A Case Study on Marketing Strategy of Social E-commerce Company RED

[1]Ruotong LAI, [2]Xie Sisheng

College of Economics and Management
Nanjing University of Aeronautics and Astronautics
Nanjing 210016, China,

Abstract- **The rapid development of Internet technology has promoted the integration of social media and e-commerce, and a new business model - social e-commerce has been derived from it. In recent years, the rapid development of social e-commerce has changed the traditional e-commerce business model, and gradually guide the new direction of e-commerce. RED is one of the unicorns of social e-commerce, which is highly popular among young people, and has risen rapidly by virtue of its novel model, innovatively combining "social" and "e-commerce" to build a rich, high-quality content ecology. The purpose of this paper is to analyze the marketing strategy of social e-commerce platform RED by discussing the development history of social e-commerce company RED and applying the STP theory, and to analyze how it achieves market growth and brand influence enhancement by means of innovative content and user interaction. At the same time, this paper also puts forward suggestions for the future development of social e-commerce RED's marketing strategy, providing useful reference and inspiration for other e-commerce platforms.**

*Keywords***: Social e-commerce, RED, Social activities, Marketing strategy, STP theory.**

1.   Introduction

The booming development of mobile Internet has changed people's interests and preferences, entertainment carriers and consumption tendencies, and spawned many new products, new services, and new business models. The arrival of 5G commercial use has expanded the broad application prospects of the Internet for consumption, industry and social governance. On the basis of the steady development of mobile Internet, various mobile social products have been introduced. According to the 2019 China Social Retail White Paper, the number of monthly active users of WeChat has exceeded 1.1 billion, and the penetration rate of social platforms such as WeChat and Weibo in China has exceeded 97%. Under the rapid development of Internet technology, China's e-commerce industry is showing a vigorous upward trend. According to the 48th Statistical Report on the Development of Internet in China released by China Internet Network Information Center, as of June 2021, the number of online shopping users in China has reached 812 million, accounting for 80.3% of the total Internet users [1]. Although the scale of China's online shopping market is still expanding, the growth rate is gradually slowing down, and the competition in the traditional e-commerce industry tends to be white-hot. At the same time, the arrival of the Web 2.0 era has promoted the development of social media in China, prompting e-commerce platforms to explore the road of "socialization", and thus giving birth to a new business model - social e-commerce, social e-commerce is the integration of social media and e-commerce, compared with traditional e-commerce, social e-commerce has lower customer acquisition cost, stronger user stickiness and higher communication efficiency. The emergence of social e-commerce has made all parties in the upstream and downstream of the industrial chain see the huge value of social traffic [2-3]. Brands, merchants and e-commerce platforms have begun to try to reduce customer acquisition cost and improve user stickiness through diversified social marketing methods. As a new business form in the Web 2.0 era, social e-commerce adopts "user fission", "fan planting grass", "social interaction", "user-generated content" and other means to promote commodity sales, embedding social network elements such as attention, sharing and interaction into the consumption process, and becoming an important force for e-commerce innovation. Among them, RED is a typical representative of the rise of new social e-commerce, and has achieved rapid development and growth with its unique marketing strategy and accurate user positioning. By the end of 2019, the number of RED users exceeded 300 million, more than 70% of the platform users were "post-90s" and "post-95s", and users produced 3 billion times of graphic and short video content every day. With its unique "community + e-commerce" model, RED provides users with a platform integrating shopping, sharing and communication. Here, users can browse a large amount of quality content, including product reviews, shopping tips, use tips, etc., to make more informed purchasing decisions. At the same time, users can also interact with other users, share their shopping experience and experience, and form a close social relationship. This unique business model and marketing strategy make RED stand out in the highly competitive e-commerce market.

However, the marketing strategy of social e-commerce is not achieved overnight, it needs continuous exploration and innovation. RED also has continuous attempts and adjustments in marketing strategy, and gradually formed its own unique advantages by continuously optimizing content quality, improving user interaction experience, strengthening community construction and other means. This paper will conduct in-depth research and analysis of RED's marketing strategy and provide feasible suggestions for RED's future marketing strategy through case studies, so as to help it better cope with market challenges and changes and provide new ideas and directions for the sustainable development of the entire industry.

2.   Social E-commerce and Marketing Strategy Related Theories
2.1   Social e-commerce

Social e-commerce ("social e-commerce") is a new e-commerce model, which uses social networking sites, social media, and online media as tools to generate user-driven social means as a backdrop, thus triggering a series of e-commerce behaviors. Social e-commerce was first proposed by Yahoo in 2005. Liang and Turban believe that social e-commerce is a business model that aids e-commerce activities through social media technology and encourages network interaction as well as user-generated content [4]. Zong, a scholar in China, believes that social e-commerce sells products or services by integrating social graph and interest graph [5].

Zhu et al. on the other hand, believe that social e-commerce is a new type of e-commerce in which enterprises use social media technology to interact with interpersonal relationships and business information flow, and assist the purchase and sales behavior of commodities by means of social interaction and user-generated content [6]. Guan emphasized that the main elements of social e-commerce are the carrying medium, dissemination channels and interaction modes, and they believe that social e-commerce is a business model in which enterprises in a socialized media situation disseminate and sell goods by means of social interaction and user-generated content with the help of social network platforms, e-commerce platforms, communities and other mediums [7].

In the Web2.0 era, China's end-users with the help of mainstream social media (such as microblogging, etc.) and production or dominated by more and more content and behavior, social e-commerce is also increasingly becoming a new economic growth point. Traditional e-commerce, led by Taobao, Jingdong and Tmall, advocates planned demand and search-based purchasing. The choice of goods is mainly based on the sales of goods and word of mouth, and shopping sharing is based on simple evaluation, with little willingness to actively spread. Social e-commerce, led by RED, Pinduoduo, Shake, etc., advocates unplanned demand and discovery-based purchasing. Attention is attracted through UGC communities, which utilize diverse life scenarios to provide more personalized products, thus generating unanticipated consumption decisions.

The study of social e-commerce user behavior is a complex and multidimensional field involving multiple aspects of classification. In this paper, based on different contexts, the following three classifications of social e-commerce user behavior research in China are made:

1. Focus on the influence of e-commerce factors in social contexts.

That is, focusing on socialization participation. Dai (2018) analyzes the impact of instrumental and emotional needs of social on pre-purchase sharing intention from the perspective of pre-purchase sharing motivation [8]; Sebastian Met.al.'s (2020) study concludes that social support, community identity and community trust can increase the engagement of social commerce users; Shwu-Min H et al. (2020) analyzes the perspective of social commerce intent social network users' reasons for using social commerce, emphasizing the importance of social networks [9].

2. Focus on the influence of social factors in consumption situations.

It focuses on social shopping. Baozhou L et al. (2016) confirmed the positive role of social aspects mediated by trust in online shopping behavior [10]; Lu et al. (2018) investigated the influence of the degree of knowledge sharing and the content of knowledge sharing on users' purchases [11]; Zhang and Wei (2019) constructed a model influencing consumers' impulsive purchase desire model and found that social networks are conducive to stimulating consumer demand [12]. Gu (2020) mainly explained the factors of social e-commerce influencing consumers' purchasing decisions, and also summarized the problems in the development of e-commerce live broadcast [13].

3. User behavior in social-consumption transition situations.

The research results of Huang et al. (2020) show that consumers' willingness to continue consumption on social e-commerce platforms will be stimulated with the deepening of perceived trust and the strengthening of perceived entertainment in social situations [14]. Yuan S et al. (2019) took "live shopping", a specific form of social e-commerce, as the research object, and concluded that the sense of immersion and social presence in social situations were positively correlated with purchase intention. These studies all involve the process of shifting from social behavior intention to consumer behavior intention, but do not make clear the transformation of users' social and consumer roles in the context of social-consumption transition [15]. Xie et al. (2020) first proposed the concept of social-consumption transformation, built a theoretical model of social-consumption transformation mechanism based on the boundary theory, and pointed out that at present, cross-context studies on social e-commerce are relatively scarce [16].

2.2   Theories related to marketing strategy.

Social e-commerce uses a variety of related theories in marketing strategy, which not only help to better understand consumer behavior, but also guide merchants to develop more accurate and effective marketing strategies. The following are some of the main marketing strategy theories used by social e-commerce.

1. Precision Marketing Theory: This theory emphasizes the precise division and positioning of target consumer groups in order to realize the precise delivery of marketing messages. In social e-commerce, through big data analysis and user profiling technology, it is possible to achieve in-depth insight into consumers' interests, preferences and consumption behaviors, so as to push personalized product recommendations and marketing information for them.

2. Content marketing theory: Content marketing theory emphasizes attracting and retaining consumers through valuable content. In social e-commerce, merchants need to create high-quality product introductions, usage tutorials, shopping tips and other content to provide valuable information and guide consumers to make purchases. RED's content marketing theory is mainly based on a deep understanding of user needs and the construction of an attractive content ecosystem. This theory emphasizes the quality, diversity and interactivity of the content with users, focusing on user needs, based on high-quality, diversified content, and through refined operation and promotion strategies, effectively attracting and retaining users, and then achieve brand communication and sales.

3. Integrated marketing communication theory: This theory emphasizes the synergy and complementarity of marketing information through the integration of multiple communication channels. In social e-commerce, merchants need to make comprehensive use of social media, e-commerce platforms, offline activities and other channels to interact and communicate with consumers in a consistent brand image and message delivery, so as to maximize the marketing effect.

4. Interactive marketing theory: interactive marketing theory focuses on interaction and communication with consumers, through the creation of interactive experience to enhance consumer participation and loyalty. On the social e-commerce platform, merchants can interact with consumers by carrying out interactive activities, releasing interesting content, and replying to consumer comments, so as to establish a closer relationship.

5. Community marketing theory: Community marketing theory advocates the use of community power to promote products and services. Social e-commerce platforms usually have community attributes, and merchants can establish user communities, encourage users to share their shopping experience, and organize community activities to enhance the user's sense of belonging and loyalty, which in turn promotes sales.

6. Word-of-mouth marketing theory: Word-of-mouth marketing theory emphasizes the promotion of products and services through word-of-mouth communication from consumers. In social e-commerce, consumer reviews and recommendations have great influence on potential consumers. Merchants can utilize the word-of-mouth effect by encouraging consumers to post quality reviews and share their shopping experience to enhance brand image and sales.

7. The long tail theory: originally refers to the commodity storage, circulation, display sites, channels and other resources are met after the commodity production costs will be controlled, the cost of goods sales will also be adjusted downward significantly, so that the demand is not strong or low sales of products jointly occupied by the market share, and the mainstream of the market share occupied by the hot products is roughly the same, or even higher than the latter. The long tail theory of RED is mainly reflected in its content ecology and marketing strategy, it focuses on those who do not have high sales but has a unique value of the product, through a rich product line and personalized recommendations to meet the needs of different users, to achieve market diversification and differentiation.

8. Emotional marketing theory: emotional marketing emphasizes touching consumers' emotions to make them resonate and generate purchasing behavior. In social e-commerce, merchants can tell brand stories, show the emotional value behind the product, create a warm shopping atmosphere, etc., to stimulate the emotional resonance of consumers, thus increasing their willingness to buy.

9. Relationship marketing theory: the theory emphasizes the establishment and maintenance of long-term relationships with consumers. In social e-commerce, merchants try to establish trust and good relationship with consumers through active interaction, providing personalized services, solving consumer problems, etc., so as to increase their repurchase rate and loyalty.

10. Experiential marketing theory: Experiential marketing theory advocates attracting and retaining consumers by creating a unique shopping experience for them. Social e-commerce can enhance consumers' shopping experience by providing virtual try-on, real-life shopping, user-generated content display and other functions, so that they are more willing to make purchases while enjoying the shopping process.

3. The Development of Social E-commerce RED

3.1   Company profile

Founded in 2013, RED started as a community of interest for "sharing goodies" and was initially just a simple UGC shopping notes sharing community, which coincidentally catered to the rapid rise of China's cross-border travel market at that time and provided a large degree of reference and communication platforms and channels for shopping choices when traveling. The high-quality shopping sharing community has attracted a large number of users, and has now become a super community e-commerce platform and "shopping magic weapon" covering 250 million users worldwide.

The accumulation of traffic is only a basic stage, on this basis to achieve the transformation of user behavior is the key, that is, the flow of cash, which can maximize the effectiveness of the flow and thus profit, so in the mature community operations based on the establishment of a self-owned shopping platform, and strive to guide the user to achieve behavioral transformation. With traditional e-commerce through bidding, advertising to win the user's logic is different, RED's "high interaction + high authenticity + high praise" community experience has become the competitive barriers that cannot be replicated by other platforms, for the brand to establish a natural grass scene, mature community operation is the main highlight of the RED platform, but also the core function of RED, and core competitiveness.

3.2 Development stages

1. Exploration period: from overseas shopping guide to sharing community.

Due to the incomplete opening of the domestic and foreign markets and other restrictions caused by information asymmetry, resulting in the purchase of overseas products in China users cannot fully understand the shopping information, that is, users do not know what to buy, where to buy, and how much to buy. RED took this opportunity to try to share overseas shopping tips in June 2013, and initially the founder found local shoppers to write all kinds of Haitao tips to provide Chinese consumers with information on overseas products, product activities, shopping malls discounts and other services. In the early stage of the strategy information is not updated in real time, but requires users to download PDF, offline reading, relatively static information is difficult to make the user and the user to produce instant, two-way interaction. To improve this situation, in December of the same year, RED launched a strategy to share the community, with a common interest, the needs of young women gathered, aiming to allow them to share their life notes on eating, wearing, playing, and playing, to provide users with fresher and richer shopping information.

2. Development period: the combination of community and e-commerce.

After the launch of "community notes", RED continued to output high-quality content through PGC, UGC, PUGC, and personalized content distribution through machine algorithms, so that the content accurately reaches the user and improves the efficiency of content matching. With the increasing number of users and the diversification of user needs, RED began to explore the combination of community and e-commerce, and at the end of 2014, RED launched its own cross-border e-commerce business, "Welfare Society", to provide users with overseas brand purchase services. This initiative has enabled RED to realize the closed loop from content sharing to e-commerce transactions, providing users with a more convenient and complete shopping experience, and realizing the transformation from a sharing community to social e-commerce. At the same time, RED in the supply chain, SKU and other aspects of the gradual improvement, in 2015, RED began to operate its own bonded warehouse, and since then and continue to expand the third-party platforms and brands, to provide users with a richer choice of goods.

3. Transition period: from e-commerce to the transformation of community content.

After the e-commerce business achieved some success, RED began to face the intensification of market competition and changes in user demand. Therefore, RED carried out a strategic transformation from the end of 2017 to the beginning of 2019, changing its focus from the full development of the e-commerce business to the development of a UGC community in which Darren and Vegetarian users publish their experiences of using goods. The platform cash model has also gradually shifted to focus on advertising services, attracting traffic by introducing stars and KOLs to improve user activity and stickiness.

4. Maturity period: deepening community ecological construction.

Since the beginning of 2019 to the present, RED has continued to deepen the community ecological construction and enhance the cash flow capacity of the grass planting business. The platform has not only strengthened content supervision and audit to ensure that the content released by users is real and valuable, but also actively introduced quality creators and partners to enrich the content ecology. At the same time, RED also organizes offline activities and creates IP to further enhance brand influence and user stickiness. RED also actively adapts to market changes and continuously adjusts and optimizes its business structure to meet the diversified needs of users.

4. Social E-commerce RED STP Analysis

4.1 Segmentation

The market segmentation strategy of RED is very detailed and diverse. In addition to segmentation based on users' interests and needs, such as beauty, fashion, travel, food, etc., it is also segmented according to users' characteristics such as geographic location, age, gender and occupation. This multi-dimensional segmentation helps RED more accurately grasp the characteristics of each segment, so as to provide them with more precise content recommendations and shopping suggestions. In addition, RED also pays attention to users' consumption psychology and behavioral patterns, such as their purchase decision-making process, information search habits, and social interaction needs. This in-depth user insight enables RED to better meet the personalized needs of users and enhance user satisfaction and loyalty.

4.2 Targeting

In terms of target market selection, RED mainly focuses on young, capable of consumption and the pursuit of quality-of-life user groups. These users usually have a high cultural literacy and aesthetic level, and are highly sensitive to new things and trends. They are happy to share their shopping experience and lifestyle, which is an important force in the

construction of the RED community. At the same time, RED also focuses on the needs of some specific user groups, such as pregnant women, pet lovers, fitness professionals and so on. These user groups have unique consumer needs and shopping preferences, and RED has successfully attracted the attention of these users by providing them with customized content and services.

4.3　Positioning

The market positioning of RED is very clear, it is committed to become a high-quality social e-commerce platform. In terms of product quality, RED strictly screens the resident merchants and products to ensure the quality and reliability of the products. At the same time, it also provides detailed product information and user reviews to help users make more informed shopping decisions. In terms of social experience, RED focuses on the creation and maintenance of a community atmosphere, encouraging users to share their shopping tips and lifestyles. By organizing a variety of online and offline activities, RED promotes interaction and communication between users, forming a positive, healthy and upward community environment. In addition, RED also focuses on emotional connection with users. It understands users' needs and feedback through various ways, and continuously optimizes its products and services to enhance users' satisfaction and sense of belonging. This emotional marketing strategy makes RED stand out in the competitive social e-commerce market.

In summary, through refined market segmentation, precise target market selection and clear market positioning, RED has successfully attracted a large number of young and capable users and provided them with a high-quality shopping experience and social interaction platform. In the future, RED can continue to deepen its market research, expand new user groups and market segments, and at the same time continue to innovate and optimize its products and services to enhance user experience and competitiveness.

5.　Analysis of Marketing Strategy of Social E-commerce Company RED

5.1　Content marketing strategy

UGC (user-generated content) is the main mode of RED, which provides a free and authentic social platform for users to publish their own product reviews, life experiences, travel tips, etc., reducing the commercial atmosphere. In RED, there are many ways of UGC expression, users can post short videos like in the fast hand, can also be like in the ins on the release of photos, or like in the forum to publish soft text, etc., the user can not only "mark life", but also in the RED. Users can not only "mark life", but also find answers to their questions on RED, making the platform closer to users. With the help of big data and artificial intelligence technology, the system collects and analyzes user likes, comments, collections, browsing history, purchase records, interests and hobbies and other information to recommend content and similar products of interest to the user to provide personalized products and content, this precise recommendation not only improves the user's shopping experience, increases the exposure rate of the product and the conversion rate, but also improves the user's retention rate, and promotes the user's consumption. RED takes its high-quality content as its core competitiveness, attracting and retaining users through carefully planned and produced content. These contents usually include product reviews, shopping tips, usage techniques, etc., and are presented in various forms such as graphics and videos, providing users with valuable shopping references and experience sharing. At the same time, RED also actively introduces KOL (Key Opinion Leaders) and netizens for content creation, utilizing their influence and fan base to enhance the dissemination effect and influence of the content.

5.2　Community interactive marketing

RED emphasizes the interactive and social nature of the community. RED's community building strategy is an important part of its marketing strategy. By building user communities, RED allows users to form close social relationships with each other, realizing the effective dissemination and sharing of information, and encouraging users to express their views and opinions in the comment section, and communicate and discuss with other users. This interactive approach not only increases the user's sense of participation, but also enhances the richness and diversity of content. At the same time, RED inspires users' motivation and participation by organizing topic challenges and lucky draws. These activities not only increase the stickiness of users, but also bring more exposure and attention to brand merchants, and then through the interactive behaviors of commenting, liking, and sharing among users, the user's sense of participation and stickiness is enhanced. In addition, RED also organizes community activities such as topic challenges and Q&A interactions to encourage users to actively participate and share their shopping experience and tips, forming a good community atmosphere and word-of-mouth effect.

5.3　Word-of-mouth marketing strategy

RED adopts a word-of-mouth marketing strategy. Users produce content on the platform and pass the information they know to other users, so that inexperienced consumers have a relatively real and effective way to reference when making commodity decisions, thus achieving the purpose of word-of-mouth marketing. RED introduces KOI to guide the direction of consumption, evaluating products from the customer's point of view, so that the customer does not easily feel the marketing component of the business, and finally contribute to consumer behavior. RED adds purchase links to the review content page to make it easier for customers to buy directly after "planting grass". And RED actively cross-

border cooperation with other brands, media or organizations to jointly launch co-branded products, activities or content. Such cooperation not only broadens the marketing channels of RED, but also enhances its brand influence and market competitiveness. Today's consumers are no longer limited to price comparisons, not easily on the outside of the product and the urge to consume, but pay more attention to the quality of the product itself and the degree of interest in the product, RED from the traditional e-commerce for the price of competitive marketing, but to take word-of-mouth marketing strategy, so that it can establish the basis of the customer's credit to achieve profits Maximization.

5.4 Targeting strategy

RED takes large and medium-sized cities as its market target, and locks "20-40 years old" middle and high-end consumer groups of women, most of these consumers are not bound by the price, have a high concept of life, full of personalization, strong subjective consciousness, strong consumption ability, and a strong sense of responsibility. Stronger consumption ability, and a strong curiosity in exploring new things, stronger acceptance of new things, broader consumer horizons, leading consumer awareness. Therefore, the marketing of RED fully meets the consumption preference of this kind of people and successfully achieves the marketing effect.

5.5 Advantageous marketing strategy

The advantage of the marketing of RED is the establishment of the e-commerce is to own as a sales terminal, to realize the effective control of the platform on the goods, so that all the behaviors occur within the platform, the formation of a controlled self-owned e-commerce sales situation. Nowadays, the supply market is mixed, the e-commerce platform cannot escape the negative news of the sale of fake, in or der to ensure the RED as the credibility of the e-commerce, it set up its own bonded warehouse, a professional overseas purchasing group bulk purchases of goods stored in bonded warehouses, to ensure the authenticity of the source, the stationed brands and RED direct docking. The brands are directly connected with RED. Users order overseas commodities, or by the bonded warehouse or brand shipped from overseas, the abolition of third-party factories involved in solving the problem of intermediaries, saving the user's costs, and fundamentally safeguard the rights and interests of users. Now RED has set up bonded warehouses in 29 countries, and has its own overseas logistics, the user can clearly check every step of the transportation of goods, to enhance user credit. The self-owned e-commerce model of RED saves a variety of operating costs, ahead of other e-commerce companies, and improves its competitiveness in the market.

6. Suggestions for Future Development

6.1 Deepen the advantages of the content area.

The content of RED's notes is the most attractive module for users, but the excessive proliferation of "soft articles" has gradually caused the loss of some users, coupled with the fact that the cultural values output by some bloggers are biased towards vanity and materialism, always creating a showy and exquisite life, which is not conducive to the identification and development of the student population. After the shelving and rectification, RED should continue to deepen its influence in the field of content, improve the content audit mechanism, and raise the threshold of content dissemination. Only by correctly guiding and supervising, neither indulgence nor overkill, can we establish a good community cultural atmosphere and fight for a place in the competition [17].

6.2 The trial of live broadcasting mode

With the advent of the 5G era and the live broadcasting trend stimulated by the recent epidemic, video has become the first main force of content output compared to the over-filtered pictures and insufficiently intuitive text. All major online Apps are exploring new ways to bring goods, which also puts more competitive pressure on the already weak e-commerce module of RED. How to make good use of more than 100 million flow resources to provide users with high-quality content and services, is RED need to continue to optimize the place. Data show that in RED enterprise live demand collection questionnaire, the RED official provides 7 live content modules, respectively, cloud class, cloud fitness, cloud store, product display, knowledge sharing, e-commerce selling and other. This also from the side means that RED live is not only limited to live with goods, more still and the platform itself and the dissemination of content related to sharing. However, compared with other live platforms, RED has a large number of netizens but lacks top anchors, and is unable to give consumers the advantage of low prices they demand. So putting aside these disadvantages, RED can deepen the layering and recommendation on the live content, recommending the live broadcast to users interested in, to ensure that the output of live culture will not affect the user experience.

6.3 Seek the best cooperation mode.

E-commerce, as the home business of RED, is still an important gene of RED. Although it is difficult for RED to compete with such giants as Taobao, Jingdong and Pinduoduo, it is not a good strategy to utilize the content advantage to reach cooperation with them. RED platform because of its composite business nature, after experiencing the development of "pure content - the main e-commerce - content e-commerce" is not to see the road to success [18]. The success of the traffic is very important because the content is free to users, but the cost of trying to realize is unbearable. The best model is to cooperate, small red book good content this information bearing and dissemination of the link, and then the information source and e-commerce service two links to have a deep foundation and strong strength of the partners to complete, their own from the transaction to collect service fees. This greatly reduces the loss and traffic

interception concerns caused by gray matter in its own full chain of business, leaving the problem to professional partners [19]. In addition, RED, as a community platform, users are its core resources, and it needs to deeply understand the needs of users, and tap into high-quality creators and KOLs to establish a close partnership and jointly promote high-quality content and products.

6.4 Improve the supply chain

Behind a successful cross-border e-commerce company there must be a strong supply chain to support its continuous development, which is a crucial step to enhance the competitiveness of the brand. RED's current supply chain is weak, and it needs to increase the integration of the supply chain and continuously optimize the supply chain. RED should optimize the management of suppliers, establish a strict supplier screening mechanism to ensure the quality of supplier products and service levels, and establish a long-term and stable cooperative relationship with suppliers to ensure the stability and reliability of the source of goods. Increase investment in warehousing and logistics facilities to improve warehousing efficiency and logistics speed. At the same time, using big data and artificial intelligence technology, supply chain data are deeply mined and analyzed to more accurately predict changes in market demand and inventory, which helps RED adjust its inventory and purchasing strategy in advance to avoid inventory backlogs and stockouts. In addition, RED can also promote supply chain financial innovation. Through cooperation with financial institutions, it launches supply chain financial solutions suitable for e-commerce platforms, provides financing support for suppliers and merchants, reduces capital costs and promotes the healthy development of the supply chain.

6.5 Personalized recommendation under big data

The arrival of the big data era has brought new opportunities for cross-border e-commerce. RED can fully seize this opportunity to further information integration and data analysis of the content shared by users in the UGC community, to master the buying habits and buying behavior of different users, to better understand the users, in order to meet the needs of the users, and to carry out some reasonable personalized recommendations according to the interests of different users, to create a good user experience.

7. Conclusion

In the increasingly competitive cross-border e-commerce market, RED takes the community as the entry point, opens up a new mode of cross-border e-commerce development, and forms a complete business closed loop from community to e-commerce, which provides a better reference and inspiration for enterprises and merchants plagued by the problems of homogenization and price war. Through an in-depth study of the marketing strategy of social e-commerce company RED, we can clearly see its unique marketing concept and success. RED takes the user as the center, digs deep into the user's needs, realizes the precise reach to the target users through accurate content positioning and recommendation, and improves user stickiness by constantly optimizing the user experience, which makes the users willing to spend more time on the platform, thus increasing the possibility of user conversion. In terms of marketing strategy, RED also shows great flexibility and innovation, through user-generated content (UGC) and community interaction, it has established a social e-commerce ecosystem full of trust and vitality, and through the use of cross-border marketing, cooperation with KOL and other strategic applications, word-of-mouth communication between users and mutual recommendation, which has led to wider dissemination and recognition of RED's products and brand. RED has successfully created a social e-commerce platform with strong influence, with the continuous development and changes in the social e-commerce market, for other e-commerce enterprises, the successful experience of RED is undoubtedly an important reference and revelation. At the same time, RED will continue to optimize its marketing strategy and inject new vitality into the development of the e-commerce industry.

REFERENCES:

1. China Internet Network Information Center (CNNIC). The 48th Statistical Report on the Development of the Internet in China [R/OL]. [2021-0930].
   http: www.cnnic.cn/hlwfzyj/hlwxzbg/hlwtjbg/202109/ P020210915523670981527.pdf.

2. Hua, J.. Development of New Multi-channel Network Communication Industry: Basic Characteristics, Advantageous Clusters and Industry Chain Innovation in the Cultural Industry Perspective [J]. Journal of Shanghai University of Finance and Economics, 2022, 24(3):19-30, 138.

3. OLABI A G，WILBERFORCE T，SAYED E T，et al. Battery Energy Storage Systems and SWOT（strengths，weakness，opportunities，and threats）Analysis of Batteries in Power Transmission [J]. Energy,2022,254.

4. Ting-Peng Liang,Efraim Turban. Introduction to the Special Issue Social Commerce ：A Research Framework for Social Commerce[J]. International Journal of Electronic Commerce，2011，16（2）.

5. Zong ,Q.J. . A Review of Foreign Research on Social E-Commerce [J]. Journal of Intelligence, 2013, 32(10):117-121.

6. Zhu, X.D., Chen,J. . A Review of Research on Socialized E-commerce in China [J]. Modern Intelligence, 2016, 36(1):172-177.
7. Guan,Z.Z., Wen,J.K. . Research on the Development of Social E-commerce Based on Short Video Platform [J]. Management Modernization, 2021(01):93-97.
8. Dai,G.L.. Research on Pre-purchase Sharing Motivation of Social E-commerce [J]. China Circulation Economy, 2018(10).
9. Shwu-Min H, Chih-Lun W. How Behaviors on Social Network Sites and Online Social Capital Influence Social Commerce Intentions[J]. Information & Management, 2020(2).
10. Baozhou L, Weiguo F, Mi Z. Social Presence, Trust, and Social Commerce Purchase Intention: An Empirical Research[J]. Computer in Human Behavior, 2016（56）.
11. Lu,X.Y., Li,Y.L., Li,S.H., Bian,C.H.. Research on the Influencing Factors of User Knowledge Sharing on Consumer Purchasing Behavior in Social Media---Taking "RED" as An Example[J]. Knowledge Management Forum,2018(5).
12. Zhang,S., Wei,M.M.. The Formation of Online Impulse Purchase Desire: An Empirical Study Based on Social Commerce] [J]. Journal of Jinan (Philosophy and Social Science Edition), 2019(5).
13. Gu, Y.W.. Research on the Impact of E-commerce Live Broadcast on Consumers' Purchase Decision[J]. Price Theory and Practice,2020(02).
14. Huang,S.H., Xiao,J.C., Jin,Y.N.. Research on Factors Influencing Consumers' Continuous Purchase Intention on Social E-commerce Platform Based on S-O-R Theory[J]. Soft Science,2020(6).
15. Yuan S, Xiang S, Xiaotong L, et al. How Live Streaming Influences Purchase Intentions in Social Commerce: An IT Affordance Perspective [J]. Electronic Commerce Research and Applications, 2019（37）.
16. Xie, J.L., Liu,X.M., Li,S., Chen,C.Y., Gong,Y.P.. Social-consumption Conversion Mechanism in Social E-commerce[J]. Advances in Psychological Science, 2020(3).
17. Yu,G.M.. Algorithm as Media: The Reconstruction of Media Logic by Algorithmic Paradigm[J]. Media, 2020(7):45-51.
18. Peng,L.. Scene: The New Element of Media in the Mobile Era[J]. Journalist, 2015(3):20-27.
19. Peng,L.. Short Video: the "Genetic Modification" and Re-cultivation of Video Productivity[J]. Journalism, 2019(1):34-43.