some travel bloggers use excessive filters, PS, to make the scenery of pictures or videos, and the gap is too large. As a user, it is difficult to distinguish the truth from the falsehood in the huge amount of information, and it is easy to be encouraged and deceived.

4. Suggestions

4.1. Tap into the Male Users Market

At present, the users of Xiaohongshu are mainly female, and there are fewer male users. In response, the platform can develop and innovate content according to male groups of different ages, occupations, and interests. For example, the current platform has 275,000 fans, “Shubencong”, is a male blogger with “boys wear” as the main update content. He is also positioned as a “dress blogger” sharing content involving wear, hair, men’s makeup, daily life, and other aspects of the “Jinzhe Xu”, in the Xiaohongshu has 413,000 fans, and he also has a relatively large number of fans among male bloggers in this social e-commerce platform. Male users also demand the use of social e-commerce platforms, so Xiaohongshu needs to see the needs and situations of this male group and encourage male bloggers in dressing, hair, skincare, and makeup to join the platform.

4.2. Avoid the “Other Gaze” Toward Women

Sartre pointed out in Being and Nothingness: “Gaze does not mean my gaze to others, but the gaze of others to me; gaze does not mean the gaze of others, it is not true that someone is looking at me from a distance or I see someone’s gaze staring at me, but that I “feel” that someone else is staring at me; Again the gaze indicates that I am a being for him, that I find myself in the gaze of another, that

I am the other”. As a platform with a majority of female users, Xiaohongshu needs to pay attention to the supervision of comments, avoid inappropriate comments, ridicule, and accusations on women’s dress, figure, makeup, work, etc., avoid the “other gaze” that pursues open, free and independent thinking for contemporary women, and build a healthy social environment.

4.3. Dig Deeper into Notes’ Contents

The content of the notes in The Xiaohongshu involves very diverse aspects, but at the same time, there are blind following the trend, excessive pursuit of hot spots, plagiarism, and handling. The platform should pay attention to the depth and social value of the content. For example, it can add science popularization, current affairs, national policy interpretation, and international situation analysis. At the same time, the platform can increase the introduction of knowledge-sharing bloggers. Everyone is in the new media era of “traffic is king” now. Traffic has become the main way of platform realization, so the pursuit of heat can not be avoided, but the platform can broaden the breadth of content while digging the depth of content vertically and encouraging some videos with real social value. For example, Huihui Zhou, a Xiaohongshu blogger who currently has 1,024,000 fans on the platform, not only involves emerging technology content such as “virtual blogger”, “AI” and “science fiction” in her videos but also covers reflections on social issues such as “patriotic education”, “opposing campus bullying”, “supporting gender equality” and “resisting online violence”. The in-depth cultivation of note content is a key part of the rapid development of social e-commerce platforms such as Xiaohongshu in the traffic era.

4.4. Enhance Technological Transparency as Appropriate

Not only the Xiaohongshu but also the current social platforms have the problem of “algorithm black box”, the platform’s operating logic, data, and algorithm technology are not transparent to users, users are often not clear to push content, or through browsing, liking, comments unconsciously contribute to the platform traffic, blindly become the platform’s “digital labor”. Therefore, the platform should properly inform the users of the operating rules of the background technology and let the users have the right to decide whether to accept the implantation of advertisements, whether to accept the tracking of the platform, whether to accept the algorithm recommendation, and whether the platform monitors personal privacy. If conditions permit, an open and transparent operation concept makes it easier to gain fans and enhance user loyalty.

4.5. Improve the Regulatory Mechanism for Advertising Placement

Xiaohongshu platform needs to make the rules transparent, ensure that every user is clear about the publishing precautions, improve the supervision mechanism, timely detection of non-compliant advertising placement, and give warnings or penalties. At the same time, from the level of national laws and regulations, the state can further improve and refine the provisions of relevant laws on advertising management and carry out long-term supervision and punishment for the phenomenon of excessive advertising on social e-commerce platforms, difficult to find product placement and false publicity.

4.6. Improve the Content Review System

The Xiaohongshu can strengthen the strength of the platform audit team and promote the “algorithm + manual” double audit process. In terms of algorithm review, more talents in the computer field are hired to optimize algorithms, timely judgment of note content, and block false and illegal information. In terms of manual audit, improve the threshold and training of “media reviewers”, refine the audit

details, and improve audit frequency and efficiency [14]. In addition, Xiaohongshu can improve user feedback channels and reward users who supervise and report value. Professional technology can also be developed for intelligent monitoring of false information.

5. Conclusion

5.1. Key Findings

This paper initially inquired about a number of relevant literature and data reports, classified, summarized, and stated previous relevant research and digits, and then summarized and analyzed the Xiaohongshu platform's development history and current situation. After further in-depth analysis of Xiaohongshu's marketing strategy, it is found that there are some problems and defects in audience positioning, content depth, advertising supervision, and technical transparency. At last, this paper puts forward the measures to solve the existing problems of the platform and the ideas for future development, which include exploring the male user base, strengthening the depth of content mining, avoiding the "gaze" of female users, strengthening technical transparency, and improving the content review system.

5.2. Research Significance

As a representative social e-commerce platform with a large number of users at present, Xiaohongshu can be used to analyze the marketing model of the entire social e-commerce platform, find out various existing problems, and give corresponding solutions and future development ideas. This research can be applied to the marketing and reform of Xiaohongshu and various other social e-commerce platforms and has reference significance for the future development of social media.

5.3. Limitations and Future Study

The limitation of this study is that the data comes from previous literature, which is all secondary data, rather than the primary data obtained by market research. In the future, we will conduct more in-depth questionnaire surveys and market research on the use experience and innovation of the Xiaohongshu platform and study more social e-commerce platforms. In addition, this study still has room for discussion to point out the problems existing in Xiaohongshu and other social e-commerce platforms and suggestions for platform improvement, which is still expected to be further explored and perfected.

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