

Analyze the Brand Marketing Strategies on the RED Platform, including Practices and Effects in KOL Cooperation.

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Abstract. Nowadays in the modern world, shopping is experiencing a trend of advertising and marketing more online. Several social apps also involve marketing, and the brand started to promote themselves by gaining a reputation on those platforms with popularity as well as being acknowledged among the public. A popular way is to cooperate with those KOL. However, the effects of those strategies vary between different consumer groups. First, the background of the RED is introduced. This famous social media app RED contains several problems that affect the impacts. Second, according to the analysis, the main problems are a lack of operational capacity and information low quality and low diversity. Finally, several suggestions are given to improve the marketing strategies being used and help brand promotion be more successful, while the work of those KOL becomes more effective. The author also considered the special consumer group involved in the app RED and make matched suggestions according to this.

Keywords: social platform, marketing strategy, KOL cooperation.

1. Introduction

Competitions appear in Chinese local markets, with RED(Xiaohongshu) interfering. In May, it attempted to provide group purchase packages in Shanghai and Guangzhou, especially for coffee and tea drinks. It promoted the commercialization of life services [1]. This shows that those group purchase packages work successfully in advertising. Another form of advertisement is a vlog. Vlog is an easy, creative, stylish, and innovative form of advertising. It is also cost-effective and is popular among young people. RED makes recommendations through vlogs including product evaluation and knowledge sharing, which attracts lots of attention online. Positive practical implications are brought about by the growth of marketing advertising in the form of vlogs on personal media platforms [2]. An essay examines the peculiarities of the RED Big Data Precision Marketing Model and its effects on women's consumption. It also briefly discusses the concept and history of Big Data Precision Marketing. It uses customization, fragmentation of push information, development of notes with different content and labels, and decentralized traffic distribution. Female customers' demands are being analyzed in this app, and they have been encouraged to consume for themselves [3]. The RED community has significant functions, but it is challenging to implement closed-loop e-commerce, leading to poor liquidity and difficulty in effectively listing, according to the SWOT analysis technique. Too much fake information and insufficient operational capacity might be two of the reasons [4].

User Generated Content (UGC) encourages the users' creativity, RED as a typical platform, has direct cooperation with those brands. Also, the prices on this app are medium for the public. Its promotion strategy includes inviting celebrities and connecting with special events. Therefore, at present, the market share of RED App in cross-border e-commerce business is second only to Tmall Global, JD, and NetEase Kaola [5]. A good thing is that, although the whole economy in the world fall enormously, the Chinese e-commerce industry presents an overall increasing trend during the Covid-19 pandemic. It has an interactive online community with good word-of-mouth which brings unique brand advantages, and RED will use big data analysis to accurately push the type of products, to achieve precise positioning. KOL is the core promotion model of RED. It can offer consumers products detailed information through content sharing and live broadcasts [6]. As a great number of platforms have expanded user groups, increases user stickiness, and promotes consumption, the RED

creates a business closed-loop of "Grass-seeding" and "Grass-weeding". And since target users are mainly females who pursue a higher quality of living standards, there is greater consumption opportunity [7]. Nowadays, with the development of the Internet, RED uses the KOL marketing mechanism to promote beauty products. It is a fact that products being experienced by KOL are more convincing than other products. This shows that KOL has final effects on users' purchase decisions [8].

Different countries have distinct media platforms, like RED and Tiktok, and more and more industries use digital marketing, which is a global trend. RED can help increase brand exposure through event marketing. They should use brands to promote the value of the price to attract more consumers [9]. The RED platform invites celebrities to settle in to expand their visibility and try a 'new retail' model both online and offline, RED will divert some customers from online to offline, create an offline community, and use developed technologies to provide different dimensions of services, improve the efficiency [10].

2. Case description

RED is a lifestyle platform and consumer decision-making portal, which was established in 2013, it accurately and efficiently matches massive amounts of information and people through machine learning. Meanwhile, it has an e-commerce business under its umbrella. Marketing accounts and normal users post videos about specific knowledge, events, activities, vlogs, and comments on cosmetics that they used, and travel experiences, and then connect them to specific products. E-commerce can also post their advertisements with purchase links under the video. Moreover, RED collaborates with some traffic celebrities and beauty influencers to share their product usage experience with the public. Through in-depth recommendations of the overall creative productions by the KOL, consumers' consumption is formed. By using the celebrity effect, consumers are reassured and motivated to make purchases.

From now on, there are already over 2,000,000,000 users, and the number of sharers went up to 43,000,000. From the gender perspective, the number of female users is more than twice that of males, it already takes over 90% of the total users. The RED has become one of the most popular apps among females. On the other hand, according to the data from 2018, the RED had more than 80% of users from first-tier or second-tier cities, which means that RED's user group has relatively higher living standards and purchasing power. In 2023, there shows a growing trend of more women users about 96%, that they are the majority becoming the future main potential purchasing group and they can express themselves more freely. The consuming environment is also more valuable for them.

3. Analysis of the problems

3.1. Problem 1

Although there are both genders of RED users, the majority are females. The 2022 Qiangua Active User Portrait Trend Report (RED Platform) shows that the monthly active users of RED have exceeded 200 million, with a female user proportion of up to 70%. As a lifestyle-sharing community, RED Notes covers various fields such as cosmetics, food, maternal and infant supplies, home, clothing, pets, travel, weight loss, and fitness through text, graphics, and short videos. Therefore, there will be significant limitations to the selling, as most kinds of goods are favored by women. While males have been ignored to some extent, RED would lose a lot of selling opportunities as it lost the male market, compared with another great social media app Tiktok, which contains information for all ages and groups of people and also sells lots of interesting, neutralized products that can successfully obtain a good sale immediately. It does not provide a good environment for men's brands like Jordan and Boss to build their brand image and reputation, which makes the brand marketing strategy on the RED platform one-sided.

3.2. Problem 2

There is too much fake information on the app. Not only that e-commerce advertise their products by posting attractive videos including both unveracious functions and values being exaggerated, but also those KOL (Key Opinion Leaders), who cooperated with brands, sometimes show fake information given by the sellers in their vlogs and videos since most of them are paid to recommend. However, there are also some KOL who often recommend things they thought were useful and valuable to buy, resulting in the situation that consumers become more confused when choosing which product to purchase as they cannot distinguish which tells the truth, which means decision-making became more difficult.

3.3. Problem 3

Through the research, it is found that the RED has insufficient operational capacity. With the development of e-commerce, the competition become more and more fierce. Unlike Tiktok, which make advertisements and sell goods through both videos and lives, and sell things by giving large quantity but at low price, RED's life function is less common use and the price is also not a very competitive medium price. The overall number of users in RED also does not have great competence than other apps like Taobao and Tiktok. It directly limited the potential to widespread their products. Moreover, RED does not have a lot of brands or users' buy flow and likes, and comments under the videos are also very few, which is a good thing for buyers as it means that the popularity is almost real, but it may cause bad sales for those producers as it is difficult for their products to gain attention from the RED users. As a result, RED has lack social media marketing.

3.4. Problem 4

In regard to the youth generation, which is the main power of the consumer group, they are more rational when consuming. According to the data of the Chinese Academy of Social Sciences China Social Situation Comprehensive Survey in 2021, 52% of youth generation have received higher education and 80% have completed high school education. This could be one of the reasons why they have rational consumption, as they have higher cultural literacy and strong reflective awareness, resulting in more understanding of the risks involved in society, enabling them to jump out of the consumption trap. During the COVID-19 pandemic, those young people use social networks to live and maintain social networks throughout daily life. The network plays a vital role in people's life, it not only boosted the development of those online apps and websites but also allow young generation to know more information, which helps them make decisions and strategies more carefully in a bad economy and unstable situation. Therefore, they give priority to their requirements and their authority, while becoming more rational on relationships, work, and consumption. As a result, this would cause market strategies in RED less effective to those rational young springs in the modern world.

4. Suggestions

4.1. Suggestion 1

While ensuring value for women, RED should attract more male users to broaden its market. It can be done by encouraging KOL to instill the significance of fashion for males, and talk about men's aesthetic opinions. Moreover, involves advertisements of toy weapons and shoes that males are suggested to be interested in, making the topics and contents in RED more diverse. However, women who only want to look through women-related products can determine what to look through in the setting and the big data can also help accurately reduce the contents they dislike.

4.2. Suggestion 2

It is suggested that RED should crack down on counterfeit goods to help reduce information failure problems, which means consumers do not have enough true information about the product, and help

consumers make wise decisions, and reduce their risk of having consumed those fake products. However, it would be hard to achieve as fake information is not easy to be avoided, but those KOL who cooperated with brands should be required not to trick users, as it may also reduce their prestige and have detrimental influences on their reputation. From my perspective, it should improve its supervision and management. For example, audit the content that has been posted strictly and make rules.

4.3. Suggestion 3

After expanding the overall users, it is better to make more operational strategies, such as sending those products that seem to have the potential to get good sales to the users more frequently, as well as using the big data to send to those who needed and seeking for the product. Meanwhile, RED could give more welfare-like discounts regarding the average medium price of the products in RED. Public praise is also very essential, so RED can help brands to control negative comments.

4.4. Suggestion 4

Despite improving the value of advertisements, producers should give more specific details about their goods while advertising in RED or when making collaborations with KOL. Lines given to KOL in RED should be true not exaggerated or encourage them to test the products themselves and make authentic comments. As it is hard to increase the selling by 'lying', it is better to give consumers directly the details and let them choose which to purchase according to their main requirements and demands. In addition, many products in the RED have too few descriptions and pictures. For example, some clothes only have the picture of the clothes on plastic models rather than on real people. There are also limited KOL to recommend or test those goods, causing consumers not be sure whether it is reliable to buy and worry about the quality.

5. Conclusion

In conclusion, the RED recently has been less competitive in the fierce online apps competition due to its limited functions, and relatively higher prices compared with goods in apps like Pingduoduo, Tiktok, and Taobao, which lack operational strategies and social media strategies. Also, too much fake information interferes with the RED users' experience, however, this happens in all social media. The limited user groups can also be said as a disadvantage because it limited its market while making limitations to the categories of brands to cooperate with. One is that the contents are directed at females, so that users are mainly girls, young women, or mothers, who are interested in fashion and aimed to improve their living standard, and also have the habit of sharing their life. Another significant user group problem is about the young generation, who prefer to use the RED compared with other age groups. They restrict their consuming behaviors like impulse consumption, which greatly impact the overall online selling and effectiveness of recent advertisements that producers have spent a lot on, such as making contact with those famous KOL.

With the sustainable development of the RED, it has a great prospect. Adopting the solutions like improving content (improve diversity) to attract more user groups can expand its market as well as attract more brands to be willing to cooperate with the RED. Making more supervision on videos and notes being posted and adding more details of the goods can encourage young people who make rational consumption to purchase. It is a strategy that matches the changing opinions of the main consumers. Moreover, RED could learn from Tiktok, to involve more operational strategies like producing more good comments, and trying to lower the average price to make more people affordable to those goods in RED. With all these suggestions being taken, RED¹ can become a more popular platform that gives convenience to people with demand to consume what they really want easily and make successful advertising, earn profits while helping connect consumers and producers.

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