

Contemporary Social Media Marketing: Evolving from Collaborative Value Generation to Cyclical Enhancement

Runheng Wan

*Henan Experimental High School, Zhengzhou, China
Alexander963963@outlook.com*

Abstract. The modern social media marketing practice is no longer based on linear value propagation but rather based on a cyclical improvement system, which focuses on the collaborative value creation and information-based loop. The study centers around four fundamental dimensions, which are value positioning as per the user psychological requirements, value transmission as per the platform-specific features, recreational interaction which enables user co-creation and iterative optimization in view of the multi-dimensional data analytics. The study confirms that good social media marketing goes beyond one-way marketing. It builds a dynamic ecosystem instead, through finding user motivation to establish value propositions, tailoring content across different platforms (ex: Xiaohongshu, Douyin, WeChat), encouraging different levels of user engagement (including passive viewing up to intensive collaboration), and optimizing strategies based on metrics such as visibility, interaction, conversion, and retention. Empirical evidence indicates that brands that take this cyclical approach record impressive gains in customer-brand relationships, purchase intent and loyalty. With the introduction of the emerging technologies of Artificial Intelligence and the metaverse into the social media sphere, the essence of user experience prioritization, platform dynamics adaptation, and data-driven iteration will be essential. This paper can serve as a source of theoretical literature and practical issues which can be utilized by brands to overcome the digital arena and establish compatible relationships with consumers in the social media age.

Keywords: Social media marketing, collaborative value generation, cyclical enhancement.

1. Introduction

The current social media marketing strategies follow a circular, recurring pattern instead of a linear process with the focus on mutual value creation with users and the subsequent continuous advancement through data analytics.

Social media marketing cannot be effective without a base of clearly established value positioning, as it demands that the company who is marketing venture does not just focus on simple audience segmentation but explores the underlying causes and the perceptions and inspiring motives of the targeted consumers. Based on the theories of Uses and Gratifications Theory, people use social platforms to satisfy a specific psychological need - need to share self-expression (e. g., share fashion preferences on Xiaohongshu), need to find information (e. g., conduct research on product

reviews in Douban), and need to grow their interpersonal relationships (e. g., join fan communities in Weibo) [1]. The first requirement is that the companies should discover these underlying motivations and align marketing value propositions. An example is the luxurious skincare brand La Mer, which has been quite successful in the targeting of affluent women aged 25-45 years who insist on top quality skincare products and the psychological benefits associated with self-care practices. By providing both informational and social engagement requirements (skincare diaries created by users) through content that delivers scientific, consultative skincare information.

The concept of value is narrowed in the 4C framework (Customer, Cost, Convenience, Communication) which puts a focus on solving consumer problems. On the aspect of Cost, this does not merely mean payment of money but more so, time and brain investment - as an example, companies brands like Starbucks use WeChat mini-programs to allow clients to pre-order coffee, which is an effective way of saving both time and cost in their non-monetary investment in purchases. To overcome the challenge of convenience, companies need to facilitate the process where they can encounter products on social platforms and do a transaction. As an example, the cosmetics brand Perfect Diary has added its live broadcasts on Douyin to Tmall stores, where one can make instant purchases with a single touch. Also, the Xiaohongshu text has QR codes which allow sample requesting and thus inviting faster consumer interaction. The 4C framework defines Communication as a component, and it challenges brands to abandon the un-interactive advertisement approaches and open interactive conversations with customers in an attempt to know what value is together. The most prominent example is the Co-Create with Li-Ning campaign on Weibo by Li-Ning that gave the public the chance to make design suggestions on an exclusive line of products. The project won the involvement of more than 100, 000 people and the merchandise produced under this initiative included user-generated contents. This has made shoppers collaborative partners and the end offerings were very much related to the consumer taste.

The practical use of value propositions that focus on user needs has been proven empirically. Companies that correctly recognize the consumer preferences and jointly create value with its consumers enjoy a 28 percentage points better association between customer and brand than those organizations that make use of top-down value imposition approach [2]. Equally, Smith et al. have noted that Direct-to-Consumer (DTC) brands in North America that focus on user requirements mapping in the value formation stage have 32 percent higher rates of consumer confidence as they feel that a brand appreciates their needs and not just foisting products upon them [3]. The improved confidence is critical in creating long-term customer loyalty, especially in a time when there is increased distrust in traditional methods of advertising.

2. Value transmission: pacific content distribution by adaptation to platform context

Value transmission - how the brand is driven through the key message to the target audience through the alignment with the particular features of social media platforms and media content formats. This is compatible with the Platform Environment Framework whereby all social media platforms have unique algorithm guidelines, user interaction dynamics and setting content rules [3]. The brands need to tailor their distribution strategy with these unique attributes to avoid the inefficiencies of a uniform strategy, and ineffective dissemination is prevented.

Using the example of a major social media networks of China, Xiaohongshu is a user-generated content-based community that is formed based on genuine sharing, where the main concern of the users is to be informed on trustworthy referrals to lifestyle products, cosmetics, and tourism. The algorithm of the platform does not consider the quality of posts, or the level of engagement likes, comments, and saves, which is why even the non-influential users can gain great visibility with

quality posts. To gain traction on Xiaohongshu, the companies should focus on authentic, in-depth user-created content and partnerships with Key Opinion Consumers, who have between 1, 000 and 10, 000 followers, and are considered more believable compared to well-known influencers. An example is the snack producer Three Squirrels that collaborates with food-focused KOCs to post unpacking videos and sensory reviews and has much higher engagement rates because of the perceived objectivity of these unofficial reviewers.

Douyin, the Chinese version of Tik Tok, is a state-regulated media of providing video distribution (in short) focusing on the method of content distribution through a traffic pool. In this model, the distribution of newly uploaded videos is provided to a small group of initial viewers. The videos with high engagement rates in terms of their high view-through rates, the number of likes, active sharing etc. are then pushed to their successively larger audiences. The users of the platform are mostly looking to be entertained and get a quick fix and thus to this effect it is important that the contents should be visually appealing, short in length and should be able to positively affect the viewer or reader that is they get impressed, moved to tears or even get shocked. Large businesses, one of them being Coca-Cola, are strategic users of the algorithmic system of Douyin, creating brief, creative clips. A good example is the Share a Coke with Friends campaign which invited its followers to record their videos and present Coca-Cola to their friends and use a branded hashtag. This project received a lot of attention and recorded more than 5 million user-created videos and a total view count of 1.2 billion. The brief and entertaining structure fitted both the tastes of Douyin clients and the goals of activities of this platform.

WeChat is a unique social ecosystem with the focus on personal networks, which is why it is the best choice to strengthen the relationships of users and evoke further purchases. Its structure includes WeChat Moments, used as the means of exposure to the brand, and official accounts, which are used as detailed content. WeChat Groups as the form of interaction with the audience. The example of Hermes, a luxury brand, is using its Official Account to post a wide range of stories about craftsmanship and heritage, aimed at reaching consumers with positive attitudes towards the cultural and emotional aspects of high-end products. Moreover, the brand has Personal WeChat Groups including VIP customers and provides them with a special preview of collections and customized shopping recommendations. The strategy has already achieved 45 percent repurchase rate among these populations, which is way higher than the average rate of 22 percent [4].

The success of value communication is dependent on the collaboration between platform-specific features and customized content. Firms should stop the trend of releasing the same content on all the platforms but work towards the customization of contents where each platform has specific roles to play. Using the example of Florasis, Xiaohongshu is used to provide genuine customer feedback, Douyin has been used to portray an in-depth visual displays that showcase the Oriental design and WeChat has been used to provide detailed accounts about the brand history and its design roots in China. This multi-channel strategy will guarantee similar reinforcement of the core theme of the brand-based on Oriental beauty, yet will adapt to specifics of the particular media, leading to the 180% rise in brand recognition [5].

3. Mutual interaction: creating user involvement and co-creation

The spirit of modern social media marketing is the two-way interaction to change the classic uni-directional communication between the brands and users (marketers) into real-time communication between users and brands and a conversation between users. This fact is supported by the fact that continuous and active communication through various points of contact makes the brand memorable and builds emotional bond as postulated in the Integrated Marketing Communication (IMC) model

by Schultz et al. [6] At the same time, the Uses and Gratifications Theory also states that people are also actively involved in communicative activities. Users are involved in creating value as opposed to being the spectators.

User engagement has been broken down into three types: superficial (i.e. viewing content or responding to posts), interactive (i.e. leaving comments, sharing content, or becoming a creator of user-generated content) and intensive (i.e. owning products co-created with a brand, joining brand communities). Firms must develop incentives which motivates moving up this ladder of engagement as increased involvement creates stronger customer-brand interactions with higher purchasing intention [7].

The first user interaction is usually conducted in a passive way and to counter that the brands are to create an attractive content that will stir the interest of the user and encourage further interest in interacting. An example is the Apple, which releases short and high-budget video on Douyin that shows the capability of its new models of iPhones. The brand promotes approval and saving the content with a vigorous use of visual effects, including slow-motion shots of camera action in the dark. These introductory interactions help with brand familiarity and provide a base upon which later interactions can be more valuable interaction.

The incentives and participatory campaigns can be used to encourage user-created content and be aligned with the preferences of the audience of the brands. An example is the cosmetics brand MAC that created the hashtag #MACLipstickChallenge on Weibo and wanted people to post photos with their favorite lipstick tints of MAC. Prizes were involved in the most creative contributions, including free lipstick collections, thus boosting the user-generated posts to over two million and a 35% rise in the sales of lipsticks in the next month. Interaction is also provided through quizzes, surveys, real-time question-answer sessions and others. As an example, skincare brand SK-II hosts live Douyin programs where dermatologists respond to user questions about skincare practices and applying products to create some credibility and engagement between the host and the audience (a typical live shows is seen by approximately half a million people).

The best approach to developing a long-lasting loyalty is the transformation of customers into brand partners through deep-level engagement. An example of such a strategy is Lego Ideas, which allows fans of the company to offer new set ideas. Once a submission receives 10, 000 supporters votes the design team of Lego then reviews it and ideas that are promising are turned into business products. This will be a collaborative effort which not only creates new offerings but also creates a loyal customer base that will have ownership of the brand. In the same way, the Chinese sportswear brand Anta introduced its own project, the Anta Co-Creation Lab, on Xiaohongshu, which invited users to create football shoes using their own designs. The winning entry that borrowed features of classical Chinese calligraphy, was produced as a limited-edition release and sold out in the course of a twelve hours of release. As per research, brand connection is stronger in participants of intensive co-design activities by a figure of 28% and purchase intentions by a figure of 19 percent higher in comparison to non-participants since they view the brand as listening to their opinions and valuing their contribution [8].

The online brand communities are considered a crucial process of building a deep consumer interaction, which provides a platform for communication among one another and the company on the digital front. These communities are often organized in social media applications, such as WeChat Groups or Xiaohongshu forums, or in specific brand-specific applications. Starbucks is a good example, as the company has a so-called Starbucks Members Club on WeChat, allowing members thereof to share tricks of coffee-making, participate in special events, and give feedback on future services. The community has over 10 million active members and their recommendations

have a direct effect on the introduction of such a hit product as the Cherry Blossom Latte and Matcha Frappuccino. As per certain researchers, repeat buying, with respect to companies that have high interaction online communities, is increased by 27 percent, as opposed to those that do not have such a strategy, as the members establish a strong sense of belonging and trust in the company [9].

4. Importance of improvement by repeated data processing and continuous improvement

The analytical evaluation of every stage of operation leads to performance improvement in the final stages of the current cycles in social media marketing. Using Structural Equation Modeling (SEM) and computational intelligence techniques, in combination with in-built social media dashboards, businesses will gain insight into the necessary success measures and will be able to learn more about audience activities. This makes it always possible to refine the way value is expressed, communicated and encouraged in the course of engagement.

Key metrics of refining the efficacy of social media marketing include as follows.

Visibility indicators. View counts, being exposed to the audience, the rate of references to the brand, and rate of inquiry (such as the number of search queries from Baidu regarding such words as Florasis Oriental Beauty).

Indicators of user interaction. The rate of positive reactions, the volume of responses generated by users, the rate of reposting content, the amount of original content posted by users and percentage of community members who contribute actively on a week-to-week basis (e. g., weekly comments in WeChat discussion groups). Transformation performance measures. The rate of click to adverts, number of visits to product landing pages, proportion of trial sign-ups, purchase conversion ratio and average dollar value of transactions.

Numbers of customer retention: Repeat purchase frequency, customer retention rate, and Net Promoter Score (pretentiousness of customers to refer others to the brand).

Data-driven optimization takes place in three unique stages, including gathering of data, processing of such data, and execution of strategy changes. The process of gathering information can be achieved through in-built analysis tools that the platforms offer including Douyin Analytics or Xiaohongshu Business Center and also through software solutions. Application tools like Baidu Analytics and Tencent Audience Network can give instant impressions of how the audience adapts to specific formats, thus showing which ones work better, e.g., short video clips as opposed to visual infographics. They also find best time to publish such as evenings between 7 and 9 PM on Douyin and the best demographics, including female users aged 18 to 24 who interact with beauty-related key opinion buyers.

Predictive modeling and quantitative analysis allow identifying the behavioral trends and correlations in the datasets. Using search engine marketing, a company may learn that customer endorsements posts have click-through rates of 12.3, which is much higher than posts that lay emphasis on product specifications (4.5) [10]. Besides, numerous weekend publications tend to have twice or more shares than weekday posts. Trained algorithms based on user data can make predictions, like how likely a person will purchase after level exposure like user-created content, and help a brand to deliver individual messages to audiences with the highest conversion potential.

Strategic changes include improving the social media marketing of a brand through insights, which are data-based. Using the example of viewing the analytics that Douyin short video with collaboration with key opinion consumers reached a higher purchase conversion rate of 8.7% than one with key opinion leaders of 5.2, it becomes rational to redirect the budget on KOLs to KOCs. In case of the lack of user-generated materials on Xiaohongshu, one can introduce various appealing incentives as producing content with the help of special offers. When the rates of repeat purchases

are low amongst the 18 -24 years of age customer segment, a loyalty program can be undertaken to increase customer retention i.e. introduction of points system which possibly can be redeemed in the form of free products.

An example of data-based improvement method is Florasis. The company tracks the amount of user-generated content and user engagement metrics of its #OrientalBeautyCreation program through the Xiaohongshu Business Center. They noted that the posts that included some classical Chinese cosmetic methods, including eyebrow brush definition with the help of wolf hair, shared three times more than the frighteningly simple product demonstration posts. In their turn, Florasis changed their content strategy and focused on a series of instructional guides to heritage beauty techniques. This change contributed to the rise in user-generated content and increment in the rates of product trial. A recent study shows that the company engages in search engine marketing (SEM) which looked at how the participation of groups enhances the loyalty of customers [7]. The results show that those people who have made one or more contributions every month in the brand WeChat community are 40% more likely to make a subsequent purchase than those who do not contribute. To enhance the level of interest, Florasis has added weekly theme discussions, including "My Preferred Oriental Aesthetic", rewarded the attendance with free samples of the products. Such ventures saw to it that group interaction increased by 30 percent and consequently repeat sales increased by 15 percent.

5. Conclusion

Modern social media marketing tactics are essentially designed with the core principles of focusing on user engagement, content with platform dynamics, and building on data-driven adaptation. By utilizing the theoretical bases of 4C model, Integrated Marketing Communications, Uses and Gratifications Theory, and Platform Ecology, the companies should create an on-going and self-adjusting ecosystem. This system creates user value, fits the special attributes of social media settings and self-improves based on analysis findings. The cases of productive social media marketing by the brands like Florasis, Li-Ning, and Starbucks demonstrate that efficient social media marketing is not a promotion of a product. Rather, it aims at creating long term relationships with consumers through value co-creation and interactive longevity.

The continuous transformation of social media platforms with the development of new innovations like artificial intelligence, virtual reality, and the metaverse depends on the fact that new social media marketing institutions must be flexible and responsive. Smart chatbots boost customer interactions by providing personalized recommendations and effective customer care, and virtual reality can provide a more immersive experience- e.g. a simulated cosmetic app in the beauty market. The metaverse also increases possibilities of providing value and interaction such as providing virtual storefronts and collaborative creation through user avatars.

Yet, the main tenets of the modern social media marketing, such as the focus on the user experience, adaptation to the platform nature, and the use of the data to make improvements and keep enhancing them, will likely stay applicable. Organizations that embrace these foundational concepts will be well-equipped to navigate the evolving digital environment, cultivate lasting customer relationships, and sustain growth in an era where social platforms are deeply integrated into daily life rather than serving merely as promotional channels.

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