

Research Of the User'S Purchase Intention of Xiaohongshu: Technology Acceptance Model Approach

Yanzhao He ¹, Leyao Qian ² and Yue Qiu ^{3,*}

¹ School of NOIC, Western Ontario, Canada

² School of Business, Applied Technology College of Soochow University, Suzhou, China

³ School of Economics, Sichuan University, Chengdu, China

* Corresponding Author Email: qiuyue0120@stu.scu.edu.cn

Abstract. Xiaohongshu is a dynamic and multifaceted online platform that seamlessly integrates content community and e-commerce services. This innovative platform operates within social commerce (S-Commerce) and is highly influenced by Key Opinion Leaders (KOLs), making it a unique player in the digital landscape. Since 2018, Xiaohongshu's source of profit has been dominated by the advertising business. But along with the development and expansion needs of the platform, Xiaohongshu began to gradually strengthen the layout of e-commerce according to the advantageous characteristics of its platform and continuously broaden the user variety after 2021. In this context, to further excavate the potential purchase intention of Xiaohongshu users, based on users' perceived usefulness and perceived ease of use of the platform, we construct a technology acceptance model to explain the path of their purchase intention formation and analyze the role of KOL and Xiaohongshu's community marketing model in attracting users and improving their shopping experiences.

Keywords: Xiaohongshu; KOL; Technology Acceptance Model; Purchase Intention.

1. Introduction

Xiaohongshu is one of China's largest social e-commerce platforms, set up in 2013, at first. Xiaohongshu provided information on overseas shopping and purchasing overseas goods for consumers as a tool. With the development of Xiaohongshu, Xiaohongshu started to expand its scope of business. A comprehensive social e-commerce platform has expanded from beauty, lifestyle and information of overseas shopping to sporting, fashion, delicious food, shopping, films, television and more. And with its unique social e-commerce model, Xiaohongshu is rapidly rising in China [1-3].

In Xiaohongshu, KOL, a Key Opinion Leader, plays a crucial role in this application. KOL refers to people with professional knowledge or a great deal of expression in some specific area and advise and influence others. They can provide valuable information and suggestions through their shopping experience, product evaluation, etc. [4-6].

KOL in Xiaohongshu are usually some people who have a certain fan base and influence in some specific area. They can be beauty experts, travelers, fashion bloggers, etc. In Xiaohongshu, they show their lifestyle or introduce their goods to consumers through carefully crafted textual content. On the platform provided by Xiaohongshu, KOL has more chances to cooperate with the brand, making KOL a significant propagandist. At the same time, brands have more exposure and business opportunities [7].

2. Case Description

2.1. Platform Model

2.1.1 Relatively single platform revenue model

According to the data, the cash flow model of Xiaohongshu is relatively single, mainly including two businesses, advertising and e-commerce, while the former accounts for the bulk. The "KOL Social Media Placement Analysis Report of 2020" shows that the income of Xiaohongshu's

advertising business in 2020 increased by 300% year-on-year to about \$600-800 million, accounting for 80% of the total revenue, with the amount of advertisers' investment increased by 119.42%. The quick growth in the advertising department is primarily due to the strategy Xiaohongshu has shifted from devotedly developing the e-commerce business to creating a UGC community where celebrities and amateur users share their shopping experiences during 2017 and 2018.

2.1.2 Strengthening the integrated loop of recommending selling based on the platform's advantages

In January 2021, Xiaohongshu updated a function that enables notes to be directly linked to Taobao shops, an external online shopping platform. Xiaohongshu used its traffic advantages to promote drainage to another platform, but only six months later, Xiaohongshu drew it back. After cutting off the external link to Taobao, Xiaohongshu introduced the "store as one" mechanism, along with new initiatives such as "0 thresholds to open a store", "BC direct connection", "no commission for merchants with monthly sales less than 10,000 yuan", and the merger of internet community and e-commerce business, to strengthen the construction of its e-commerce platform. In 2022, Xiaohongshu's commercial layout structure was clearer through optimizing the comment area, notes marketing components and other tools to infuse trending into its e-commerce channel.

Focusing on the growth rate of commercialized KOL in Xiaohongshu in 2022, the number increased by 116% compared with the previous year's [8]. Commercial development was steadily advancing, and the fastest-growing KOL fans were concentrated in the film and television variety shows, emotional columns, home decorations and other types, so it can be seen that the creative space for note content was pretty promising.

2.2. User Composition

Xiaohongshu is a gathering place mainly for female users. Statistically, up to 2021, the female ratio of Xiaohongshu users was about one to nine. However, with the gradual extension of Xiaohongshu's content diversity, which had expanded to food, bodybuilding, automobile, sports and other fields, the proportion of male users has risen, accounting for 27.5% in 2022. In the meantime, the youthful feature of Xiaohongshu's user group is significantly characterized by young users aged 18-35 as the dominant subscribers, which took up 87.5% of the total. Among these young people, the user group under 24 accounted for the largest scale, reaching 41%, followed by users in the age group of 30-35 years old, occupying a relatively high ratio of 30.2%. From the perspective of regional distribution, 90% of Xiaohongshu users live in first- and second-tier cities. Their young and high-consumption characteristics continue to empower the platform's vitality [9].

2.3. Scale of E-commerce

The active user scale of the Xiaohongshu merchant version app has been showing significant expansion since the beginning of 2022; not only has the growth rate been further accelerated with the support of the 2022 Double Eleven shopping festival, but also the MAU of Xiaohongshu merchant version app has reached the magnitude of 300,000 by February 2023, which is a rise of 360% compared with the same period of the last year. The speed of the increase in merchant scale of Xiaohongshu has been consistent with the moves of Xiaohongshu's layout in the e-commerce business.

3. Path of Purchase Intention Formation of Xiaohongshu Users

3.1. Path and Behavior of Purchase Intention Formation of Xiaohongshu

The technology acceptance model was proposed by Davis in 1989 to study the process of users' acceptance of information systems. Based on the technology acceptance model, this paper argues that the perceived usefulness of a social e-commerce platform refers to the degree to which users perceive the social e-commerce platform's effectiveness in helping them solve their information and shopping

needs. In contrast, the perceived ease of use refers to the degree to which users perceive the ease of using the social e-commerce platform. Where perceived ease of use affects perceived usefulness, both affect behavioral intention through attitude toward use [10].

Based on the technology acceptance model, a framework is constructed for the purchasing behavior of Xiaohongshu platform users on this platform (Xiaohongshu), as shown in Figure 1.

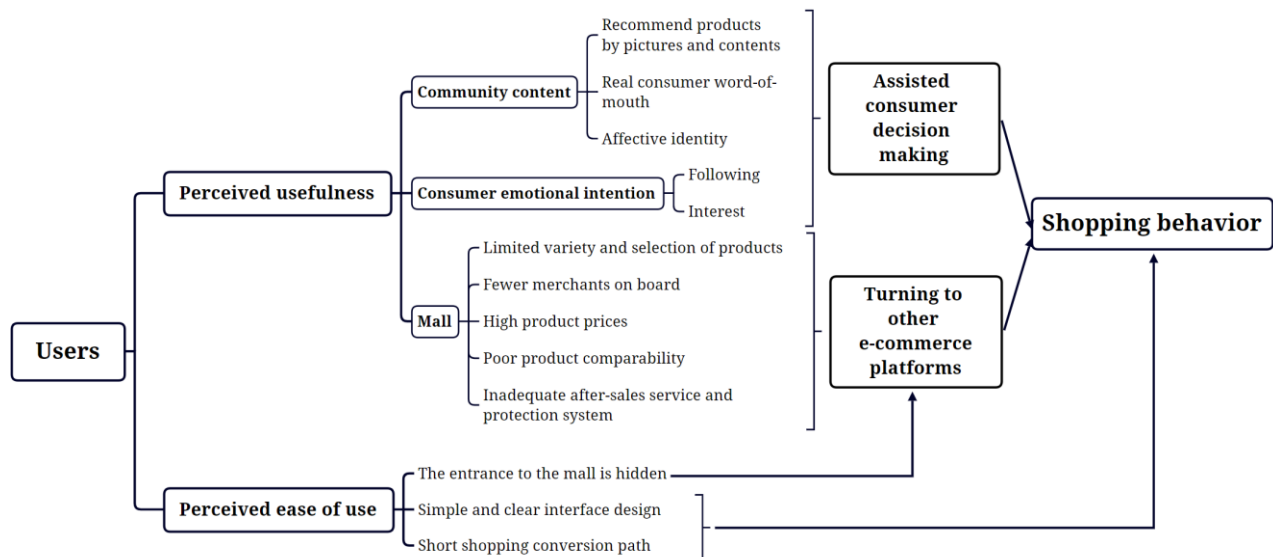


Fig. 1 Path of purchase intention of Xiaohongshu platform users on (Photo Credit: Original)

Users frequently need to learn what they want to buy when they peruse Xiaohongshu. But Xiaohongshu attracts a lot of KOLs, KOCs, and other bloggers to post material about various products, encouraging people to make purchases through a community of actual users spreading the word. Thanks to this kind of content recommendation, users can buy items or brands they had never considered. Xiaohongshu also offers a practical purchasing experience. Users don't need to switch across platforms to complete the entire process, from finding a product to buying it, thanks to its e-commerce feature.

Other e-commerce platforms, such as Taobao, JD, Pinduoduo, etc., compete with Xiaohongshu as a social e-commerce platform. These platforms add content-recommendation components and have a larger user base, a wider range of products, and stronger resource and scale benefits. Therefore, Xiaohongshu must increase its innovation and optimization work in product differentiation and after-sales support to keep its competitive advantage.

3.2. KOL's Influence on Xiaohongshu Users' Shopping Decisions

KOL (Key Opinion Leader) has significant influence and a predetermined right to speak in a certain consumer group. The three platforms of Douyin, Xiaohongshu, and Zhihu have seen the fastest growth rate in search advertising in 2022, according to changes in brand owners' search advertising marketing budgets. The brands have linked up the "KOL content recommendation + keyword search" design to intercept user needs at multiple levels and effectively influence user decision-making. To accurately and effectively sway users' decisions, brands are creating linkage layouts on "KOL content planting + keyword search" to snare multi-level user demand. In the era of new media, KOL-led user consumption is a new marketing method in which the social e-commerce platform represented by Xiaohongshu is widely welcomed. The Xiaohongshu platform users share their feelings about using commodities by exchanging experiences, thus driving the platform's recommendation economy. It has gradually become a natural KOL grass platform, and more and more KOL individuals and teams have begun to station in Xiaohongshu [11]. As a content producer and distributor, the individual enriches consumers' informational and emotional awareness by generating valuable content, ultimately striking them in the heart and influencing their purchasing decisions. KOL behind the fan base has a huge potential for traffic, so the brand through the content of high-quality KOL

recommendation is the most direct and rapid way, and these high-quality KOL can be for the recommendation. These high-quality KOLs can guarantee a certain traffic base for grass-raising and realize the effect of accurate reach.

According to the results of a study, the content quality, relevance, credibility, and social influence of influencer's recommendation significantly and positively influence consumers' purchase intention, with content quality having the strongest influence on consumers' purchase intention. This indicates that users care more about the content than the blogger's personal information. Therefore, users do not particularly care whether influencer is a KOL or a KOC; they are more concerned about whether the content is useful and, thus, are attracted to it. However, there is one type of KOL to be accepted, and that is the celebrity KOL. On the Xiaohongshu platform, the interaction volume of celebrity accounts is much higher than that of other KOLs on the platform, with stronger stickiness of the fans and greater overall influence. The content released by celebrity KOLs in various fields, such as beauty, outfit, life, etc., can often cause in-depth interaction with fans and affect brand endorsement.

3.3. Continuous Improvement of User Experience under the Xiaohongshu Community Marketing Model

Xiaohongshu is a social e-commerce platform with crowdsourcing and blockchain features. Xiaohongshu tags the lives of old users and shares them on the web, quickly sucking in new users when their needs resonate with them. The interaction between old and new users and the notes shared by the users themselves make Xiaohongshu a crowdsourcing platform that fulfills the invisible needs of each user.

Xiaohongshu's social interactions are not just between users but also include user feedback on products and services. Xiaohongshu utilizes UGC (User Generated Content) to create community content. Community content is created through social platforms to guide products or brands to participate, and through active interaction, lead generation is set up for effective marketing and messaging. Xiaohongshu initially catered to the needs of seafarers, but as the reach of the information expanded, Xiaohongshu's traffic grew rapidly. Users with the same needs can provide invisible information about goods after communicating and exchanging information through Xiaohongshu, helping users find their favorite goods. This interaction can help users build trust in the platform, which builds trust in other users. Users pass information about products and services to other users by sharing buying experiences, ratings and reviews, thus increasing mutual trust among users on the platform and further enhancing the credibility and trust of the Xiaohongshu platform.

Xiaohongshu solves the problems of information asymmetry and language communication barriers through information sharing, providing great convenience for users. Xiaohongshu's community marketing model of "self-operated + third-party e-commerce platform" enriches the market's trading channels, expands employment opportunities, and provides opportunities for overseas shoppers to share their experiences. This model not only increases the transaction volume of domestic and overseas markets but also meets the needs of founders, third-party e-commerce platforms, users, foreign merchants and logistics, realizing a win-win situation for all parties.

4. Conclusion

Based on the technology acceptance model, we found that the platform's perceived usefulness and ease of use mainly determine the purchase intention of Xiaohongshu users. Precisely, The perceived usefulness of Xiaohongshu is mainly affected by the content community, mall and consumers' emotional intention; the perceived ease of use is mainly affected by the mall entrance arrangement, the interface design, and the consumer conversion path length. Since Xiaohongshu is a social e-commerce platform with the characteristics of crowdsourcing and blockchain, KOL plays a key role in generating high-quality content and using its social influence to attract and guarantee the platform traffic, which lays the foundation for the platform to complete the whole chain from recommending to selling. In addition, the UGC characteristic of Xiaohongshu provides an opportunity for sincere

interaction and sharing between C2C and B2C, alleviating the loss of efficiency brought about by information asymmetry, thus promoting the transformation from consumers being recommended to purchasing and realizing the virtuous commercial cycle of advertising to marketing.

Authors Contribution

All the authors contributed equally, and their names were listed alphabetically.

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