

Research on Traffic Optimization and Growth Strategy under Precision Marketing -- A Case Study of Social Media Xiaohongshu

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Abstract:

With the development and progress of social media, digital marketing has ushered in a new era. With over 200 million monthly active users, Xiaohongshu has shown brands the potential of precision marketing and traffic optimization on social media. Major brands have joined Xiaohongshu to improve their communication matrix. Therefore, this article adopts the literature analysis method to analyze the marketing status and reasons and problems for the existence of traffic on the Xiaohongshu platform, and explores strategies for optimizing traffic on the Xiaohongshu platform based on the 4C template. In the era of digital marketing, the Xiaohongshu brand needs to reposition itself accurately, promote personalized marketing, use technological methods to create creative content, attract user attention, and use diverse interactive methods to establish emotional resonance with users. In order to improve the drawbacks of Xiaohongshu's traffic growth, enhance its traffic utilization rate, improve Xiaohongshu's user reputation, and provide more accurate theoretical basis and development direction for social media precision marketing, ushering in long-term and healthy development.

Keywords: social media; precision marketing; traffic optimization.

1. Introduction

Precision marketing has always been a hot topic in the marketing industry, and various industries are based on big data to improve marketing strategies and enhance precision marketing efficiency through various methods such as improving algorithms and researching user models. At present, research in this area is limited to data analysis, and the optimization of IoT clustering algorithms promotes the vigorous development of e-commerce platforms [1]. Improvements to the traditional K-means algorithm can increase user click through rates, order rates, and payment rates [2]. It can be seen that various algorithms behind precision marketing have been extensively studied. However, with the development of social media, major platforms are constantly pursuing traffic optimization under marketing mechanisms. The Chinese platform Xiaohongshu integrates sharing and sales, firmly grasping the trend of users' interests, thus allowing its platform traffic to continue to grow. This article will take Xiaohongshu as an example, use literature analysis method to analyze the phenomenon and reasons for its traffic growth, propose problems and solutions in traffic optimization, and from the perspective of content and users, make up for the shortcomings of marketing strategies on Chinese social

media platforms, providing strong theoretical basis for the subsequent marketing development and traffic optimization of social media platforms.

2. Xiaohongshu Marketing Status Analysis

Xiaohongshu has become a User Generated Content interactive platform that covers all aspects of daily life. According to the "2024 Xiaohongshu Search Promotion White Paper" released by Xiaohongshu, the monthly active users of Xiaohongshu have reached 260 million, and over 80 million users actively share and spread content. The search volume of Xiaohongshu has steadily increased with its rich content. As of early 2024, 70% of monthly active users engage in search behavior, with 88% of users actively initiating search behavior. More than 90% of users' purchasing desires and decisions are influenced by the search content on Xiaohongshu. From this, it can be seen that Xiaohongshu, with its authenticity, interactivity, relevance, and diverse output of influencer and domain content, has become a life decision search community in the minds of users [3]. The rapid growth and youthfulness of search users have prompted the entire platform to accumulate a large amount of search traffic, making it a necessary choice for brand merchants' marketing.

Xiaohongshu leverages the advantages of social media platforms for marketing, making every search closer to the purchasing decisions made by users, optimizing the search system, and achieving higher click through rates and conversion rates [4]. Xiaohongshu runs through the entire process of brand and user interaction. During the stage of extensive user search, it influences users' minds, strengthens brand exposure, achieves shallow seeding, and enables users to form awareness and interest in brand products. Users will carefully read the notes of the products they want to purchase based on the search results at this stage, comprehensively and deeply understand the product information, and interact in the community to seek opinions from influencers and friends, thereby promoting purchasing decisions and achieving deep seeding [5]. Not only does it achieve new customer acquisition and traffic optimization, but it also achieves precise marketing, making users trust the Xiaohongshu platform more, activating users, and ultimately making purchasing decisions directly on the Xiaohongshu platform, completing direct conversion and deep retention of information. From the whole process of Xiaohongshu interactive way, it can be seen that Xiaohongshu has seized the advantage of direct search, empowered the entire marketing process, shortened the user conversion path, strengthened traffic optimization, and accelerated business growth.

3. The Reason for Traffic Growth of Xiaohongshu

3.1 Rich Content Marketing

The core of supporting such a large amount of search information on Xiaohongshu is the production of note content. The vast majority of brands on Xiaohongshu attach great importance to content creation, which is diverse and includes product details. Combined with key opinion leaders (KOLs), key opinion customers (KOCs) and other influencers, high-frequency product exposure is achieved to enhance users' awareness and interest in the product.

In addition to the information of the product itself, the keypoint of the content published on the official account of Xiaohongshu brand is the combination of image notes and video notes [6]. The text and image notes adopt a discourse structure of "product information and product usage images". For example, clothing products will be matched with different body shape dressing images and dressing suggestions, and provide dressing scenarios to stimulate users' purchasing desire. Skincare products mainly focus on the daily and monthly usage effects of users, highlighting the contrast between before and after product use and highlighting product efficacy. Video notes are mainly used to introduce product collections and pro-

vide a ranking of their effectiveness. Additionally, in daily life records, the product is frequently featured to highlight its usage rate, with an overall focus on editing real-life appearances to introduce the ingredients and features of the product.

Another is to cooperate with keyword planning and intelligent advertising tools, grasp the marketing points of festivals such as Spring Festival, Valentine's Day, and Teacher's Day, attract consumers through promotional topics such as "gifts+benefits", highlight product benefits, increase product sales, highlight the status of flagship products, upgrade consumer groups, and broaden the product differentiation track [6]. At the same time, try to avoid too many occurrences of homogeneous content. When advertising, the maximum number of materials of the same type should not exceed three, to avoid competing for traffic and ensure the effectiveness of user outreach in multiple scenarios and contents. This will achieve deep reuse of content marketing methodology, strengthen users' deep seeding of products, and drive the exploration of other product categories to expand their circle, thereby optimizing the overall traffic of Xiaohongshu. In summary, brands on Xiaohongshu are fully aware of the importance of content marketing, and comprehensively utilize various elements and methods to strengthen the output of content marketing, in order to carry out personalized marketing of products and improve the sales of precision marketing.

3.2 Diversification of Marketing Mode

The e-commerce ecosystem of Xiaohongshu continues to prosper. According to the "2023 Xiaohongshu E-commerce Annual List", the number of merchants with annual transaction scale exceeding 100 million has increased by 500% year-on-year, the number of merchants with sales exceeding 10 million has increased by 380% year-on-year, the number of purchasing users has increased by 25 times year-on-year, the number of shopping live streaming rooms has increased by 11 times year-on-year, and the number of dynamic sales merchants has increased by 10 times year-on-year, truly creating a healthy and sustainable business ecosystem.

Major brands use three main marketing methods on Xiaohongshu: store marketing, live streaming marketing, and group chat marketing [7]. At present, Xiaohongshu has more than tens of thousands of registered stores, indicating that stores are the most common and important marketing channel. Many brands not only optimize platform traffic and spread products through stores, but also gain unexpected profits from them. Xiaohongshu's sales ability has skyrocketed, becoming a strong competitor to search engines such as Google and Baidu, e-commerce platforms such as Taobao and JD.com. Users can directly click on

“Store” on the homepage of the brand’s official account to browse products, and sometimes they can also receive dual benefits of platform coupons and store discounts, further promoting users to make purchasing decisions.

In addition to store marketing, a large number of brands also live stream on their official accounts, and a large number of influencers and buyers profit from product selection and brand sponsorship. While communicating with users to increase traffic, brand awareness and favorability are enhanced, and two-way communication between users and brands is strengthened, which is conducive to obtaining timely feedback on products. Group chat marketing is also one of the popular marketing methods recently. By establishing chat groups within Xiaohongshu, building community links, sharing product usage effects, and organizing brand lottery or coupon distribution activities. Brands strengthen user stickiness by managing small communities and establishing friendship like emotional connections with users. They optimize platform traffic through diversified marketing methods such as store marketing and live streaming marketing, supplemented by buyer marketing and community marketing.

4. The Problem for Traffic Growth of Xiaohongshu

4.1 The Large Number of Settled Brands Leads to Traffic Dispersion

Xiaohongshu has many advantages in building private domain traffic and conducting closed-loop marketing, but it also brings many disadvantages as a result. The first point is that there are too many registered brands with diverse brand types, resulting in scattered traffic and lack of user attention [8]. Moreover, there are many brands that have settled in, and the competition among similar brands is extremely fierce, making it easier to divert traffic. Due to the uneven user ratio of Xiaohongshu, with a male to female ratio of up to 900%, beauty, skincare, clothing, entertainment and other types of brands have gained more traffic and fans, compressing the survival space of brands such as books, outdoor, and sports. Although the platform traffic is high, the overall brand development potential is insufficient, and the difference in customer efforts score values between niche brands and big brands is too large, resulting in insufficient user loyalty, low brand exposure, and significant diversion of traffic from many big brands, leading to serious diversion phenomena.

The important indicators for measuring the effectiveness of brand social media marketing are the number of followers on the platform and product sales. Compared to the brand itself, the Xiaohongshu ecosystem has more followers and stronger sales capabilities among influencers

and buyers. The overall business is upside down, and the brand’s survival space and breaking power are insufficient. Traffic gathers on influencers, and although traffic optimization is achieved, there is no long tail effect, resulting in the brand needing to rely on live streaming and influencers to attract fans for a long time. Brand visibility is not ideal, and users often deepen their impression of influencers when they take notes, rather than strengthening their connection with the brand. The human-oriented marketing derived from Xiaohongshu has led to consumers being more inclined to continuously seek out brands recommended by people who are similar or trusted by them for consumption. Brand positioning and brand functions cannot be simultaneously promoted, resulting in a decrease in marketing effectiveness. Due to the brand’s excessive reliance on KOLs and KOCs, there is a lack of emphasis on differentiated positioning, which makes it difficult to cultivate loyal users and further obtain platform traffic support. At the same time, it also loses the opportunity to accumulate fan groups and establish user communities.

4.2 Content Homogenization

In the digital age, content homogenization is not uncommon, with dull themes and similar content. Brand creativity is always limited, and brands constantly produce similar labels based on marketing goals in different seasons, leading to user aesthetic fatigue. Due to the frequent appearance of similar content, users may even feel bored with the brand, which in turn erodes their enthusiasm for the Xiaohongshu platform, resulting in a decrease in marketing accuracy and traffic loss. The content of user Xiaohongshu has had a serious problem of homogenization since the development of the platform. When searching for skincare brands, the keywords often appear as moisturizing and whitening, while when searching for makeup brands, the keywords appear as pure and cute. In the process of brand development, the keywords have not undergone differentiated changes, and many brands do not have outstanding products. When browsing, users subconsciously believe that products in the same category also have homogenization characteristics, leading to a decrease in brand loyalty.

4.3 Low Frequency of Brand User Interaction

The community gathers potential and loyal users of the brand and is a collection of individuals with similar hobbies and purchasing needs [9]. The comment section of the notes and the official group chat established by the brand on Xiaohongshu are excellent channels for communication between the brand and users. Not only can users freely exchange ideas here, but the brand can also explore and guide value, create a true community space,

and enhance user stickiness. Most brands symbolically establish communities on the Xiaohongshu platform, but do not manage and maintain them. Most brands simply post notes or interact with the official Xiaohongshu platform to gain traffic, rather than regularly responding to consumers' questions about products and suggestions in need. This affects users' sense of participation, experience, and freshness, leading to a decrease in user loyalty, brand and Xiaohongshu reputation, lowering users' psychological expectations and needs, and reducing their repurchase rate.

In addition to necessary community interaction with users, feedback and problem-solving from users who purchase products are also extremely important. Products on e-commerce platforms often have minor quality issues due to direct shipping or logistics from manufacturers. When the feedback channels on Xiaohongshu are cumbersome, the steps are numerous, and the problems cannot be effectively resolved, it seriously affects the communication between brands and users. New users cannot obtain timely product experience and positive reviews from already purchased users, resulting in the loss of potential users. This leads to many users choosing other comprehensive e-commerce platforms for purchase, resulting in a decline in brand reputation and platform diversion. During this process, the deep needs of users have not been fully explored. Users only buy brand products once, and the freshness of the content will attract users for a while. However, interaction with users is necessary to retain them and encourage them to repurchase. Brands should reorganize their marketing plans, attach importance to user maintenance, strengthen user loyalty, reduce customer acquisition, and turn them into promotional activities to optimize the use of traffic.

5. Suggestions of Solving Traffic Growth of Xiaohongshu Problems

In order to better address the current traffic growth issues and user needs of Xiaohongshu, this study adopts the 4C model to analyze customer psychology and brand development based on customer, cost, convenience, and communication. Three targeted strategies are proposed to solve the current traffic growth problems of Xiaohongshu and promote the development of the brand and Xiaohongshu platform.

5.1 Brand Precise Repositioning to Promote Personalized Marketing

The core of Xiaohongshu's marketing lies in human-oriented marketing, grasping the psychology of users and consumers, and creating a person to person marketing chain [10]. Brands should clarify their own functions, un-

derstand the traffic rules of Xiaohongshu as much as possible, reach a large number of users, operate and maintain to retain users, thereby shaping a good brand image and increasing brand exposure. Brands need to re-plan their account positioning, attract users through unique tags, and resonate with users through personalized marketing. Skincare and beauty brands can explore the connotation of companionship or the spirit of independent beauty of women, while sports brands can be linked to vitality and youth, creating different differentiated tracks, cooperating with the three-level communication chain, using influencers to deepen brand impression, attracting consumers through unique positioning, shaping the image of the enterprise accompanying user growth, and winning user favor.

When shaping brand account positioning, brands can also add diverse choices, create concepts that are close to users' lives, and shorten the distance between users and the brand. For example, by anthropomorphizing the entire account content, sports brands can create a positive and upward teenage image, with titles and content that are close to the teenage tone, thereby attracting user traffic. Beauty brands can create the image of an intellectual big sister, popularize skincare and beauty knowledge to users, broaden the user base, break through existing circles, and attract new users. When promoting new brand products, it is also possible to capture the psychology of young people, grasp the core of H2H marketing model, and use popular keywords or tags related to the brand concept to specifically promote the brand image, in order to achieve the goal of optimizing platform traffic through personalized marketing.

5.2 Use Technology to Produce Creative Content and Attract Users' Attention

Each brand needs to make full use of the existing search engines and data on Xiaohongshu, interpret the deep emotional needs behind users, explore the reasons behind user consumption data, optimize content production, and attract more user traffic.

According to the "2023 Life Trends" on Xiaohongshu, the most popular buzzword of the year is "citywalk". Enjoying the city based on personal preferences has become the common aspiration of ordinary people. In 2023, topics related to citywalk will have over 2.1 billion views on Xiaohongshu, with a 140 fold increase in searches compared to the previous year. There are 3.7 million notes sharing stories related to citywalk, and paying attention to the beauty and travel around publics has become a lifestyle pursued by more and more young people. When planning content, major brands can combine the trend of CityWalk. Sports brands can promote the topic of CityWalk comfortable

dressing, while beauty brands can promote the topic of City Walk makeup, making traffic more concentrated and achieving precise marketing in terms of content.

The note content is the core module of Xiaohongshu. Whether it is graphic notes or video notes, while maintaining high activity, creative and high-quality content should be published to surround users with a trendy atmosphere and enhance their loyalty to the brand. AI tools and big data can also be utilized here to analyze the high-quality content core of major social media software, and to use AI tools to create more novel and upward content in a reasonable manner [11]. This not only saves operating costs but also avoids the phenomenon of content homogenization.

5.3 Use Diverse Interactions to Build Emotional Resonance with Users

To stimulate users' purchasing enthusiasm, brands need to integrate community resources and provide users with sufficient and stable communication space. As a social e-commerce integrated platform, Xiaohongshu has a natural advantage in creating virtual communities [12]. The establishment of comment areas and group chats on Xiaohongshu provides high exposure space for brand products. Actively operating communities and cooperating with brand content can achieve efficient marketing and rapid optimization of platform traffic. Building scenarios is the first step in establishing virtual communities. Major brands can create virtual usage scenarios for users during community communication, enhancing their sense of product immersion. Brands should publish corresponding topics, trigger user discussions, and evoke emotional resonance among users. For example, in the scorching summer, sun protection is essential. Starting from real usage scenarios, brands can increase the popularity of the topic and attract users to engage in virtual consumption.

After users make purchasing decisions, brands can encourage consumers to provide feedback on the use of the product, distribute a certain number of coupons in the community to consumers who share their usage experience, stimulate users to create new product content, and attract new customers and repeat purchases. Secondly, for the collected user data, modifications can be made to the appearance and composition of the products to be produced, the promotion methods of the products to be released can be modified, and lottery notes can be published to provide benefits to users and enhance user stickiness. In short, when releasing new products, brands need to pay attention to user needs, from users to users, always keep in mind H2H's marketing model, grasp users' new needs, new ideas, and new aesthetics, and establish emotional connections with users [12].

6. Conclusion

As the Xiaohongshu platform continues to build its search function and business ecosystem, its traffic volume continues to expand, and Xiaohongshu has become a comprehensive consumer platform for many brands to settle in. Relying on Xiaohongshu's precise information induction technology and diverse marketing methods such as graphics, videos, and live broadcasts, the platform brand has achieved precise marketing and significant development. However, due to the large brand size, severe content homogenization, and low frequency of user interaction, there are still many problems in the traffic optimization process and marketing strategy of Xiaohongshu. The 4C model provides an upgrade path for the traffic optimization strategy of the brand's Xiaohongshu platform: the brand needs to reposition itself according to consumer needs, create creative content with technology, reduce product costs, and provide convenience for consumers. The brand needs to change its marketing concept, focus on communication with consumers, transform its marketing concept, and continuously optimize aspects such as building new communication links, community management, and after-sales experience.

As a key platform for social media marketing, Xiaohongshu has great potential for development. The public should actively utilize its advantages, optimize traffic, and create new marketing strategies and brand survival space. This study is beneficial for the generation of future traffic optimization strategies on the Xiaohongshu platform, as well as for the proposal and optimization of marketing methods for brands on social media platforms such as Xiaohongshu in the future. However, this study did not delve into the research and optimization of the search engine and algorithms used by Xiaohongshu. Future research can further explore the technological advantages and shortcomings of the Xiaohongshu platform, providing richer and more diverse development space for traffic optimization and marketing of social media platforms.

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