

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

“A3 audience”	a community of users already familiar with the brand and willing to buy under the Douyin audience segment category
“account service”	managing client relationships and ensuring successful delivery of services
“AI”	artificial intelligence
“AI agent” or “agent”	an intelligent system or program capable of autonomously performing specific tasks on behalf of a user to achieve a proposed goal
“algorithm”	a procedure or formula for solving a problem, based on conducting a sequence of specific actions
“API”	application programming interface, a set of rules and tools that allows different software systems to communicate and interact with each other
“AIPS”	brand audience asset index, a composite index developed by Xiaohongshu to measure a brand's accumulated audience asset and campaign effectiveness by integrating user engagement signals with downstream conversion and ROI metrics
“campaign”	a set of advertisements that revolve around a single message and are intended to achieve a particular goal
“client retention rate”	calculated as the percentage of clients in the immediately preceding year who remain our clients in the current year
“CPA”	cost per acquisition
“CPC”	cost per click, a performance-based pricing model where customers pay for each instance a user clicks on an advertisement or a specific piece of content
“CPM”	cost per mille, a non-performance-based pricing model where customers are charged on the basis of every thousand impressions
“CPT”	cost per time, a non-performance-based pricing model where customers are charged based on the duration of the advertisement placement

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“CTR”	click-through rate, a metric in social media marketing that measures the percentage of users who click on a specific link, ad, or call-to-action after being exposed to it
“DAU”	daily active user
“e-commerce”	electronic commerce, referring to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions
“ESG”	environmental, social and governance
“fine-tuning”	the process of adapting a pre-trained model for specific tasks or use cases
“FMCG”	fast-moving consumer goods, products that are sold quickly, at a relatively low cost, and have a short shelf life, requiring frequent replacement
“GHG”	greenhouse gas
“GMV”	gross merchandise value, the total value of all orders placed through a platform or channel within a given period, before deducting returns or cancellations
“impression”	the number of advertisement views, representing the total number of times an advertisement is viewed by a user or displayed on a web page during a certain period of time
“influencer”	individual or entity that creates and distributes content on social media or digital platforms and has the ability to influence audience engagement or purchasing decisions
“KOC”	key opinion consumer, referring to a user with relatively smaller followings who shares product or service experiences and is typically perceived as more authentic and relatable by the audience
“KOL”	key opinion leader, referring to an influencer with relatively large followings and established influence over audience engagement and purchasing decisions
“KOS”	key opinion sales, referring to sales associates or frontline personnel who leverage professional sales skills and deep industry-specific knowledge to promote products on social media
“KPI”	key performance indicator

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“large language model” or “LLM”	advanced AI model trained on massive amounts of text data to understand, generate, and interact using human language. It is capable of performing a wide range of natural language processing tasks, such as text generation, translation, summarization, and question answering
“MCN”	multi-channel network, a company or entity that provides support and services to multiple content creators or social media channels
“ROI”	return on investment
“R&D”	research and development
“seeding”	creating and distributing content to targeted user groups on social media platforms with the aim of stimulating user engagement and driving conversions
“social media platform”	a group of online platforms and applications that allow users to create, share and exchange content in the form of texts, images, videos and more
“SPU”	standard product unit
“traffic”	audience flow or user visits on media platforms in social media marketing
“UGC”	user-generated content, content that is created and published by users or consumers rather than brands or professional content creators
“view-through conversion”	a key metric in social media marketing that measures when a user sees an advertisement but does not click it, yet later completes a desired action such as a purchase or a search within a specific timeframe
“viral content rate”	a performance metric in social media marketing that measures the percentage of content pieces that achieve viral reach – typically defined by exceeding a set threshold of engagement relative to impressions