

Research on the Influence Mechanism of Social Media on the Consumption Behavior of Generation Z: A Case Study of Xiaohongshu and Douyin

Yunxiao Li

Anhui University of Arts, Hefei, Anhui, China

Abstract: This article focuses on the influence mechanism of social media on the consumption behavior of Generation Z, and conducts research with Xiaohongshu and Douyin as typical cases. After elaborating on the significance of the research, a systematic review of related studies at home and abroad is conducted to analyze the existing achievements and deficiencies. Furthermore, an in-depth analysis of the correlation between platform characteristics and user behavior, as well as algorithm mechanisms and consumer behavior, is conducted to reveal the differentiated mechanisms and key driving factors by which the two major platforms influence the consumption behavior of Generation Z. In response to the problems identified in the research, platform governance and enterprise marketing optimization strategies are proposed to provide theoretical and practical references for the development of the industry.

Keywords: Social Media; Generation Z; Consumption Behavior; Xiaohongshu; Douyin

1. Introduction

In the current era when the digital wave is sweeping the world, social media has been deeply integrated into People's Daily lives and has become an important platform for information dissemination, social interaction and consumption decision-making. Generation Z (born between 1997 and 2012), as the native inhabitants of the digital age, has been deeply influenced by social media in terms of consumption behavior and has become the main force in the global consumer market. According to Statista, Generation Z accounts for 32% of the global population, with an annual consumption expenditure of 360 billion US dollars (in the United States), and the proportion of consumption directly or indirectly influenced by

social media exceeds 60% [1]. Social media platforms such as TikTok, Instagram, and Xiaohongshu have restructured the consumption decision-making chain through innovative models like algorithmic recommendations, KOL (Key Opinion Leader) marketing, and UGC (User Generated Content). For instance, the video views under the #TikTokMadeMeBuyIt tag on TikTok have exceeded 30 billion, directly driving the sales of niche brands such as Glossier and Dyson to increase by more than 200% [3].

This research has significant practical significance, theoretical significance, as well as policy and enterprise practice significance. From a practical perspective, an in-depth exploration of the impact of social media on the consumption behavior of Generation Z can help enterprises accurately grasp market trends, formulate more effective marketing strategies, and enhance market competitiveness. From a theoretical perspective, most of the existing consumption behavior theories are based on the traditional media environment and are difficult to fully explain the "immediacy, interactivity, and community" consumption patterns of Generation Z in the social media era [4]. This study will integrate theories from multiple disciplines to construct a dynamic model and fill the theoretical gap. Starting from policies and enterprise practices, the research results can provide a basis for the government to formulate regulatory policies for digital marketing. At the same time, it helps enterprises optimize their social media marketing strategies, deal with problems such as false marketing and algorithmic bias, protect consumers' rights and interests, and promote the healthy development of the market [2].

2. Review of Research Status at Home and Abroad

2.1 Research Progress Abroad

In the field of social media and consumption decision-making mechanisms, Riaz et al. believe that Generation Z forms group identity through "information waterfalls" [5], and the weight of their consumption choices influenced by peer evaluations reaches 47%. This reflects that in the process of consumption decision-making, Generation Z is more inclined to refer to the opinions and experiences of their peers. Social media platforms provide them with convenient channels for communication and information sharing. Furthermore, scholars such as Kannan proposed [6] that there is a significant correlation between social media marketing and mental health issues of Generation Z (such as physical anxiety and excessive consumption debt), which has raised social concerns about the negative impacts of social media marketing.

2.2 Domestic Research Characteristics

Domestic research has achieved certain results in the research of local platforms. Zelong Lu believes [7] that TikTok's recommendation algorithm increases the probability of consumers coming into contact with new brands. However, over-reliance on the algorithm may lead to an "information cocoon", limiting the diversity of information that consumers can obtain. Guanghong Xie et al. found based on Xiaohongshu data that female users of Generation Z are more susceptible to the influence of "grass-planting" content. However, false grass-planting information leads to a return rate as high as 28%, highlighting the advantages and problems of the Xiaohongshu platform in the "grass-planting" economy. In terms of policy response, the State Administration for Market Regulation of China issued the "Administrative Measures for Internet Advertising" in 2023, requiring Kols to indicate the nature of their advertisements. However, there are regional differences in the implementation effects [8].

2.3 Research Gap

Although certain progress has been made at home and abroad in the research of social media and consumer behavior, there are still some research gaps. Insufficient cross-cultural comparison is a prominent issue in current research. Most existing studies focus on a single country and lack comparisons of the behaviors of Generation Z in China and the United States or China and Europe (such as comparisons on social media platforms like Xiaohongshu and

Instagram). Generation Z from different cultural backgrounds may have differences in social media usage habits, consumption concepts, etc. Cross-cultural comparative studies are helpful for a more comprehensive understanding of the impact of social media on the consumption behavior of Generation Z [9]. Furthermore, the absence of longitudinal data is also an urgent problem to be solved. Social media is evolving rapidly (such as ChatGPT integrated marketing), but there is a lack of research on its long-term impact. With the continuous development of social media technology, its impact on the consumption behavior of Generation Z may also change. Therefore, long-term tracking research is needed to gain a deeper understanding of its dynamic influence mechanism.

3. Analysis of the Characteristics of Social Media Platforms and the Behaviors of Generation Z Users

3.1 Xiaohongshu: from "Lifestyle Community" to "Consumption Decision Entry Point"

Xiaohongshu, with its unique content ecosystem and user base, is gradually transforming from a simple lifestyle sharing community into an important consumption decision-making entry point for Generation Z. As of the second quarter of 2023, the monthly active users of Xiaohongshu reached 300 million. Among this huge user group, Generation Z accounts for as high as 68%, while female users make up 78%. The core strength of Xiaohongshu lies in its "grass-planting" content ecosystem. On average, users browse 34.8 notes every day. According to the business data report of Xiaohongshu, 60% of consumption decisions are directly influenced by the "search + recommendation" notes. On Xiaohongshu, users are enthusiastic about sharing their life experiences, product usage insights and other content. These shares have gathered into a rich and diverse "product recommendation" note library [10].

The brand owner ingeniously employs the strategy of "KOC (Key Opinion Consumers) + ordinary person matrix" to achieve long-tail exposure. Kocs are different from traditional celebrities. They are ordinary consumers but have a certain influence in their own social circles. Take the domestic beauty brand Perfect Diary as an example. The brand has posted over 100,000 UGC (User-Generated Content) notes

on Xiaohongshu. These notes are derived from the real experiences and sharing of ordinary users, possessing high credibility and affinity. They successfully drove Perfect Diary's sales to increase by 120% in 2022. This strategy enables brands to reach a large number of potential consumers at a lower cost, especially Gen Z users, who have more trust in recommendations from their peers.

However, Xiaohongshu is also confronted with the problem of false "product recommendation". A sampling survey conducted by the Shanghai Consumers' Protection Committee found that 30% of skincare notes had exaggerated promotion. False "product recommendation" not only misleads consumers, leading to a 25% increase in consumer complaint rates, but also seriously harms consumers' interests. When consumers purchase products based on false information and find that the products do not match the description, they will develop a sense of distrust towards the platform. Meanwhile, this has also affected the reputation of the platform, causing some users to possibly reduce their browsing and consumption behaviors on the platform, which has an adverse impact on the long-term development of the platform.

3.2 Douyin: A Closed Loop of "Impulse Consumption" Driven by Short Videos

Douyin, with its rich and diverse short video content and efficient recommendation algorithm, has built a closed loop of "impulse consumption" driven by short videos. The average daily usage time of Gen Z users on Douyin has reached 122 minutes. More than 50% of users will place orders by redirecting to e-commerce pages through short videos, a figure from the Douyin E-commerce White Paper.

Douyin's recommendation algorithm is based on multiple factors such as user interaction, tag matching, and real-time popularity. This algorithm makes the exposure efficiency of new brands 4 to 6 times higher than that of traditional advertisements. In 2023, the "Oriental Selection" live-streaming room adopted an innovative model of "knowledge-based product promotion". During the live stream, the host not only introduces the products but also shares relevant knowledge. This way of combining knowledge dissemination with product sales provides consumers with a unique consumption experience. In a live stream, the GMV (Gross Merchandise Volume) of "Dongfang Zhenxuan"

exceeded the 100 million yuan mark, with orders from Generation Z accounting for 47%. This model has attracted the attention and purchase of a large number of Gen Z users, meeting their needs for both knowledge acquisition and shopping consumption.

However, the algorithm of Douyin may also exacerbate irrational consumption. An experiment conducted by Fudan University in 2023 showed that after watching 10 videos promoting products, Douyin users' impulse purchase intention would increase by 39%, but the return rate was as high as 35%. This indicates that the algorithmic recommendation of Douyin is prone to trigger users' impulsive consumption behavior to a certain extent. The algorithm will continuously push relevant product videos to users based on their interests and behavioral habits, creating an atmosphere of "miss out if you don't buy", enabling users to make a purchase decision in a short period of time. However, since such decisions are often based on momentary impulses rather than actual needs, when users receive the products, they may find that the products do not meet their expectations, thereby leading to a relatively high return rate. This not only brings losses to merchants, but also increases the operating costs of the platform.

To sum up, both Xiaohongshu and Douyin have their own unique characteristics and have had a significant impact on the consumption behavior of Generation Z. Although they offer brands a good opportunity to reach and attract Generation Z consumers, they also need to address issues such as false information and impulse buying in order to maintain a healthy and sustainable platform environment.

4. Research on the Correlation between Social Media Algorithm Mechanisms and the Consumption Behaviors of Generation Z

4.1 Xiaohongshu: Search Optimization and Long-Tail Recommendation

The "CES" (Content-Environment-User) model adopted by Xiaohongshu plays a unique role in content recommendation. This model gives priority to displaying highly interactive (collections/likes) and keyword-matching content. This mechanism precisely captures the needs and interests of users. When users search for "affordable water and lotion" on Xiaohongshu, 70% of the first 10 notes are

reviews by ordinary people. For Gen Z users, they are more inclined to trust the real usage experiences from their peers. These amateur review notes are like practical shopping guides, greatly enhancing their efficiency in obtaining useful information. Generation Z often hopes to make wise choices when making purchases. These genuine and down-to-earth review contents can help them quickly understand the advantages and disadvantages of products, thereby influencing their purchasing decisions. However, the algorithm mechanism of Xiaohongshu also has certain problems. Long-tail brands are prone to being monopolized by top Kols, while small and medium-sized brands have insufficient exposure. According to Xinbang data, 0.1% of the accounts under the beauty category account for 45% of the traffic. This means that most of the traffic is concentrated in the hands of a few top Kols, making it difficult for small and medium-sized brands to obtain sufficient exposure opportunities on the platform. For Gen Z users, they may thus be unable to access more emerging and niche high-quality brands and products. The information they obtain is too limited, which restricts the diversity of their consumption choices. In the eyes of Generation Z, who pursue individuality and differentiation, this might make them feel that the products on the platform lack novelty, thereby reducing their willingness to consume on the platform.

4.2 Douyin: Real-Time Heat and Immersive Experience

Douyin's algorithm is based on the "traffic pool race" mechanism. For content to enter the secondary traffic pool, it needs to achieve a like rate of over 3% and a completion rate of over 40% (Douyin Creator Academy). This mechanism is like a fierce competition, motivating creators to constantly produce high-quality content. For instance, the topic #Douyin Good Products Recommendation has received over 80 billion views, but only 0.7% of the videos have entered the million-level traffic pool. This forces creators to go all out to enhance the quality and appeal of their content in order to gain more traffic and exposure. For Gen Z users, rich and high-quality content provides them with a vast amount of consumption information, meeting their diverse consumption demands. They can see all kinds of novel products and interesting recommendations

on Douyin, thereby stimulating their desire to purchase.

In addition, the "virtual makeup try-on" AR tool launched by Douyin in 2023 has brought new opportunities for the sales of beauty products. This technological innovation enables users to experience the effects of beauty products more conveniently and realistically, increasing the conversion rate of beauty products by 220%. Generation Z users are full of curiosity about new things and enjoy trying out new shopping methods and technologies. The "virtual makeup try-on" AR tool enables them to directly see the effect of beauty products on their faces before purchasing them, reducing the risks and uncertainties of the purchase and further promoting the sales of beauty products. Meanwhile, this immersive shopping experience also increases the time users spend on the platform and the frequency of their interaction, enhancing the stickiness between users and the platform.

5. Key Issues and Coping Strategies of Social Media Influencing the Consumption Behavior of Generation Z

In the current era when social media is deeply integrated into the lives of Generation Z, it has exerted multiple influences on their consumption behaviors and also exposed some key issues that require corresponding countermeasures to be adopted for resolution.

From the perspective of key issues, the conflict between algorithmic black boxes and consumer rights is the primary problem. The black box of algorithms makes it difficult for consumers to understand the operation mechanism and decision-making basis of the platform's algorithms, which directly affects consumers' right to know and choose. Take Douyin as an example. Its traffic allocation algorithm determines the content that users see and the recommended products, but consumers often have no idea about the algorithm rules. In this case, consumers may be pushed some product recommendations that are not suitable for them without their knowledge. This information asymmetry puts consumers in a passive position in the consumption decision-making process and increases the risk of purchasing goods that do not meet their needs.

The challenge of cross-platform behavior tracking cannot be ignored either. When making consumption decisions, Generation Z often

complete the process of "recommending products-comparing prices-placing orders" on multiple platforms. For instance, a user might be "inspired" by a certain product on Xiaohongshu, then watch related short videos on Douyin to learn more about the product's features, and eventually place an order to purchase it on another e-commerce platform. This cross-platform consumption behavior makes it difficult for enterprises to fully grasp the behavioral trajectory and decision-making process of consumers. Due to the inability to integrate these behavioral data scattered across various platforms, enterprises find it hard to build a complete user profile and thus cannot formulate precise and effective marketing strategies, thus missing out on many marketing opportunities.

False marketing and the authenticity of information are both major pain points that social media affects the consumption behavior of Generation Z. False marketing and inaccurate information occur from time to time on social media platforms. The false "product recommendation" phenomenon on Xiaohongshu is a typical example. False information is like a "malignant tumor", which not only misleads consumers into making wrong consumption decisions and causes them economic losses, but also undermines the fair competitive environment of the market and harms the interests of both consumers and legitimate merchants. When consumers make purchases based on false information and find that the products do not match the promotion, they will not only be dissatisfied with the merchants but also question the credibility of the social media platforms.

Corresponding coping strategies need to be adopted in response to these problems. In terms of platform governance optimization, the first step is to increase the transparency of algorithms. The platform should collaborate with third-party institutions to open up some data for auditing and disclose the basic principles and key parameters of the algorithm to users. In this way, users can understand the basis for content recommendations and product recommendations, thereby safeguarding their right to know and choose. Secondly, content review should be strengthened. Establish a strict content review mechanism, combining artificial intelligence technology with manual review to promptly identify and handle false marketing, exaggerated

promotion and other content. In this way, the authenticity and reliability of the platform information can be enhanced, creating a healthy consumption environment for consumers.

In terms of adjusting enterprise marketing strategies, enterprises should integrate cross-platform data. Strengthen cooperation with different social media platforms, utilize ID Mapping technology to integrate the behavioral data of users on multiple platforms, and construct a complete user profile. In this way, enterprises can understand user needs and consumption behaviors more accurately, formulate personalized marketing strategies, and improve marketing effectiveness. Meanwhile, enterprises should pay attention to the quality and authenticity of the content. When conducting marketing on social media, avoid false advertising and exaggeration. By providing valuable information and sharing genuine user experiences, win the trust and recognition of consumers, thereby promoting product sales and brand building.

6. Conclusion

This study takes Xiaohongshu and Douyin as examples to deeply explore the influence mechanism of social media on the consumption behavior of Generation Z. Research has found that Xiaohongshu, with its "grass-planting" content ecosystem and long-tail recommendation algorithm, has become the consumption decision-making entry point for Generation Z. Douyin, with its "impulse consumption" closed loop driven by short videos and real-time popularity algorithm, has stimulated the consumption desire of Generation Z. However, social media platforms also face problems such as algorithmic black boxes, cross-platform behavior tracking challenges, and false marketing during their development process. Through the optimization of platform governance and the adjustment of enterprise marketing strategies, these issues can be effectively addressed, promoting the healthy development of the social media marketing industry.

Future research can further conduct cross-cultural comparative studies to compare the differences in social media usage and consumption behaviors among Generation Z in China, the United States, or China and Europe, providing references for global enterprises to formulate international marketing strategies. At

the same time, strengthen longitudinal data research, track the long-term impact of the development of social media technology on the consumption behavior of Generation Z, promptly identify new problems and trends, and provide richer basis for theoretical research and practical application. In addition, with the continuous development of technologies such as artificial intelligence and virtual reality, the functions and marketing models of social media platforms will also keep innovating. Future research can focus on the influence mechanisms of these new technologies on the consumption behavior of Generation Z.

References

- [1] Wood, S. (2013). Generation Z as consumers: trends and innovation. Institute for Emerging Issues: NC State University, 119(9), 7767-7779.
- [2] Dahniar, S., Anugra, W., Sakinah, A., Febrianti, W., & Hasan, M. (2023). Utilization of TikTok shop interactive features and their impact on consumer purchasing decisions. *International Journal of Asian Business and Management*, 2(6), 947-960.
- [3] Golden, S. R. (2023). Marketing "That Girl" and the commodification of perfect womanhood on TikTok.
- [4] Gatautis, R., & Kazakevičiūtė, A. (2012). Consumer behavior in online social networks: review and future research directions. *Economics and management*, 17(4), 1457-1463.
- [5] Riaz, M. U., Guang, L. X., Zafar, M., Shahzad, F., Shahbaz, M., & Lateef, M. (2021). Consumers' purchase intention and decision-making process through social networking sites: a social commerce construct. *Behaviour & Information Technology*, 40(1), 99-115.
- [6] Kannan, L., & Kumar, T. P. (2022). Social media—the emotional and mental roller-coaster of Gen Z: an empirical study. *Managing disruptions in business: causes, conflicts, and control*, 81-102.
- [7] Lu, Z. (2024). Personalized Marketing and Recommendation Systems on TikTok. *Advances in Economics, Management and Political Sciences*, 88, 46-50.
- [8] Xie, G., & Wang, X. (2025). Sales through note-sharing: influences on the shopping behavior of "Xiaohongshu" users. *Frontiers in Psychology*, 15, 1334637.
- [9] The State Administration for Market Regulation. (February 25, 2023). Measures for the Administration of Internet Advertising. Retrieved from https://www.gov.cn/gongbao/2023/issue_10_506/202306/content_6885261.html.
- [10] Jackson, L. A., & Wang, J. L. (2013). Cultural differences in social networking site use: A comparative study of China and the United States. *Computers in human behavior*, 29(3), 910-921.