Analyzing the Effectiveness of Xiaohongshu on Consumers' Purchase Intentions

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Abstract: With the development of technology and social software for live streaming, slow live streaming is gradually becoming popular in the small red book. Slow live streaming is viral among customers in terms of customer value, convenience, and communication and dramatically increases consumers' willingness to buy. Thus, the purpose of this study was to explore why slow live streaming is becoming more popular and influencing the desire of customers to buy. This article took the Xiaohongshu's slow live streaming as a case study to analyze the data using the Marketing mix theory of 4Cs to analysis. Firstly, the reason is consumer value. To keep this strategy, Xiaohongshu can launch gifts, expand the labels and target groups, and use advertising and invite celebrity testimonials. Secondly, the reason is convenience. To develop this strategy more, Xiaohongshu can set up a backend warehouse to ensure that the goods are stored. Third, the reason is communication. To keep this strategy, interactive activities can be added to the live stream. This article reinforced the marketing mix theory to analysis the extension of the marketing mix of 4C theory and identified the strengths and areas for future improvement for Xiaohongshu's slow live-streaming approach.

Keywords: Xiaohongshu, marketing mix theory, consumer value, convenience, communication

1. Introduction

1.1. Research Background

Due to the rapid advancement of science and technology, individuals are increasingly turning to social media for online informational purposes and retail therapy. Chinese social media sites like Tik Tok, Xiaohongshu, and others that can help with commodity marketing have become more and more popular as shopping platforms in recent years, gradually moving away from the e-commerce sector. China accounted for 37.2% of all online shoppers as of March 2020, with 265 million live e-commerce users [1].

Because of the promotion of marketing items on social media platforms, there is an increasing need for live streaming to increase the number of potential buyers. One of these is The Xiaohongshu, which has recently expanded rapidly and gradually to a live broadcast. Xiaohongshu currently boasts 250 million users, with over 85 million actives monthly, and a community that contributes 3 billion messages and photographs every day [2]. With images and short films, Xiaohongshu's social media network grows its consumer base. Live streaming has recently been employed to promote marketing

activities. It focuses on content-based marketing, merging products and companies with beautiful imagery and language to create a promotional effect. It primarily appeals to young, fashionable, and affluent consumers. As a result, marketers must always improve their creative abilities and content quality.

Xiaohongshu launched a live streaming service in November 2019 along with an interactive e-commerce platform. Xiaohongshu uses slow live streaming more often to sell products than the quick-paced and quick-marketing live streaming method. Live slow streaming, in contrast to traditional live streaming, focuses more on offering a relaxing and leisurely live experience. With more in-depth and high-quality information, this strategy draws clients in and progressively persuades them to purchase thorough recommendations and presentations. Price and quantity are not the most crucial factors for delayed live streaming; instead, it is necessary to offer clients enough time to comprehend the products.

1.2. Research Gap

A few studies have examined Xiaohongshu's business model in the Internet era by investigating the company's marketing strategies. For instance, Song examined in 2015 how socializing consumers of Xiaohongshu in the context of the social network era helped inform and monetize their purchases [3]. Others have explored Xiaohongshu's entire brand architecture. For instance, Liu examined Xiaohongshu's cellular structure and origins in 2016 in the context of a younger customer generation that is more receptive to international purchasing markets [4]. Others have investigated the positive energy that the Xiaohongshu spreads. For instance, Liu, studying the Xiaohongshu for the distribution of positive energy in 2020, is faced with the diversification of ideas and dissemination methods and must determine what new chances will be revealed [5].

Above all, no previous research has looked into the slow live streaming of The Xiaohongshu. There has been no research on the issue of whether the benefits of slow live streaming to Xiaohongshu are great or whether this new means of transmitting goods elicits a strong desire to buy from consumers. To answer the research question, Why is slow live streaming becoming more popular and influencing customers desire to buy? This post will use The Xiaohongshu as a case study.

1.3. Fill the Gap

Investigating how slow live streaming affects Xiaohongshu can help us better understand the dynamics of the platform and how it affects sales. At this point, researching into how slow live streaming affects Xiaohongshu could provide insight into consumer behavior and purchasing trends. It can assist firms and marketers in developing strategies designed specifically to target and engage the platform's user base. Second, analyzing the consequences of sluggish live streaming can offer useful information about the success of Xiaohongshu marketing initiatives. Third, sluggish live streaming has become a prominent trend in the live streaming and e-commerce industries. Investigating its impact on Xiaohongshu can reveal larger industry trends and breakthroughs. Businesses should stay informed about the changing landscape and adjust their strategies to be competitive in the market by understanding how slow live streaming affects platform sales. As a result, this essay will investigate the causes and arguments for the impact of slow broadcasting on customer psychology, explain the impact, and offer relevant guidance at the end.

2. Case Description

A well-known social commerce network in China called Xiaohongshu mixes social media, content development, and online shopping. Younger customers in China have given it great traction, and it has developed into a powerful platform for brands to interact with their target demographic. Through

data analytics, Xiaohongshu offers businesses insightful information about consumer behavior, preferences, and trends. Brands may monitor performance indicators, obtain customer feedback, and learn more about their target market. Xiaohongshu supports influencer and brand partnerships to develop innovative and compelling campaigns. Additionally, it uses algorithms and user data to personalize recommendations for each user. Brands may successfully target their targeted audience segments by using data-driven targeting. Brands can provide targeted information and offers by optimizing their marketing efforts and considering customer preferences, purchase histories, and interaction patterns. The Xiaohongshu provides various marketing benefits since user interaction increases the legitimacy of the sale [6].

Sellers can reveal their products or services in a more visually appealing and professional manner by using slow live streaming. Sellers can deliver in-depth product demonstrations by using sluggish live streaming. They can demonstrate the product's capabilities, provide usage instructions, and respond to frequently requested inquiries. Sellers can still interact with the audience by leaving comments, questions, and criticism.

Slow Living, which stars anchors such as Zhang Xiaohui and Dong Jie, has recently received a lot of attention in The Xiaohongshu. Xiaohongshu is primarily a beauty brand marketing platform, and slow live streaming allows the anchor to reveal all elements of the product as well as demonstrate the product in action by trying it on himself. Slow live streaming is done with a peaceful cadence that provides individuals with a comfortable sensation of relaxation. Furthermore, the anchor indirectly conveys the notion of the product and the art, and they can locate the appropriate buyer through the explanation. Xiaohongshu avoids aggressive marketing and price shock in live streaming, instead relying on product quality to suit users' true demands. Instead of exaggerating and shouting while introducing new products, they patiently and thoroughly instruct people on how to utilize them. Table 1 reveals the statistics from the initial slow live broadcast, as seen in the figure. Zhang Xiaohui's first live stream with merchandise from Xiaohongshu lasted nearly six hours and featured approximately 200 items. This live broadcast's total sales surpassed $50 million [7]. This delayed live broadcast paved the way for a new strategy for Xiaohongshu to attract more clients.

Table 1: Xiaohongshu's slow live blogger advocates for Zhang Xiaohui's first live stats [7].

Broadcast time	Items	Total sales
6 hours	200 items	Exceed 50 million

3. Analysis on the Problems

3.1. The Introduction of Marketing Mix Theory

A typical technique used to explore the topic is the Marketing Mix theory, which goes through the four basic tactics of Product, Price, Promotion, and Place. The 4C strategy discussed in this literature addresses consumer, cost, convenience, and communication. This is now commonly employed in marketing tactics and tools. Su and colleagues, for example, used this technique in 2022 to analyze the marketing strategy of the "Florasis" brand, assessing the reasons for its success using the marketing mix theory of the 4Cs before providing recommendations [8]. Furthermore, Ji used the example of Haidilao in 2019 to conduct consumer behavior research and analysis, applying the theory to examine Haidilao's marketing approach [9]. Furthermore, in 2021, Duan et al. studied McDonald's marketing approach in the 4Cs using the analytical technique of convenience [10].

To summarize, the 4Cs analytical technique is applicable to a wide range of marketing strategies and will be used in this Xiaohongshu marketing strategic analysis. According to the data review, this problem analysis will mostly center on the discussion of consumer convenience and communication.

3.2. The Reason for Consumer Value

In terms of customer value, Xiaohongshu's strength is its ability to precisely discover the target demographic, understand their requirements and interests, and effectively draw their attention and purchase. Before entering the Xiaohongshu software page, the brand will collect personal information such as the customer's gender, age, region, and consumption habits in order to be more targeted for promotion and marketing. This effectively allows Xiaohongshu to organize clients into different categories based on their own preferences and establish audience segments to attract targeted customers via appropriate tags and phrases. Following that, individualized recommendations are offered to clients to recommend cosmetics, clothing, etc. that match their likes, which increases user stickiness.

What's more, Xiaohongshu targets a young, hip crowd, so brands need to utilize beautiful photos in their marketing to grab attention. Recently, slow live streaming has been gaining popularity in Xiaohongshu, which utilizes live streaming to promote its products or services. Live streams usually utilize quality content and unique topics to attract followers or target the crowd using words that fit the customer profile. For example, some clothes sold live will have the title "height 160, weight 140 girls wear," "fat girl summer how to wear," and so on to attract customers to the marketing. And as it turns out, customer value does bring benefits to Xiaohongshu's marketing. Previous research has established that customer value indeed affects the market. For example, previous research found that customer value indirectly affects store and product value through satisfaction, based on a structural model built on the multidimensionality of e-tail customer value from a consumer perspective. This has huge ramifications for e-commerce store marketing [11].

Therefore, Xiaohongshu can promote products by finding target groups and corresponding to their needs to promote people's purchase intention.

3.3. The Reason for Convenience

In terms of convenience, Xiaohongshu shows its products and services to customers through videos, graphic combinations, and live streaming, which makes the products more visually appealing to customers. In general, the video's quality and content are straightforward and easy to comprehend, and it can rapidly provide customers with a general understanding of the product both visually and audibly. In addition, the evolution of slow live streaming has resulted in more thorough product presentations. Slow live broadcasts, as opposed to speedier live broadcasts, allow the anchor to explain and present the product in a more complete and holistic manner, allowing the viewer to better absorb and digest the content.

Recent theoretical advancements have indicated that sluggish live streaming improves user attention and experience significantly. People desire to unwind after a long day, and the companionship and conversation elements of live slow streaming help customers unwind while improving interactions [12]. Slow live streaming has helped to bridge the gap between real customer groups and virtual platforms, increasing the audience's sense of experience and facilitating engagement [12]. Unlike images of things that cannot be viewed, which do not help consumers make purchasing decisions, live streaming allows customers to immediately immerse themselves in real-world shopping scenarios, which speeds up decision-making. In Zhang Xiaohui's live broadcast, for example, she would explain each cosmetic product in love poetry with a literary flair. This not only provides clients with ample time to learn about the products, but it also provides people with a sense of ease and comfort, similar to narrating a narrative. Several studies' data indicate that convenience is a key element influencing client purchase intent. Zhang, for example, used tourism marketing methods as a case study to limit demand prices, focus on consumers, and provide easy means, which resulted in an increase in tourists and effective marketing [13].

Therefore, convenience is indeed one of the most important factors in guiding consumer purchases and willingness to spend. And Xiaohongshu also provides customers with convenience and intuition through the development of slow live streaming.

3.4. The Reasons for Communication

In terms of communication, Xiaohongshu offers more interaction and networking opportunities to expand its marketing volume. Brands must actively engage with their customers, respond to messages, and improve the consumer experience. Xiaohongshu frequently conducts campaigns to engage people, such as coupons and experiences. Second, Xiaohongshu users can learn about things by liking and commenting on them. Some features, such as quizzes, polls, and live broadcasts, can attract users, improve the user experience, and encourage marketing. Xiaohongshu is more focused on communication than other social networks; therefore, companies must obtain quick feedback from users to improve their experience.

In addition, Xiaohongshu offers a social commerce function that brands can use to open their own shops and e-commerce platforms to expand their marketing revenue. Because of its vast user base, brands can collaborate with celebrities to increase their exposure and user base. These approaches have been influential in the field because of their great appeal to young people.

With the inclusion of slow live streaming, the anchor can communicate with the viewers in real-time, and the viewers can interact as well through pop-ups, likes, and other means. Because of the fast pace of the live broadcast, the audience is unable to keep up and must place orders quickly. While the slow live broadcast provides viewers more time to consider and ask questions, this can inspire buyers to better comprehend the goods, boosting their propensity to purchase. A variety of studies have already demonstrated that communication can influence client purchasing intentions. For example, Zheng examined the questionnaire data and concluded that reviews and comments have a considerable impact on consumers' purchasing decisions [14]. This demonstrates that communication and engagement can increase user attentiveness. The slow live streaming of the Xiaohongshu is an effective way to interact with the audience and offer sales ideas, and it enhances the audience's readiness to purchase.

4. Suggestions

4.1. Suggestions for Consumer Value

To increase customer value, Xiaohongshu needs to innovate to attract more potential customers than just the target demographic.

First, Xiaohongshu can attract the crowd through gifts, such as vouchers and giveaways, which can effectively attract customers. Secondly, Xiaohongshu can expand the labels and target groups, such as by gradually expanding the specific small market and shopping to make it mass. Finally, Xiaohongshu can use advertising and inviting celebrity testimonials to expand its visibility and appeal.

Because consumers tend to perceive celebrities as having a broad mass base and strong influence, consumer trust resonates when they are recommending a certain product. As celebrities, not only do they have a degree of influence in their sphere, but their words and actions are often seen as having social value and recognition as well. Therefore, when celebrities make choices, consumers are often influenced. Therefore, Xiaohongshu can invite some celebrities to join in the process of slow live broadcasting, which can not only attract the target group of unexpected potential customers but also expand the brand's influence and popularity, thereby increasing the consumer's willingness to buy.

Previous research has demonstrated the significance of celebrities. Chen studied the star effect, brand effect, quality goods, social presence, and value-added goods using the popular Tik Tok short video platform as an example [15]. Celebrity introductions and advertising can definitely raise

customer value and, consequently, purchase willingness [15]. If, as indicated above, Xiaohongshu invites celebrities to join the Slow cast, more customers may attend and watch the Slow cast in the future. This will gradually broaden the range of customers from the target demographic who come solely for the content to customers who are not the goal, considerably increasing sales.

4.2.   Suggestions for Convenience

After the consumer has purchased the item from Xiaohongshu, Xiaohongshu is alone responsible for placing the order. Furthermore, most of the purchased play products are not in stock afterward, which may hinder customers in remote places from obtaining their items for an extended period of time after placing an order. Long live streaming broadcasts might waste viewers' time and gradually weary them. The clients are highly likely to abandon the live broadcast after hearing half of it, and it is not unforeseeable that some people will not have enough time or patience to listen to the anchor's introduction. As a result, Xiaohongshu may build up a backend warehouse to ensure that the goods are stored, allowing customers to receive the goods more quickly and provide feedback after purchasing the items.

The slow life of the small red book is more useful to introduce and promote the goods, and it does not take responsibility for returns, quality damage, or after-sales service. Therefore, many customers need to wait a long time to receive the products after buying them, and the quality and after-sales service are not guaranteed.

Previous research has established the importance of setting up a warehouse. For example, Sun and Xu used the sales platform as an example to prove that the platform guarantees of a sufficient number of backstage warehouses, optimization of the after-sales service system, and reduction of the cost of returns and exchanges greatly increased the degree of customers' purchasing convenience, which in turn boosted customers' purchase intention [16].

4.3.   Suggestions for Communication

To increase consumer communication, interactive activities can be added to the live stream. For example, during the live broadcast, customers can complete lucky draws, quizzes, and even the microphone session. Live streaming can be applied to boost customer favorability in the form of gifts. On the one hand, people can sell gifts quickly in the live room or give away ten products in a direct draw. On the other hand, live can enhance audience interaction by giving gifts such as virtual emoticons and props. At the same time, if the slow live time is too long, leading to consumer boredom, the anchor can apply for the consumer and, through the chat, answer questions and introduce the product, which can give the audience a real sense of experience and interaction. Live streaming connectivity in any field is a quick way to enhance the experience. For example, Nie studied the teaching of online classes and found that teachers need to interact in a timely manner and in an effective way to enhance teacher-student interactions and implement increased teaching effectiveness [17]. Therefore, live streaming can promote communication and interaction and thus increase consumers' willingness to purchase.

5.   Conclusion

This article, which is based on the marketing of the 4Cs, examines the effectiveness of Xiaohongshu and the rapid creation of information. Additionally, it discusses how users in the environment are gradually utilizing and promoting social software platforms. Through slow live broadcasting, how can Xiaohongshu expand its market and boost user buy rates? Additionally, in what other ways may Xiaohongshu be strengthened and improved? According to the investigation, Xiaohongshu performs

better than other platforms in terms of consumer value, convenience, and communication and attracts a sizable customer base.

The marketing mix theory of the 4Cs is reaffirmed in this article, and based on this, Xiaohongshu is employed as a case study to further support the validity of its marketing analysis. In addition, this post offers a superior conversion approach and development strategy for Xiaohongshu. Whether it is in terms of customer value, convenience, or communication, Xiaohongshu has room for improvement and strategies for improvement. The slow live marketing and backstage sales services of Xiaohongshu were studied in this article, but there are still certain gaps that can be filled up with further research and comprehension. In the future, through more research on the backstage operation of Xiaohongshu and its actual purchasing experience, people can have a better understanding of its sales and after-sales situation.

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