

# *Estée Lauder's Marketing Strategy for Its Beauty Products in the Chinese Market*

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**Abstract:** The beauty and cosmetics industry is growing rapidly, with China emerging as one of the most important markets due to rising consumer demand and digital commerce. This article examines Estée Lauder Companies' strategic adjustments to the Chinese market, focusing on the three marketing strategies of localization, digital marketing, and consumer engagement. Using secondary data from industry reports and academic studies, the study analyzes how Estée Lauder Companies has adapted its products to Chinese cultural preferences, such as products with a focus on skincare and holiday-themed packaging. The company's digital strategy, including collaborations with influencers and participation in e-commerce events such as Singles' Day, has increased brand awareness and consumer trust. In addition, personalized interactions through loyalty programs and virtual consultations have helped build long-term customer relationships. However, the brand faces challenges from domestic competitors and changing consumer expectations for sustainability. This study provides insights into how global luxury brands can balance localization with brand consistency to succeed in competitive and culturally diverse markets.

**Keywords:** Estée Lauder, Chinese Beauty Market, Product Localization, Digital Marketing, Consumer Engagement

## 1. Introduction

The beauty & cosmetics industry has evolved into one of the most profitable industries in the world due to changing consumer preferences, technological advances, and regional market expansion. Asia has been the epicenter of this growth in recent years, and China is undoubtedly the backbone of the global beauty market. With an expanding middle class, power and aspiration are the two biggest drivers behind luxury goods and beauty in China. The beauty market in China is predicted to reach more than 90 billion U.S. dollars by 2025 [1].

Chinese consumers' demand is changing as they become wealthier, from simple all-purpose beauty products to high-quality luxury products that resonate with personal values and culture. There are several differences between the Chinese beauty market and others, Chinese consumers prefer skincare products to makeup products. For instance, anti-aging, moisturizing, and skin brightening products are favored as beauty implies healthy, youthful (regardless of age) skin color reflects the traditional form of beauty. Domestic festivals serve as an impetus for consumer behavior, so brands tailor their merchandise and marketing activities around these key cultural events.

The beauty market in China has also experienced a large seismic shift due to an increasing role of digital and social commerce, redefining the way brands engage with the consumer. APP platforms like WeChat, Tmall, TikTok, and Red are the present rulers of online shopping behavior; consumers most often turn to APP, not only for consumption but also for product research and peer recommendations. Influencer marketing is the new black. Consequently, beauty brands in China need to incorporate e-commerce-oriented strategies and digital engagement to stay relevant.

Estée Lauder has been transformed from a quality beauty brand to the leading global skin, make-up, and perfume brand in this dynamic market governing Finland since 1975. Starting in America in 1946, this American beauty company is now a powerhouse of multi-brand business with high-end brands like MAC, La Mer, and Bobbi Brown as well as mass brands such as Clinique. Estée Lauder introduced their products in China during the early 90s, focusing on wealthy consumers in major cities. However, the latter has seen quite an overhaul since then as the company adapts to the changes in the Chinese market and consumer expectations.

Another reason Estée Lauder performs well in China is that they strike a balance between luxury and localization. The firm has tuned its product offerings to Chinese consumers, from skincare formulas designed for Asian skin to limited-edition packaging celebrating Chinese festivals. It has also employed digital software, e-commerce, and social media influencers to court younger consumers, currently the primary growth engine for luxury beauty. Modernizing its image as a consumer-centric beauty brand for China through participation in such contemporary online shopping festivals as Singles Day, and participative digital elements integrated into its mass-market campaigns.

However, the company is encountering rising difficulties in preserving its edge. Overseas beauty giants like L'Oréal and Shiseido are jockeying for a piece of China's market share, while local brands such as Perfect Diary and Francesca have been gobbling up consumers by launching novel products with competitive prices. Local businesses are skilled at using local markets and enhancing business via online platforms giving big competition to international brands. Likewise, environmental sustainability and clear inclusivity messages are becoming important to Chinese consumers. The long-term prospects of Estée Lauder in the Chinese market will depend on its ability to weather some composing trends.

The reason why this research is important is that it provides valuable insights into how global luxury brands like Estée Lauder can adapt their marketing strategies to succeed in highly competitive and culturally diverse markets and contributes to academic research on global marketing strategies and consumer behavior.

## **2. Literature Review**

### **2.1. Global Marketing Strategies in The Beauty Industry**

Kapferer and Bastien explore how luxury brands like Estée Lauder would grow on uniqueness, product quality, and emotional brand promotion [2]. Whilst allowing their chains to expand globally luxury brands must still maintain a sense of esteem, while providing product offerings and marketing strategies consistent with core identity. For luxury companies, entering new markets means ensuring that their brand heritage is preserved even as they adapt to local culture and consumer expectations to stay competitive.

A key perspective that Shalini shared about the luxury beauty brands evolving in these new markets is the need to balance global consistency with local relevance [3]. As the study notes, premium brands cannot afford to simply 'go local' with their marketing campaigns. The confluence of global renown and localized marketing by Estée Lauder fits within this construct and is a successful case study in luxury brand building.

Each year McKinsey looks at the market trends happening in beauty markets across the globe, and personalization has been highlighted as an important growth driver [4]. Consumers are looking for personalized products and brand experiences, the report observed. Estée Lauder — Personalization has been an essential component for the company by offering targeted online consultations and tailor-made beauty recommendations based on consumer-oriented choices in various countries, such as China.

## **2.2. Cultural Adaptation and Localization in The Chinese Market**

According to Lin and Chen, for brands attempting to enter the Chinese market, cultural adaptation is indispensable due to due traditional Chinese culture-based consumption behaviors of Chinese consumers [5]. According to their research, product localization (such as skin care products for Asian skin types) is one of the main strategies for aligning with consumer expectations. Estee Lauder implements this strategy by providing targeted merchandising for Chinese consumers' preferred moisturizing, anti-aging, and brightening products.

Zhang and Tong examine the localization of marketing campaigns in China with respect to local cultural events [6]. They determined that examination of the Spring Festival and Chinese Valentine's Day can enhance consumer engagement as participation facilitated an emotional tie between the brand and consumers. For example, this trend is harnessed by Estée Lauder, who capitalizes on major Chinese holidays to block limited collections and events further solidifying the brand's trendy status within China.

Deep cultural fit also proved to be fruitful for Perfect Diary, as discussed by Yuan, a successful domestic brand [7]. According to Yuan, domestic brands have a strong capability of connecting local culture and establishing an emotional bond with Chinese consumers, which international competitors can hardly beat. The trickle-down effect of globalization is enough to get people hot in the collar, but this competitive landscape emphasizes cultural sensitivity to never-ending iterations on how foreign brands can improve their localization.

## **2.3. Digital Platforms and Social Commerce in China**

Digital platforms like WeChat and TikTok are a common ground for Chinese consumer engagement according to Lin and Chen [5]. They add that social media marketing allows the brands to directly and more personally interact with consumers thus enhancing brand loyalty. These platforms featured heavily in Estee Lauder's actual efforts to use interactive campaigns and KOLs to bolster awareness and trust as opposed to just passive advertisements.

Shalini looks at the explosive growth of social commerce in China, and the significance of influencer marketing [3]. Chinese consumers tend to trust influencers rather than outright ads, Shalini found that Estée Lauder has been successful in collaborating with trending influencers and creating brand awareness for the beauty line.

According to the TikTok Report, live streaming has appeared widely in sales promotion in the Chinese market [8]. Estee Lauder incorporated live streaming into its marketing initiatives by launching virtual events and showcasing products to the public directly. This approach aligns with consumers' increasing desire for more immediate engagement with brands.

## **2.4. China's Beauty Market: Challenges and Opportunities**

Yuan notes that a growing number of domestic competitors could also prove troublesome for international beauty brands [7]. Local players including Perfect Diary are changing the landscape by providing equally good products with adjusted price points and through more flexible marketing efforts. To keep competitive, international brands may have a way out by innovating and creating

offers with unique value propositions. It is this consistency that helps Estée Lauder continue to leverage its competitive advantage when it comes to luxury branding and exclusive collaborations through online interactions.

As reported by L'Oréal, China is facing a wide range of unsustainability issues, and to combat that they studied market trends [9]. Brands that showcase eco-friendly practices, sustainable packaging, and other social responsibility efforts are more likely to come out on top, the report finds. Although Estée Lauder is already working toward sustainability, the research indicates it should pursue further initiatives to align the brand with rising expectations for ethical responsibility.

Due to trends and technological changes, consumer behavior in China is extremely dynamic [6]. Brands must be on top of their feet and roll with the changes to stay ahead. Riding the wave of digital commerce sales festivals like Singles' Day is how Estée Lauder stays relevant in evolving markets and cashes wherever possible.

## **2.5. Beauty Industry Consumer Engagement and Loyalty**

McKinsey suggests that building long-term consumer relationships through personalized interactions is critical to success in the beauty industry [4]. The report highlights the importance of loyalty programs, virtual consultations, and targeted promotions in improving customer retention. Estée Lauder's loyalty program in China rewards consumers for repeat purchases, thereby cultivating long-term brand loyalty.

Shalini finds that personalization is not limited to product recommendations, but also includes brand interactions that resonate with individual consumers [3]. Estée Lauder's use of AR technology to enable virtual makeup trials suggests that technology can enhance personalization and improve the overall customer experience.

Zhang and Tong also analyze the role of brand trust in consumer loyalty [6]. They argue that consistent product quality and transparent communication are key factors in maintaining consumer trust, especially in the luxury goods sector. Despite increasing competition from domestic and foreign competitors, Estée Lauder's reputation for high-quality products has helped the brand earn lasting consumer trust.

However, even though many scholars are researching this field, there are very few scholars/articles that have studied Estée Lauder's marketing strategy for its beauty products in the Chinese market.

## **3. Methodology**

### **3.1. Research Design and Methodology**

This study uses secondary data methodology as the primary research method, collecting and analyzing data from existing sources such as academic journals, industry reports, company publications, and digital platforms. Secondary research is well-suited to exploring Estée Lauder's marketing strategy, as it provides access to a wide range of market insights, industry trends, and real-time data from multiple sources. This approach provides a comprehensive view of the brand's activities in the Chinese market by analyzing how the company operates across a variety of digital channels and e-commerce platforms.

### **3.2. Data Collection Sources**

Data for this study was sourced from a wide range of credible and well-connected sources to ensure accuracy and depth. These sources included academic journals and case studies, industry reports, company publications, and digital platforms.

The observation period is four years (2021-2024), covering key changes in consumer behavior and market trends during and after the COVID-19 pandemic. During this period, it can be seen in detail how Estée Lauder's marketing efforts have responded to external challenges and market changes.

### 3.3. Data Analysis Methods

Thematic categorization of the secondary data was performed to aid qualitative analysis. An analysis of observations around digital platforms and e-commerce activity to understand trends related: There was a special focus on activations with high engagement metrics and brand activations during larger sales events. A comparison with other international and domestic competitors was also made to examine the strength of Estee Lauder's strategy in making it a competitive force.

## 4. Results

### 4.1. Product Localization

In the case of The Estée Lauder Companies, one highly strategic initiative focuses on localization by producing goods that have been tailored to Chinese aesthetic standards and cultural preferences. With skincare over makeup for the Chinese consumer, moisturizing, anti-aging, and brightening products are most appealing. We note that the Estée Lauder Companies cater to Chinese consumers' needs for anti-aging products by marketing door-opener products like Advanced Night Repair.

Additionally, the brand has also released festive packaging for limited-time offerings including the Chinese New Year in which packages are adorned with a red & gold appearance signifying fortune and luck. Such a culturally relevant trend seems to have tugged at the heartstrings of Chinese consumers who, as illustrated by their festive popularity, have reportedly taken a liking to such special collections. Such a localized tactic not only strikes a chord among shoppers but also helps consolidate Estée Lauder's luxury identity by pairing modernized, classic Chinese aesthetics with an upscale label.

Estée Lauder has reworked product formulations for Chinese shoppers. So, in a humid climate, for the skincare range lighter textures are highlighted while makeup products like foundation provide lighter shades to match local skin tone preferences of fair glowing skin, MNC strategies like localization are clearly rooted in regional customer preferences and exhibit level of customization to meet local service needs while retaining brand global essence.

### 4.2. Digital Marketing Strategy

Estée Lauder's success in the Chinese market is largely due to its digital-first strategy, which leverages major platforms such as TikTok, Xiaohongshu, and Tmall.

Estée Lauder, like many other brands, has done a lot of work on KOLs (key opinion leaders), that is tips from celebrities and beauty promoters. For instance, collaborations with Chinese actresses like Yang Mi have massively raised the profile of skincare lines. With the help of KOLs, a brand can reach its ideal target audience and build initial trust with them because Chinese consumers tend to make purchase decisions based on influencer recommendations.

TikTok & live streaming on the Tmall platform is also integrated with Estee Lauder's marketing strategy. The brand is often seen joining big live-streaming shows on sales festivals like Singles' Day (11.11). Live streams with KOLs and product experts can drive significant engagement as consumers can engage in real-time, ask questions, or purchase straight from the platform. This not only increases the sales but also helps to higher consumer engagement via this strategy.

Observations from the Tmall platform found that Estée Lauder offers significant discounts and exclusive product combinations during shopping festivals such as Singles' Day and the 618 Mid-Year



Sale. These events are critical in China's e-commerce sector, and Estée Lauder's participation shows its ability to use high-traffic events to increase revenue and awareness.

### 4.3. Consumer Engagement Programs

The Estée Lauder Companies has developed personalized consumer engagement strategies below to cultivate brand loyalty and enhance the customer experience.

The brand sells membership programs that reward consumers with points for every purchase, which can be redeemed for gifts, discounts, or exclusive access to events. Based on the observation, Estée Lauder uses these programs to drive more purchases because they access Tmall and WeChat frequently to drive repeat purchases. This aligns with the findings of McKinsey that discovered loyalty programs are key to establishing long-term consumer relationships in the Chinese beauty industry.

In addition, Estée Lauder provides virtual beauty consultations through platforms such as WeChat and e-commerce websites, with personalized product recommendations catering to individual skincare issues. With augmented reality (AR) tools on Tmall, customers can virtually try makeup for a seamless, interactive shopping experience. It boosts the consumer experience and demonstrates a steady enhancement towards ultra-specific brand interactions.

Estée Lauder's sustainability activities are emerging, the brand initiated sustainable packaging and corporate social responsibility programs to match consumer interest toward green goods. According to Xiaohongshu's observations, one of the behaviors that USA young consumers are concerned with a brand sustainability practices, and this could also be another growing opportunity for Estée Lauder.

Although gainful, Estée Lauder is facing aggressive competition from international and local brands. Rival L'Oréal has also made major moves in China, with comparable high-end skincare and plenty of digital consumer engagement. At the same time, domestic brands such as Perfect Diary have become more appealing to consumers by providing high-quality products at reasonable prices and promoting marketing campaigns targeting Gen Zers.

Estée Lauder's capacity to keep its premium positioning amidst these nimble brands showcases the inherent strategic power-play in keeping luxury accessible. That said, the shifting sand of Chinese consumerism presents a constant source of strife. As per observation, consumers are leaning more towards being authentic, inclusive, and sustainable and this suggests that Estée Lauder needs to adapt over there as well to survive. KOLs and live-stream activities are such a big part of how the brand capitalizes on demand, so any shift away from influencers or bad PR could impact perception.

## 5. Discussion

### 5.1. Product Localization

Estée Lauder furthers their localization by re-formulating the regular version of their products to be more suitable for Chinese consumers — adjusting packaging colors and marketing campaigns to align with Chinese aesthetic preferences and cultural values. For example, Festive limited-edition products (like the Chinese New Year) help brands combine commercial activity with cultural relevance, and formulas that are adapted to humid climates will ensure products meet local expectations of comfort and efficacy. Observations on consumer preferences for skincare products showed that compared with makeup, Chinese consumers attach more importance to skincare and studies have shown that they are paying attention to moisturizing, anti-aging, and whitening effects.

Customizing products can create greater brand appeal, helping them resonate more effectively with consumers and leading to increased sales. Additionally, special campaigns such as those celebrating Chinese New Year strengthen the emotional connection between the brand and its customers.

Products specifically formulated for Chinese consumers foster loyalty and credibility, enhancing consumer confidence in the brand.

However, hyper-localized strategies come with potential risks, including diluting Estée Lauder's image as a global, luxury cosmetics brand. Operating with region-specific products and packaging introduces additional complexity, which can raise operational costs and complicate country-level management. These higher costs may pose challenges to maintaining profitability across markets.

To improve, Estée Lauder should remain culturally relevant by participating in key festivals, ensuring these activities align with the brand's premium image. Core product offerings should stay standardized to maintain global consistency, with only selective localized features, such as special packaging, where appropriate. Additionally, the company can balance costs by limiting localization to top-selling products instead of entire product lines.

## 5.2. Digital Marketing Strategy

Estée Lauder engages with consumers via Chinese digital platforms such as TikTok, Xiaohongshu, WeChat, and Tmall, through influencer marketing, live streaming events, and targeted advertising. Chinese consumers are increasingly shifting towards digital consumption, relying heavily on social platforms to discover and recommend products. The influence of Key Opinion Leaders (KOLs) is significant, as Chinese consumers trust KOLs more than traditional advertising, making collaboration with them crucial. Furthermore, live-streaming e-commerce has grown rapidly, with platforms like TikTok enabling real-time interaction, becoming a powerful driver of sales.

Collaborating with KOLs can generate buzz, increase engagement, and direct traffic to Estée Lauder's platforms. Sales festivals, such as Singles' Day, benefit from real-time streaming by raising awareness and boosting revenue. Additionally, platforms like WeChat provide personalized brand experiences through mini-programs, deepening relationships with consumers and enhancing customer retention.

However, reliance on KOLs introduces risks, as brands may become vulnerable to controversies involving these influencers. Some digital campaigns, though initially impactful, may create only short-term hype without fostering long-term loyalty. Competing brands also invest heavily in digital marketing, leading to platform saturation and making it increasingly challenging for Estée Lauder to stand out in a crowded marketplace.

To ensure sustainable value, utilizing a mixture of marketing channels is essential. Brands can enhance collaborations with influencers by incorporating old-school luxury product promotions. Implementing content-driven marketing strategies can further increase campaign longevity by developing educational beauty content or tutorials, which help sustain consumer engagement beyond the immediate sales event. Additionally, employing data analysis allows for improved campaign performance by identifying which influencers, platforms, or activities provide the best return on investment (ROI).

## 5.3. Consumer Engagement Programs

Consumers are drawn in with features like loyalty programs, live chat options for virtual consultations, and AR tools for try-ons — all managed by Estée Lauder. This is happening for several reasons. First, creating loyal customers for life is essential, and membership programs boost customer retention by encouraging repeat purchases. Second, there is a growing demand for personalization, as Chinese consumers increasingly seek tailored product recommendations and services. Lastly, virtual consultations and AR tools drive engagement by providing tech-savvy consumers with an interactive shopping experience.

The impacts of these initiatives can be seen in both positive and negative outcomes. On the positive side, customer lifetime value grows as loyalty programs keep customers engaged with the brand over the long term, encouraging repeat purchases. Additionally, virtual try-on models create immersive shopping experiences that reduce purchase hesitancy and drive conversions by allowing customers to preview products realistically before buying. Estée Lauder also strengthens its brand differentiation through WeChat mini-programs and Tmall consultations, which provide personalized one-to-one interactions, setting the brand apart from competitors.

However, these efforts also come with challenges. Delivering personalized services and maintaining digital tools can be resource-intensive, requiring significant investments. Moreover, there's a delicate balance to maintain with exclusivity—offering too many rewards risks diminishing the brand's luxury perception. Another concern is the tension between sustainability and marketing efforts. While consumers increasingly demand sustainable products, excessive promotions, and bonus activities can sometimes undermine these sustainability goals.

To address these challenges, several improvements can be considered. Loyalty programs should maintain exclusivity while still providing meaningful value to customers. At the same time, incorporating eco-friendly practices, such as rewarding customers for returning used product containers, can promote sustainability without compromising engagement. Adding more virtual services with elements of interactivity—such as live beauty demos or seasonal online-only events—can also help rejuvenate the brand experience and strengthen customer connections.

## 6. Conclusion

The results and discussion show that the reasons behind Estée Lauder's fortune in the Chinese market are the localization of product offerings, digital marketing strategies, and consumer engagement. For instance, the brand has created an emotional connection with Chinese consumers by adapting products to local preferences and launching limited-time skin protection solutions around important festivals. Nevertheless, balancing localization with the consistency of the brand across all its regions is still a work in progress.

Estée Lauder has relied heavily on digital marketing towards influencer co-creation partnerships, livestreaming events, and TikTok & WeChat to bring in buzz and sales for the brand. While they push campaigns into overdrive, they also highlight the problems of being too dependent on KOLs and the short-lived nature of marketing results. The way a company must have to diversify if the brand engagement has to be sustainable.

Estée Lauder's market presence was also reinforced through a combination of consumer engagement programs such as virtual consultations and personalized loyalty programs. But with exclusivity comes the urgency to deal with climate change.

Moving forward, Estée Lauder will need to be able to evolve its strategies to meet evolving consumer needs while still being luxurious. With an emphasized state on innovation, personalization, and sustainability, this brand will find leadership and growth in the Chinese beauty market which is constantly evolving.

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