



MARKET REPORT

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01/21/2025

\$4.8B/yr Instagram of China

TEAM

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\$4.8B/yr Instagram of China

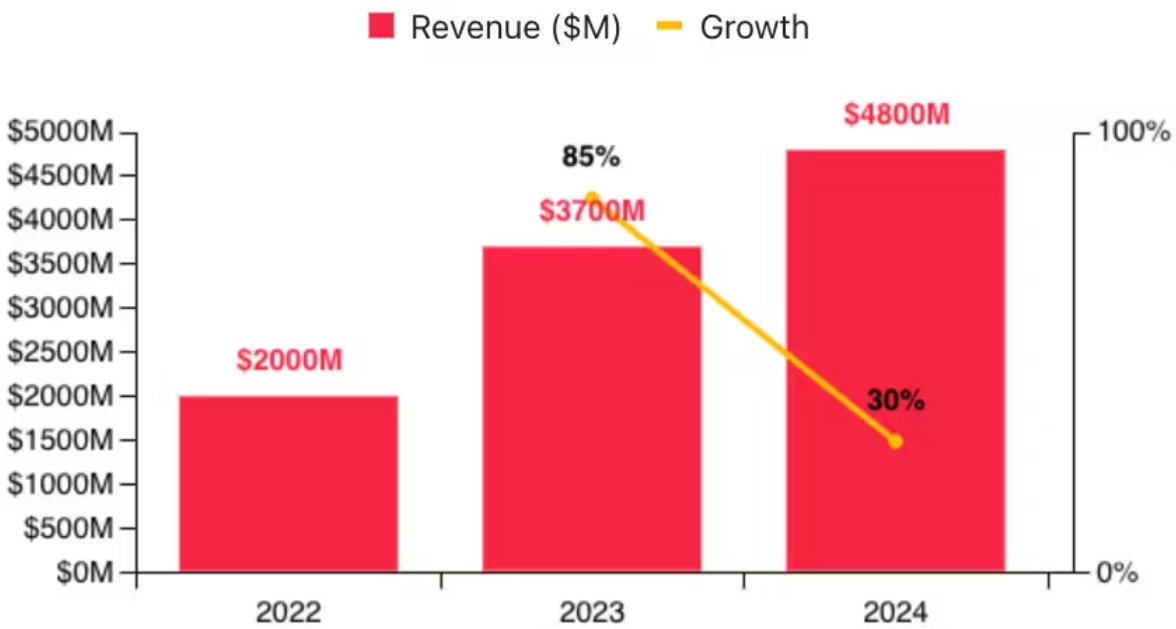
By Jan-Erik Asplund

TL;DR: Originally a PDF shopping guide for Chinese tourists, Xiaohongshu has evolved into China's answer to Instagram, capturing an affluent demographic of young urban women who drive global luxury spending. Sacra estimates Xiaohongshu generated \$4.8B in revenue in 2024, up 30% from \$3.7B in 2023, with 300M monthly active users and a \$20B valuation. For more, check out our full report and dataset on Xiaohongshu.



小红书

Revenue (\$M)

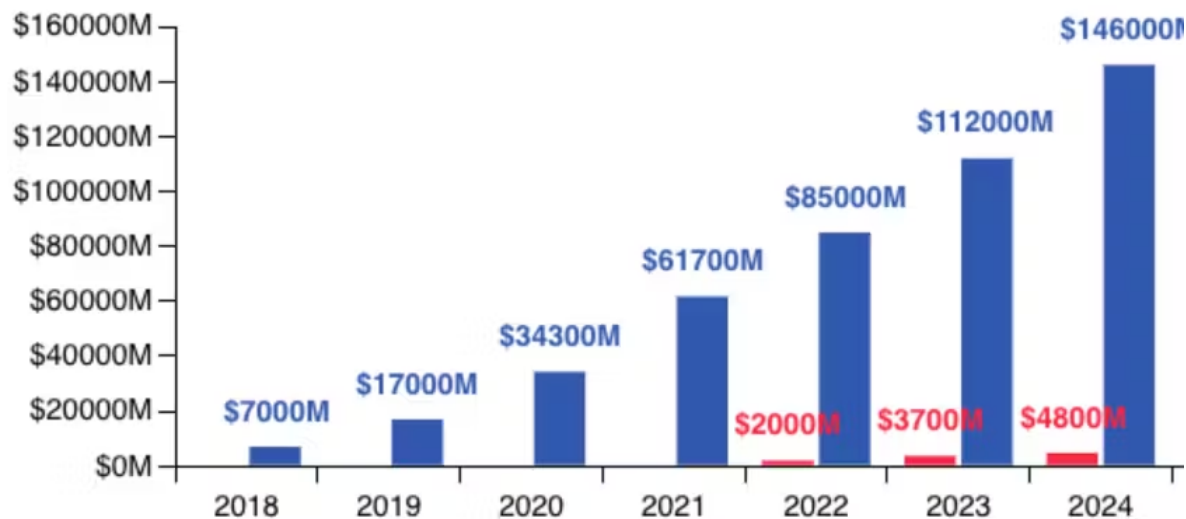




小红书 vs. ByteDance

Revenue (\$M)

■ Xiaohongshu: Revenue (\$M) ■ ByteDance: Revenue (\$M)



The little-known Chinese social media app Xiaohongshu, backed by both domestic companies (Alibaba, Tencent) and international venture firms (DST Global, GGV Capital) shot to #1 in the iOS App Store in the week leading up to the TikTok ban as 3M American “TikTok refugees” flocked to it as a replacement.

We dug deeper into the Chinese-incorporated Xiaohongshu—aka RedNote—to learn more in advance of an anticipated 2025 IPO on the Hong Kong Stock Exchange (HKEX).

Key points via Sacra AI:

- Initially launched in 2013 as a series of PDF shopping guides for Chinese tourists in Hong Kong, Xiaohongshu (“Little Red Book”) launched a mobile app in 2014 where users share their purchases and reviews to a photo and video-heavy social feed, capturing the demographic of young, urban women who would otherwise use Instagram (if the platform weren’t blocked in China). Selling ads to brands like Lancôme, Louis Vuitton and Lanvin, Xiaohongshu monetized its customer base of affluent Chinese Millennial women who are responsible for a third of the world’s luxury consumption and sent ~80% of their \$66B spend to overseas retailers.
- With 300M monthly active users who use it for shopping inspiration and lifestyle content, Sacra estimates that

Xiaohongshu (\$900M raised, Tencent, DST Global, GGV) generated \$4.8B in revenue in 2024, up 30% from \$3.7B in 2023 with \$1B in net profit and a valuation of \$20B as of their January 2025 secondary sale for a 4.16x revenue multiple. Unlike Douyin which aggressively monetizes ecommerce and hit \$96B of revenue in 2024, up 22% YoY, Xiaohongshu's revenue depends heavily on advertising (cosmetics brands alone contribute 50% of all ad revenue), with users often discovering products on Xiaohongshu but completing their purchases on platforms like Tmall and Taobao.

- **Like Alibaba—which started with a B2B marketplace and became an ecommerce platform with its own payments network—and Tencent—which started with messaging and became a gaming and social media giant—Xiaohongshu is building an "everything app" for women under 32 years of age, going after Baidu on search (600M daily searches, half of Baidu's volume), Tencent on gaming and local services, and Pinduoduo on community group-buying.** As user growth has gone flat or into decline at Douyin (ByteDance) and WeChat (Tencent) as they've saturated the Chinese mainland, Xiaohongshu is growing users 16% year-over-year, adding new content categories like gaming and increasing their male user share from 10% to 30% as of 2024.

For more, check out this other research from our platform:

- Xiaohongshu (dataset)
- ByteDance (dataset)
- Stan (dataset)
- Passes (dataset)
- Reddit (dataset)
- Reddit: the \$510M/year social libertarian superapp
- Vitalii Dodonov, CTO of Stan, on building a creator-aligned store-in-bio
- Kavin Stewart, Partner at Tribe Capital, on Reddit's 10x opportunity
- Truth Social: the GameStop for the alt-right
- Stan: the \$14.7M/year store-in-bio
- Neal Jean, CEO of Beacons, on building vertical SaaS for creators