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Branding strategies and social media influence on the consumers shopping behaviour as the keys to success in the Chinese beauty market

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论文提要

这篇论文讨论了中国的化妆品行业的发展， 也分析了国际公司的社会媒体战略。现在，世界上没有比中国更吸引投资的地方了。改革开放让中国经济得到很快的发展：从那时起，各种各样的行业诞生了，人民的生活水平提高了，市场国际化的进程就成为了事实。看到全球化带来了那么多投资机会，很多国际公司开始在中国进行了投资。所以， 在改革开放之后，化妆品行业也发生了巨大的变化。一般说来， 很多人认为化妆品的使用只是为改善自己的面貌，但是事实上，化妆品也包括那些个人卫生的产品。只是从八十年代以后，随着消费水平的连续增加，人们就开始对这种产品越来越感兴趣。所以这种行业的成功主要取决于两个方面：第一个是整个国家经济和产业不断的发展，第二个是人们生活质量的改善。现在，化妆品的消费者与日俱增，让中国成为了世界上最大的市场之一。虽然无疑化妆品市场提供了无限的机遇， 但是挑战越来越多，比方说，竞争的压力很大，法律规定很严格，消费者越来越挑剔等等。虽然化妆品行业是中国盈利最大的行业之一， 但是从外国公司和外国投资者的角度来看 ，他们要面对的困难并不少。所以在这种市场激烈情况下，差异化的战略势在必行，就是说品牌要被消费者辨认，每个产品要表达品牌的特点，只有这样做，公司才能在消费者的心中留下深刻的印象。为了面对这些挑战，最近很多外国企业开始利用中国社会媒体， 比如说微信、微博、QQ 等。这些通讯软件集成了很多服务：除了即时通讯以外，它们还提供视频，新闻和电子商务， 成为了创新大本营。虽然中国有着世界上最大的社交平台之一，微信已经超过了脸书的市场价值[1]， 但是中国之外的这些

[1] Shane, D. (2017). *Chinese social media giant is worth more than Facebook,* in “Cnn Money”, available at: http://money.cnn.com/2017/11/21/investing/tencent-facebook-value/index.html (accessed on: 01/02/2018).

社交网络不太热门。所以，想扩大中国市场的外国公司， 不但需要分析市场的情况，而且也要理解这些平台对消费者的影响。

这篇论文分四个部分：

1. 化妆品市场的进化，中国文化方面和美感的讨论
2. 现代化妆品市场的状况以及中国消费者的变化
3. 中国的社会媒体
4. 消费者行为的分析

这篇论文的第一个部分讨论了三个方面的问题。第一个方面是中国化妆品市场的进化。通过对历史的总览，这篇论文简单地介绍了化妆品市场的诞生和变化， 尤其解释了改革开放所带来了的变化。第二个方面介绍了文化维度的研究。由于讨论文化维度的研究很多，所以这篇文章只对 Geert Hofstede 进行了研究，我们称之为 Hofstede 的文化维度理论。他研究的目标是讨论不同国家的文化差异是如何能影响管理的实践。这种研究论证了世界上有一些地区或者国家的文化系统，它们一直影响着社会和机构的行为。按照 Hofstede 的理论有六个文化价值观的维度，它们包括：权力距离指数，个人主义，不确定性规避指数，男性化，长期导向，放任与约束。虽然一开始这个理论的应用是讨论管理系统， 但是现在营销的系统也同样关乎这六个维度进行讨论，为了了解每个文化的自己特点，这样一来，他们的战略可以适应市场的要求。第三个方面是来分析中国的美感。由于东方的美感与西方不一样，所以国际公司在中国做生意的时候，它们要决定进行一个标准化或者本地化的政策。在中国，美容标准非常独特，意味着为了成功地做生意，投资者需要了解当地的时尚优势。

关于这篇论文的第二个部分， 它分析了中国化妆品市场的两个方面。

第一个是现金的市场情况，第二个是中国消费者的进化。关于第一个方面，如今的市场被描述，比方说产品、竞争、销售方式等的情况。并且，现在和未来的优势被解释，比如说：消费升级是市场的推动力，男士清洁品的成功，电子商务的重要性等。

第二个方面介绍了消费者选择的变化。现在，在中国辨认一个整齐划一的消费者群体相当不容易。收入和教育水平的增长都构建了一个新的人口结构。 地理区位的变化也让很多地区的市场整合或者划分。并且，个人主义和信心变得越来越强，让中国人更重视产品的质量。如果公司不了解消费者的要求越来越细化的话，它们难以满足消费者者的需求。只有国际公司了解中国消费者的细化差异，才能提高它们品牌的吸引力。

第三个部分的题目是社会媒体。社会媒体的发展，社交建议导向的影响和电子商务的好处都被讨论。随着社会媒体连续的发展，它们对消费者的影响越来越强。分析中国社会媒体的生态系统绝对不简单：世界上最有名的社交网络以及即时通讯的使用，比如说“脸书”和“推特”的使用被禁止。再说，中国平台的数量与日俱增，也包括不少的服务。所以，国际公司去中国做生意，应该理解这种复杂的环境。现在微信，微博和 QQ 是中国最热门的平台，可是除了这三个，还有很多的社交平台：相片应用，视频应用，在线体育，电子商务等等。然而，由于每个社交媒体适合不同的人群，所以，不但国际品牌应该理解平台的多样化，而且也要侧重不同的平台以迎合不同的消费者。因此，公司要详细地分析现代的趋势，选择最适合的平台、时间和内容以达到自己的目标。并且，社交建议导向的影响不容被忽略。现在，品牌和网络名人的合作越来越多。这个情况主要取

决于网民对建议导向的巨大信任：其实每天买东西以前，很多网民都在看建议导向发布的内容，照片，视频，也潜移默化地听他们的建议，他们的影响力非凡。最后，要特别考虑电子商务的吸引力。中国大陆电子商务的成功难以置信：按照百度，最近 60%的城市家庭利用这种平台进行购买消费品[2]。电子商务的发展逐渐地推动了零售基础设施的改变，也对公司带来了很多机遇。

这篇论文的第四个部分来讨论消费者的看法。 通过问卷，中国和意大利消费者的化妆品购买习惯被分析出来。这个问卷分三个部分。第一个分析消费者最喜欢的化妆品以及所侧重的化妆品特点。第二个部分讨论购买的习惯尤其电子商务的使用以及外国化妆品的采用比率。并且，消费者对社交建议导向的观点被讨论。第三个部分分析了参加问卷的人的个人消息，比如说性格，年龄，工作等。最后，问卷的结果和管理体制的关系被讨论。

中国化妆品产业的潜力很大。化妆品行业的成功，我们不难看出，在这个繁荣情况下，竞争格局也越来越严格。如今，通过代购和电子商务中国消费者可以决定购买什么样的品牌，有当地的也有国际的。但是由于品牌越来越多，公司应该把自己的品牌突显 ：要注重建设品牌的形象以及推动营销的活动。现在，中国消费者很挑剔，他们偏爱健康、高效和有乐趣的产品，所以要使用最恰当的战略以赢得他们的选择[3]。由此，这篇论文的目标是一方面分析中国化妆品行业的发展，一方面了解怎么使用社交网络去赢得中国消费者的信任。并且， 通过问卷的结果讨论消费者的购买模式。

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[2] Yu, J. (2017). “Zhong Mei Han yindao kuaisu xiaofeipin dian shang fazhan” 中美韩引导快速消费品电商发展 (China, US, Korea to lead global FMCG e-commerce growth), Kantar, available at: https://cn.kantar.com/消费走向/购物者/2017/中美韩引导快速消费品电商发展/ (accessed on 04/02/2018).

[3] Yu, J. (2016). “Dabao shi xiaofeizhe xuanze zuiduo de meizhuang pinpai” 大宝是消费者选择最多的美妆品牌 (Dabao most chosen cosmetics brand for Chinese consumers), Kantar, available at: https://cn.kantar.com/首页/商业趋势/品牌/2016/大宝是消费者选择最多的美妆品牌/ (accessed on 04/02/2018).

Chapter I

Beauty ideal in China: Social and cultural aspects

1.1 The Chinese cosmetics market: An historical overview

China has a long history of cosmetic usage that spans thousands of years, from the imperial dynasties to the present days and offers a deep insight on the changes in the beauty ideals and on the cosmetic industry[4]. The development of the market during the centuries has always been affected by both the aesthetic tradition and the social changes of the country. For this reason, as society changes, so does the perception of good and beauty, leading to a consequent change in the cosmetic industry.

In ancient China, clothing and personal grooming were indicators of one's social status in the society. Chinese people usually carried on long bathing routines to take care of their skin and odors: for example, women were used to remove body hair and remade their complexions with rice powder as to be as light and smooth as possible, painted their cheeks with red pigments, and reshaped their eyebrows with blackened grease[5]. Haircare and nail decoration were important, too. Long hair combed into marvelous hairstyles has always been typical of the Chinese tradition as well as nail care, that took off during the Zhou Dynasty, where the practice of artificial nails was initiated: artificial nail tips were produced to be worn over the top of the fingers, colored and decorated with gemstones[6]. However, along with the historical changes of the country, beauty practices evolved, too. For example, the rapid growth of the country and to the frequent contacts with foreign nations brought to a period of prosperity during the Tang Dynasty (618-907), creating a relaxed social environment, where woman could wear colorful makeup and wore men's clothes[7]. Moreover, haircare was a concern during this period and noble women at court used to embellish their coiffure with a 步摇

[4] Kenny, E., & Nichols, E. G. (2017). *Beauty Around the World: A Cultural Encyclopedia*. ABC-CLIO.
[5] *Ibidem.*
[6] *Ibidem.*
[7] Alon, I. (Ed.) (2003). *Chinese economic transition and international marketing strategy*. Greenwood Publishing Group.

bùyáo, an ornament that swung anytime the wearer moved[8]. On the other hand, the Song Dynasty (960-1279) asked subjects for a less striking beauty, leaving to the royal family the honor to wear a more various kind of make-up[9]. During the Ming Dynasty (1368-1644), Chinese people started the practice of staining their nails with natural ingredients to create a long-lasting polish; Confucian values were instead the motto of the Qing Dynasty (1644-1911) and reflected themselves in the beauty ideal of femininity. Women had to be virgin and humble, had to respect their husbands and to look for inner morality. For these reasons, the show off of adornments was not encouraged, while a graceful and faithful temperament was boosted. However, despite its long tradition in cosmetic usage, the modern manufacture of beauty products only started in 1830 with the opening of Xiefuchun Cosmetic, the first cosmetic company in Yangzhou City, Jiangsu Province[10]. Nonetheless, after the emperor's downfall and the rise of the People's Republic of China, beauty standards and practices changed dramatically. With the beginning of the Maoist era, the party-state's emphasis on the unification of the national culture suppressed any attempts to show difference in identities. The socialistic ideology of equality canceled any differentiation between genders and discouraged the consumption of goods that were identified with the capitalistic or bourgeois values[11]. Simplicity in dress and personal grooming had to reflect the rejection of the class and gender hierarchies, stressing the importance of equality between men and women. The limitation in consumption was considered a way to display political commitment, such as any good that shown dedication to the Communist Party was a protection against Red Guards, that during the Cultural Revolution, could use appearance as an excuse to persecute citizens in the name of the protection of the Communist Revolution[12]. For this reason, the use of eye-catching cosmetics was discouraged and make-up was worn only by actors and actresses, while common people only had access to a very limited range of beauty products.

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[8] Clark, I., *Chinese hairpins "Rhapsody in Blue"* in "Rethinking Pitt-Rivers", The Pitt Rivers Museum, University of Oxford, available at: http://web.prm.ox.ac.uk/rpr/index.php/object-biography-index/1-prmcollection/290-chinese-hairpins/index.html (accessed on: 19/09/2017).
[9] Alon (2003).
[10] *Ibidem.*
[11] Ip, H. Y. (2003). Fashioning appearances: Feminine beauty in Chinese communist revolutionary culture. *Modern China*, *29*(3), 329-361.
[12] Hopkins, B. E. (2007). Western cosmetics in the gendered development of consumer culture in China. *Feminist Economics*, *13*(3-4), 287-306.

1.1.1 The economic reform and the push for consumption

It was only after the death of Mao and the rise of Deng Xiaoping as the leader of the country that the government's attitude towards consumerism changed and China started to undergo some major changes in its economy, shifting from a socialist model to a prevailing market economy. In 1978, during the third plenary session of the XI National Committee of the Communist Party two essential decisions regarding the future of China were taken: the first one, concerned the economic modernization of the country, while the second one was related to the establishment of a development strategy that must had led to the economic liberalization. Deng's approach to the economic development of the country was based on the industrial productivity and on the faith in the value of consumption, that led to the return of differentiation among genders and the rebuilt of the social hierarchy. As a consequence of the open door policy, Western products started to enter into the Chinese market, in particular fashionable clothes and beauty goods, whose purchase represented the new bourgeois shopping ideal. The reform process had in fact reestablished the femininity as fundamental characteristic of the Chinese women and beauty became a marketable characteristic[13]. This attitude change reflected itself in the booming consumption of products that stressed the gender differentiation, such as beauty products and clothes: before the 1980's, the annual sales of cosmetics was less than 500 million RMB, while by the 1990's sales reached 4 billion RMB[14]. Since then, the expression of femininity has been considered in many different ways. According to Hopkins in "Western cosmetics in the gendered development of consumer culture in China" [15], the rehabilitation of femininity was interpreted on the one hand, as a way to break from the past and show the self in opposition to the community identity asserted by the Communist Party; on the other hand, it was also associated with the return of the subordination of women, because of the omnipresent display and images of ladies in more traditional domestic activities. However, the increase in the consumption of products that show femininity can also be related to the fact that, during the reform period, the purchase of cosmetics, clothes, jewelry and even the use of plastic surgery were not only an expression of the women's inner self, but were also a way to display the new wealthy lifestyle and the

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[13] *Ibidem.*
[14] Hong Kong Trade Development Council, (2000). *Opportunities in Ten Major Industries*, http://info.hktdc.com/alert/chwto0011ac.htm (accessed on: 07/07/2017).
[15] Hopkins (2007).

economic opportunities. Hence, given that cosmetics were the cheaper choices for anyone that could not afford expensive surgeries, they promptly became the symbol of breakage with the uniformity and androgyny of the past.

1.1.2 The rise of international players

The economic reform and the consequent increasing global integration involved many changes in the Chinese cosmetic industry. The economic reform stimulated the interest of foreign investors that saw in the Chinese fashion and beauty market an incredible opportunity to expand abroad and make profit. The first international brands arrived in the early 1980's, selling products for high-income citizens in state-owned department stores, that at the time were basically the only distribution channel available in major cities[16]. Among them, the first foreign cosmetic brand to enter the Chinese market was the Japanese firm Shiseido, that in 1981 started to sell its beauty products in Beijing. As soon as the process of reforming and internationalization progressed, the beauty market left the ground. The success was so incredible that in 1983 the Japanese company decided to sign a technological tie-up agreement with the capital[17]. Shiseido's initiative was promptly imitated by the most famous beauty brands: in 1988, Procter & Gamble established its first Chinese joint venture headquartered in Guangzhou while in 1990, the US-based Avon entered the market with the strategy of direct selling. Due to the low price of laundry products in China, P & G took the unexpected decision to enter in the cosmetic sector, especially in hair care and skin care products: in Guangzhou, Procter & Gamble made a joint venture with a local partner to produce Head & Shoulders and its sales, often of single-use packages to help low-income people to afford them, increased sharply, leading China to become the brand's fifth-largest market at the beginning of the Nineties[18]. On the other hand, the market opportunities for the 雅芳小姐 *Yǎfāng xiǎojie*, the Avon ladies, the make-up training to the clients and the well-known international brand name were the keys for the success of American firm[19]. Thereafter, in 1990, YueSai (YuXi) was the first whole-owned foreign cosmetic company, started by the

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[16] Jones, G. (2010). *Beauty imagined: a history of the global beauty industry*. Oxford University Press on Demand.
[17] Shiseido Group. *History of Shiseido*, available at: www.shiseidogroup.com/company/past/history/index.html#timeline06, (accessed on 08/07/2017).
[18] Jones (2010).
[19] Hopkins (2007).

Chinese-American television celebrity Yue-Sai Kan, to open in Shenzhen, with the aim of establishing the first Chinese global beauty brand[20]. Generally speaking, the success of foreign brands was often due to the decision to establish the production plant in China in order to avoid import restrictions, higher tariffs and to be more aware of the goods standard to be followed[21]. To support the needs of foreign companies, a great deal of small e medium manufacturing firms was established and by the end of 1999, the Chinese licensed cosmetic manufacturers reached the number of 3,514 units; in addition, lured by the promising expansion of the beauty market, many other leading international names decided to establish joint ventures or wholly-owned firms in 1990s, totaling an investment of 1.5 billion US$[22]. Therefore, the prominent presence of foreign capital and the production technology created a competition environment that was expected to heat up after China's access to WTO.

1.1.3 The WTO and the industrial development

Between the 1980's and the 1990's, thanks to its booming economic development, China emerged as a major player in the global economy. Not only did China become one of the top ten trading country in the world, but it also attracted record amounts of FDI, becoming for almost the decade of the 1990's, the second larger recipients of foreign direct investments after the USA[23]. However, despite its extraordinary performance, the Chinese market remained only partially integrated in the world's economy: the state control on imports, inspections, safety licensing and technical requirements, high tariffs and a sort of discrimination on foreign products were only some of the reasons of its shallowly integration[24]. Nonetheless, a complete integration was needed to achieve the benefits of an export-driven economic growth, this is why it was necessary to become one of the WTO members. In fact, the entrance in the World Trade Organization would have guaranteed not only the transition to a market economy and more investments in the financial, telecommunication and distribution system, but also the commitment of China to comply the

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[20] Yue-Sai Kan. *Yue-Sai Cosmetics*, available at: http://www.yuesaikan.com/yue-sai-cosmetics.html (accessed on 08/07/2017).
[21] Hopkins (2007).
[22] Hong Kong Trade Development Council (2000). *Opportunities in Ten Major Industries*, available at: http://info.hktdc.com/alert/chwto0011ac.htm (accessed on: 09/07/2017).
[23] Lardy, N. R. (2001). *Issues in China's WTO Accession*, in "Brookings", available at: https://www.brookings.edu/testimonies/issues-in-chinas-wto-accession/ (accessed on 09/07/2017).
[24] *Ibidem.*

international standards. Hence, China's long path to join the World Trade Organization (WTO) had a great impact also on the grow up of its cosmetics industry. In fact, in order to become member of the WTO, China agreed to lower tariff barriers on beauty goods, along with other products, and to streamline the process to obtain the import licenses. In this way, not only were international companies encouraged to keep on investing in the country, but also local firms could take advantage of the reduction of the tariffs for their own importations.

A part from the reduction of the tariffs, a regulatory institution was also needed. This kind of institution had to support both the shift towards the new regulation system and the parity of domestic and international players. In fact, a shift from the traditional state-owned enterprises orientation, whose purpose was only that of satisfying the internal requests, to one where managers had to deal with new regulations, was needed as well as it was necessary to guarantee the parity between foreign and domestic enterprises, avoiding the creation of a preferential treatment for Chinese manufacturers[25]. The long negotiation that took place before the Chinese adhesion to WTO included many discussions with the EU and the US regarding the new regulations to be applied on the market. It is important to underline how these new regulations were not only a demonstration of the Chinese strong commitment to become a more marked-oriented economy[26], but represented also a inestimable commercial opportunity for those foreign players operating in the country. In fact, given that many foreign cosmetic brands had already established manufacturing plants in China, where production costs were likely to be lower than in other part of the world, such as Europe or America, the local presence would have guaranteed them a better position to understand the new laws to design a country-specific marketing strategy.

1.2 A matter of culture

Running a business abroad implies managing activities in a multicultural environment and understanding that the differences across nations can deeply affect the business practices. Since the development of the global economy, meeting the needs of the consumer with the right product or service has been a priority for each international company. Any purchase in fact, can be driven by both the expectation of receiving some functional or performance

[25] Hopkins (2007).
[26] Lardy (2001).

benefits, and by the necessity to fulfill personal needs, such as showing one's personality, social status and affiliation. Consumer needs change from one country to another and depend on some environmental forces that are uncontrollable and unpredictable by organizations. These environmental forces include the socio-cultural background, the demography, the economic development, the political and legal system, the technological equipment and also the geography of a country[27]. Therefore, to be successful in a foreign market, international brand must focus on cultural differences. It is often difficult to agree on a common definition of culture. Pontiggia (2016) agrees with the definition of some main experts such as Hofstede and Weber, by considering culture as:

> «A system of values and norms that are shared among a group of people and that when taken together constitute a design for living. By values, we mean abstract ideas about what a group thinks to be good, right, and desirable […]. By norms, we mean the social rules and guidelines that prescribe appropriate behavior in any situation. We shall use the term society to refer to a group of people sharing a common set of values and norms.»[28]

However, a culture does not emerge fully formed, but it is shaped by a set of different factors, including religion, social structure, language, education, economic and political philosophy[29]. Furthermore, although a society may be equivalent to a country, some countries may host several cultures and subcultures. Hence, even if national cultures often rely on the idea of internal homogeneity and external differences, it is actually very difficult to identify all the nuances of a culture, as it has so many levels that is easy to fall in the trap of stereotypes. In fact, the division of countries by cultures is extremely hard to perform and though the discussion on the homogenization of cultures is becoming more and more popular, especially thanks to the media and the immigration process, however, the cultural change is acting very slow and the heterogeneity of cultures is still persistent.

For example, the Chinese culture has been strongly influenced by some traditional and historical factors, that have created a consistent structure of values that have been transmitted through many generations. This does not mean that values have never been changed across centuries, but that part of the traditional value system has survived the country development,

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[27] Vescovi, T. (2016). *Marketing to China,* Create - McGraw-Hill.
[28] Pontiggia, A. (2016). *International Organizational Design and Human Resources Management to China,* Custom Publishing, McGraw-Hill Education, p.217.
[29] *Ibidem.*

leading to a contemporary culture that mixes the traditional Confucian doctrine with the communist ideology and the present Western influence. For example, Confucianism emphasizes the principle of harmony with the nature and among men, considers the family as the core tile of a society where the filial piety and the respect of the roles are the fundamental pillars and proposes a simple and modest lifestyle. People must pursue the virtues of benevolence, righteousness, proper behavior, trustworthiness and wisdom, and must be able to create a strong net of relationships[30], based on the idea of 关系, *guānxi*, and to conduct properly, saving their faces, 面子, *miànzi.* These two concepts are particularly interesting to understand the Chinese culture, and can be explained as follow:

- 面子, *miànzi* or "face", refers to an individual's reputation in the eye of the community, or society at large. In an extremely hierarchical society, one's reputation depends on the prestige that he or she deserves among its community, i.e. at school, at home or at work and everyone acts in order to avoid public mistakes. For this reason, for a Chinese it is considered to be very embarrassing to commit a mistake in front other people and consequently, to lose one's face or 丢面子, *diū miànzi*, is considered very humiliating[31].
- 关系, *guānxi*, or "relations", refers to the network of social relationships and can be intended as an informal connection between two individuals based on mutual commitment and loyalty. In a relationship-oriented society, it is fundamental for anyone to know his or her social role and to fulfill obligations, because people are considered part of well-determined groups.

Besides the traditional Confucian values, another important principle of the Chinese culture is that of collectivism. Collectivism can be considered as the connection among people within a specific context and the extent to which they feel integrated into that determined group: the collectivistic nature is thus reflected in the kinship system, where the main concern is that of protecting the interest of the group[32], concept that was further developed during the Mao era.

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[30] Luo, Y. (2009). Analysis of culture and buyer behavior in Chinese market. *Asian Culture and History*, *1*(1), 25.
[31] Gallo, I. (2016). *Mianzi e guanxi nella cultura cinese: due concetti fondamentali per capire la Cina,* in "Asiablog.it", available at: http://www.asiablog.it/2016/07/13/mianzi-guanxi-cultura-cinese/ (accessed on 14/09/2017).
[32] Luo (2009).

Nevertheless, in recent years new values have emerged and shaped the Chinese society. The majority of them come from the Western ideals of modernity, success and wealth and often clash with the traditional ideas, such as in the case of individualism and personal freedom.

1.2.1 Hofstede's 6-Ds model

One of the most famous way to analyze the major framework of the national culture is that of following Geert Hofstede's division[33]. He initially provided a four-dimension approach in which national cultures seemed to exhibit significant differences: collectivism versus individualism, power distance, uncertainty avoidance and masculinity versus femininity. The model was later improved with the introduction of two more categories: long versus short time orientation and indulgence versus restraint. Hofstede's values were initially developed as a way to analyze the organizational issues, but they are actually largely transferable to a general analysis of the society as a whole. Through the application of this model, it is possible to identify the country-specific preferences for one state of affairs over another; however, given that the score of each dimension is relative inasmuch individuals are all unique, it is possible to say that a meaningful analysis of cultures is only possible by comparison[34]. Hofstede's final framework is composed of the following six dimensions[35]:

1. Individualism versus collectivism: it refers to the relationship between individuals and to the extent to which an individual is integrated into the society. In individualistic cultures, there is a preference for a close social framework where individuals stay in small groups and take care of themselves and of their immediate relatives. According to Hofstede, its opposite is the collectivistic culture, where a tightly-knit framework is preferred. In collectivistic cultures, individuals can expect their relatives or friend to care for them in exchange for unquestioning loyalty.
2. Power distance: it measures to which extent a society and its member deal with an unequal distribution of power within a society and how inequalities among people are considered. Societies exhibiting a large degree of power distance accept a hierarchical

[33] Pontiggia (2016).
[34] Hofstede Insights. *National Culture,* available at: https://www.hofstede-insights.com/models/national-culture/ (accessed on 13/02/2018).
[35] *Ibidem.*

structure in which everybody has a place while in low power distance countries, people try to equalize the distribution of power.

3. Uncertainty avoidance: it expresses the degree to which the members of a society feels uncomfortable with the future's uncertainty and ambiguous situations. There are basically two ways to deal with this kind of situation: societies with a strong uncertainty avoidance think that uncertainty is bad and so establish strict regulations, while societies with a weak uncertainty avoidance assume that people have to deal with the fact that the future is not perfectly predictable and so tend to maintain a more relaxed attitude in which practice is more important than norms[36].
4. Masculinity versus femininity: the assumption behind these two dimensions is that masculine societies have a "preference for achievement, heroism, assertiveness and material rewards for success, while feminine cultures stands for cooperation, modesty, caring for the weak and quality of life[37]". Masculine societies focus on assertiveness and showing off and have a strong role differentiation between males and females, while feminine societies emphasize the interdependence among people and caring for others, with a lower gender differentiation and usually have a deeply developed education and welfare system.
5. Time orientation: this dimension refers to how a society maintains some links with the past while dealing with the challenges of the present and the future. Initially called Confucian Work Dynamism, it defines how a society deals with the search of virtue. A country with a short-term orientation is more connected to the past than to the future, prefers to maintain traditions and norms and its members look for personal stability and steadiness; long-term oriented countries instead, focus on the future and on achieving long-term results. They have a more pragmatic approach that encourage persistence, thrift and efforts.
6. Indulgence versus restraint: it identifies the extent to which a society allows a relatively free and immediate gratification of basic and natural human desires. In indulgent societies, people have the freedom to satisfy their natural needs, while restraint ones suppress gratification and severely control behaviors through the application of regulations.

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[36] *Ibidem.*
[37] *Ibidem.*

1.2.2 What about China? Hofstede's 6-Ds model applied to the Middle Kingdom

Hofstede's six-dimensions model allows a clear analysis of the drivers of Chinese culture, that according to the researcher can be explained as follows[38]:

Concerning power distance, China is one of the country with a higher score, 80; in other words, the Chinese society accept the differences among people, without fighting for an equal distribution of power. The hierarchical structure is deeply rooted in the society and people tends to act in a really formal way. This concept is really important to understand the role of global brands: in large power distance cultures, people want to show off their social status and tend to purchase global brands that give them the idea of prestige. Moreover, the collection of information usually depends on interpersonal relations and the purchase decision is based on personal trust in the brand[39].

Regarding individualism, China demonstrates to be a highly collectivistic country, where people are "we"-conscious. In collectivistic countries, identities are based on the social system and from early age, people are encouraged to interact with a reference group; moreover, their ideal characteristics depend on their social role, their identity is shaped by the social system and their behavior is influenced by the reference group[40]. In-group considerations are frequent and opinions and information are shared among the members. Collectivistic countries usually show high-context cultures[41], hence they tend to have an indirect style of communication, leaving much to the unsaid; for this reason, to be successful international brands need to build a relationship with the consumer and advertising become the best way to create trust.

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[38] Hofstede Insights. *Country Comparison*, available at: https://www.hofstede-insights.com/country-comparison/china/ (accessed on 13/02/2018).
[39] De Mooij, M., & Hofstede, G. (2011). Cross-cultural consumer behavior: A review of research findings. *Journal of International Consumer Marketing*, *23*(3-4), 181-192.
[40] *Ibidem.*
[41] "High context culture are those in which internal meaning is usually embedded deep in the information, so not everything is explicitly stated in writing or when spoken. In an HC culture, the listener is expected to be able to read "between the lines", to understand the unsaid, thanks to his or her background knowledge", Nishimura, S., Nevgi, A., & Tella, S. (2008). Communication style and cultural features in high/low context communication cultures: A case study of Finland, Japan and India. *Teoksessa A. Kallioniemi (toim.), Uudistuva ja kehittyvä ainedidaktiikka. Ainedidaktinen symposiumi*, *8*(2008), 783-796.

As shown in exhibit 1, with its score of 66 China is considered a masculine culture, where competition, success and achievement are the drivers of the society. Being the best in one's own field is what anyone strives for, to the point that many Chinese are prone to sacrifice family and leisure time to work. This dimension intensely mirrors some aspects of the Chinese society, such as the devotion of the students to their exam scores or the decision of migrant worker to leave their families to look for a better job and salaries in the cities. The masculine attitude also reflects some consumer behaviors: in masculine cultures in fact, self-enhancement leads to an increasing self-esteem that is shown through the ownership of luxury goods, such as jewelry, cars or watches. In addition, status brands and luxury products are a way to exhibit personal achievement and one's success.

Concerning uncertainty avoidance, China only scores 30. Chinese people do not try to control the future and accept that nothing is fully predictable. They are aware of ambiguity and pragmatism is a fact. People living in a low uncertainty country tend to have an active life and to practice sports. They accept a certain degree of risk in their lives and thus are more willing to try new products or to buy from a company from a potentially promising country-of-origin.

According to Hofstede's division, China has a really high long-term orientation that is a reflection of its pragmatic vision and future-oriented perspective. Chinese people believe that the reality depends mainly on the situation, the context and the time. They are able to adapt easily to new circumstances and believe in perseverance and achieving results. The long-term orientation also affects Chinese brand loyalty: the idea of continuity can in fact attract many Chinese consumers and leads to the establishment of a strong brand culture.

In conclusion, China is considered a restrained society, because of its low score, 24, in this dimension. This means that Chinese people do not focus on their leisure time and have a deep control on their needs, suppressing the instant gratification because of the perception that indulging themselves is not a good practice.

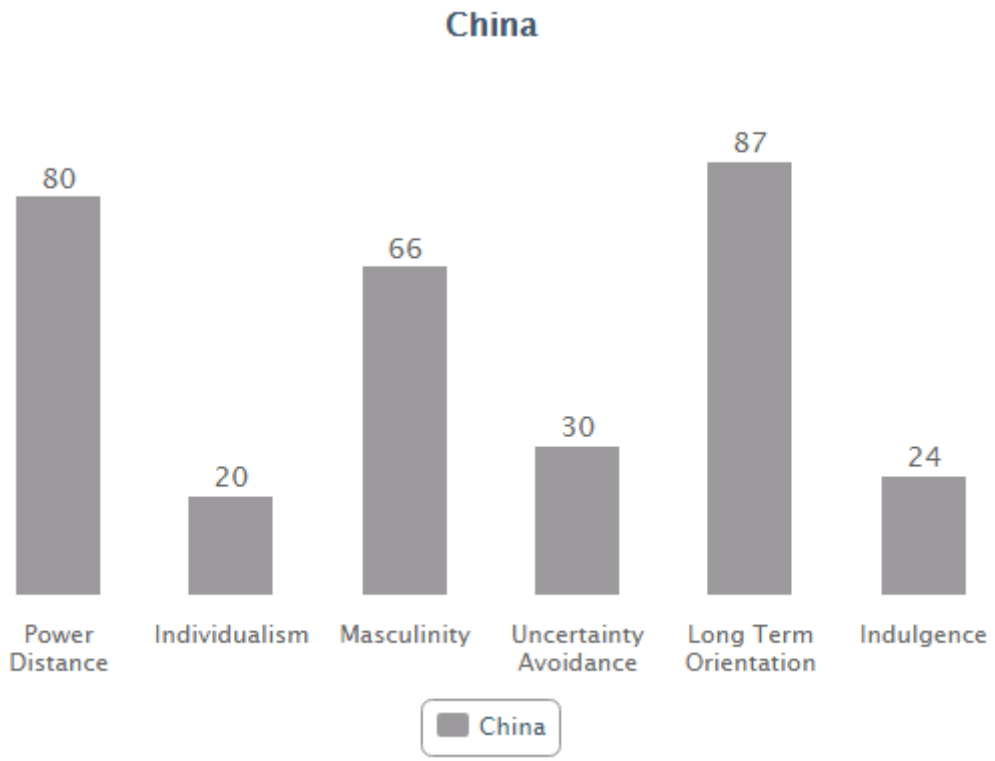

Exhibit 1: Chinese culture according to Hofstede's 6-dimensions model. Available at: https://www.hofstede-insights.com/country-comparison/china/ (accessed on 14/09/2017)

Hofstede's 6-dimensions model is just the most popular way to analyze cultures across countries; there are other models that allow to investigate cultures, such as the ones proposed by Trompenaars or GLOBE[42]. In fact, given that understanding a culture has been considered fundamental in many business practices, the culture-focused studies have become more and more important in order to define and analyze the patterns of behavior of every country. However, no matter which kind of analysis is carried on to study a culture, what is important to underline is how much the study of cultural differences is necessary to investigate the specificity of a market and to analyze how the buying process changes from one country to another. In fact, many shades of consumer behavior are culture-bound, hence it is almost

[42] Pontiggia (2016).

impossible to find an instrument that can universally delineate consumers' decision-making process across different cultures[43].

1.3 The beauty ideal

Given to its strong connection with one's own culture, it is extremely difficult to give a clear definition of what beauty is and which are the beauty standards accepted in any country. Generally speaking, beauty can be defined as "a combination of qualities, such as shape, colour, or form, that pleases the aesthetic senses, especially the sight[44]". For centuries, it has been proposed an aesthetic based on the right combination of four essential elements "clarity, symmetry, harmony and vivid color[45]", and many philosophers, painters and anthropologists have attempted to find out the beauty formula that was able to define the perfect beauty canons, failing miserably. The fact is, as "beauty is in the eye of the beholder", it becomes very difficult to conceptualize a universal beauty ideal, because what is considered attractive by some may not be equally acceptable by others. This conceptualization becomes even unlikely if taking into consideration how cultural differences affect our perception. History, traditions, art and philosophy are just some of the factors that have influenced the beauty ideal of each country; hence, Western companies that intend to compete in the international cosmetics market must be aware of the differences in the beauty perception across the world. The traditional Chinese beauty standards are in fact very different from the Western ones, so it is impossible for foreign players to pursue a merely standardization strategy, but it becomes necessary to investigate the differences and to try out new solutions. Therefore, Western cosmetics companies that for years have refused to adapt to the differences across the world, had to take a decision and to deliver product with different features, that could adapt to a diverse skin tone or hair.

No one can deny the incredible influence of Western beauty standards on Chinese beauty ideal and the consequent creation of a particular mixture of both traditional and new canons. For example, while the traditional adoration of white skin is still regarded as one of the main beauty standard to aspire to, recently big and wide open eyes, especially with double-fold

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[43] De Mooij & Hofstede (2011).
[44] "Beauty" (definition of), in *The Oxford English Dictionary*, retrieved from https://en.oxforddictionaries.com/definition/beauty (accessed on 11/10/2017).
[45] Etcoff, N. (2011). *Survival of the prettiest: The science of beauty*. Anchor.

eyelids, have become a must. Some notions of female beauty standards come from both Taoist and Confucian teachings. However, the beauty standards proposed by the classical doctrines were almost the opposite: on the one hand, sexual attractiveness and physical beauty were enhanced by Taoism, on the other hand a moral virtue and a gentle attitude were emphasized by Confucianism[46]. However, despite the symbolic difference between the two doctrines, both the physical aspect and the inner virtue contributed to shape the feminine beauty standards during the years and could be seen as the two sides of the same coin. In fact, this dualistic vision of femininity continued across centuries: for example, during the Maoist era, the focus was on morality and inner values, often evaluated by patriotic discourses and it was only after the open door policy that international trends reached the country, changing the idea of traditional female beauty and repositioning the focus on the appearance.

Traditionally, the East Asian women have always aspired to a sweet and gentle attitude, message usually conveyed with the idea that the most beautiful women are those that groom themselves in a cute and soft way. It is possible to identify some main standards that are pursued by the majority of Chinese women:

1. Big eyes with a noticeable "double-eyelid". Chinese women believe that 大眼睛 *dà yǎnjīng,* wide and big eyes are the most beautiful as they are associated with a more innocent, doll-alike kind of beauty and are linked with some traditional aspects of women behavior: obedience, femininity and submission. This means that the trend did not originated from the Western standards of beauty, as it is generally believed, but that was already existent in China and was only boosted by the Western influence. Obviously, Western standards have emphasized this trend, as many Chinese women now think that big eyes can make them feel more 洋气 *yang qì*, foreign or cosmopolitan. However, also the Korean and Japanese pop culture with their dolly and anime-alike eyes had a big role in accentuating this trend and making it popular in China as well.

2. High-bridged nose. In China, pointed and high-bridged noses are considered extremely attractive. This kind of nose is clearly visible from the side, has full wings

[46] Hua, W. (2013). *Buying beauty: Cosmetic surgery in China* (Vol. 1). Hong Kong University Press.

and almost invisible nostrils; it is considered very elegant also because it helps to minimize the face width.

3. Fair and white skin. Porcelain pale skin is probably the main trait associated with Chinese beauty, to the point that 白富美 *báifùměi* or "white, rich and beautiful" has become a popular way to describe the ideal Chinese woman. The appreciation of a white skin tone comes from ancient times: in the past, people who had a tanned or darker skin were those who spent their lives working in the fields, while rich people could praise a pale carnation[47]. Their fair and porcelain skin was a demonstration of their wealth status and positioned them in a higher class. Nowadays, this trend is still believed to be a criterion for defining a 美女 *meinü*， a beautiful woman. A part from whiteness, also hydration and creamy, unblemished complexion are considered to be necessary to have a good skin.

4. 瓜子脸 *guāzǐliǎn,* "melon seed face". It can literally be translated with a V-shaped, oval face, with a pointed chin. The shape of a face is really important in China, as an oval or heart-shaped face is usually associated with a feminine, cute and delicate inclination[48]. Another really appreciated face shape is 鹅蛋脸 *é'dànliǎn,* or goose egg face. Its characteristic are those of a sharper chin and of higher cheeks respect to the melon seed face shape, and a "rounder" shape that looks like an egg.

5. Slim body. A delicate figure and a slim body are considered part of the beauty standard and along with the oval face are considered the main features of a dainty woman. Ideally, feminine bodies must respect some proportions: the lower part must be longer than the upper part, legs must be slim and slender and the breast must be plump. This discourse has been criticized many times, as women often strive to lose weight in many unhealthy ways: unsustainable diets, slimming products and meal replacements are the easier options for many girls, leading many of them to be victim of eating disorders in early ages.

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[47] Hua, S. L. (2015). *Chinese standards of beauty*, in "TutorMing China Expats & Culture Blog", available at: http://blog.tutorming.com/expats/chinese-standards-of-beauty (accessed on: 04/09/2017).
[48] Ninchanese (2016). *Western vs Chinese Beauty Standards*, available at: https://ninchanese.com/blog/2016/05/12/western-vs-chinese-beauty-standards/ (accessed on: 04/09/2017).

This aesthetic ideals often contrast with the Western standards, that glorifies athletic supermodels with bronzed complexion and an extroverted and sexual attitude[49]. Part of this difference can be associated with the Chinese idea that beauty must be a balance among the inner health and the outer beauty, conveying the message of a moderate and well-being attractiveness. This idea is shared among many Asian cultures, such as the Japanese or the Korean ones, and as a consequence it has been influenced by the sub-cultures of these other countries. For example, the international expansion of the South Korean pop culture, that included fashion, K-pop music, films and magazines deeply influenced some Chinese beauty standards. For example, skin care practices in China were improved after the "K-beauty" boom. In fact, when the South Korean's beauty industry entered into the Chinese market it did not only proposed an incredible variety of skin care products, but it also introduced new daily practices, that are now followed by Chinese women in their daily routines. However, although some characteristics remain essentially linked to the Chinese beauty traditions, such as for what concerns hair and skin care, other standards have been influenced by the globalized ideals of beauty and were boosted by Western commercials and glamorized advertising, creating new standards in which old and new and Eastern and Western influences mix together. It is really important for global players to understand this in order to achieve success in China. In fact, while first mover initially entered the market with some standardization and replication techniques, nowadays it is no longer possible to ignore the cultural differences and foreign companies must be more flexible and adaptable to this situation. Western beauty ideals, that for years have influenced the style and the perception of beautification all over the world, are now losing their grips inasmuch a new awareness is happening. The representation of beauty in fact, can change dramatically over the time and cosmetics companies must be able to react promptly to this phenomenon, in particular Western brands. In fact, while Japanese or Korean firms are usually able to follow rapidly the changes of consumers tastes, not only because they share some beauty ideals with the Chinese but also for their geographical proximity to the market, Western companies often have to face problems that arise from the cultural distance they have from the Chinese market. Beauty is part of a culture and Western companies cannot rely only on their well-established brand images, but must

[49] Kong, D. (2016). *Unmasking East Asia's Beauty Ideals,* in "Business of fashion", available at: https://www.businessoffashion.com/articles/global-currents/unmasking-east-asias-beauty-ideals (accessed on 12/10/2017).

adapt to the market demands, must educated its consumers and must be able to communicate effectively[50].

[50] Mihajlovic, T., Vescovi, T., & Pontiggia, A. (2017). *The Beauty Ideal in Chinese Luxury Cosmetics: Adaptation Strategies of Western Companies*, working paper n. 7, Dipartimento di Management Università Ca' Foscari Venezia, pp.1-19.

Chapter II

The evolution of beauty sector in China, current trends and consumer behavior

2.1 China's Cosmetics Market: Present days

In recent years, the rapid development of the Chinese economy has been followed by a fast pace of growth in the cosmetics sector. Beauty is no longer considered a bourgeois feature, to the point that even the 10th five-year-plan included a development strategy for cosmetics industry, whose purpose was "to restructure the product composition, to improve the product quality, to add production lines, to promote the product grade, to increase imports, to innovate packaging, to develop materials and to strengthen management [51] ". According to Euromonitor's report "Beauty and Personal Care in China"[52], despite the recent economic slowdown, in 2016 Chinese beauty and personal care market continued to grow in value sales thanks to the stable demand in highly penetrated categories, the rising awareness concerning personal hygiene and the improving living standards among Chinese people. International players continued to enjoy their leading roles, especially thanks to their strong brand image and high product quality which are supported by deep research and development sources and by effective marketing campaigns and sales activities. Nonetheless, Chinese enterprises are gradually becoming more competitive. The report shows that they are moving from a mere competition on prices as the main strategy to win customers to more complex and innovative advertising campaigns, that allow them to maintain their position in second- and third- tier cities. Overall, they had a better performance than international ones in 2016, especially because of their expansion in lower-tier cities, the development of their online platforms and social media channels and of the creations of some incisive marketing campaigns such as in the case of Franic, a Chinese brand that with the sponsorship of the popular talent show "Sing!China" in 2016, promoted with success its products among the younger consumers[53].

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[51]Fernandez-Stembridge, L., & Fernandez, J. A. (2007). *China's state owned enterprise reforms: An industrial and CEO approach*. Routledge.
[52] Euromonitor International (2017). *Beauty and Personal Care in China*.
[53] Euromonitor International (2017). *Skin care in China*.

2.1.1 Trends

The cosmetic industry has maintained a robust growth, recording sales of beauty and personal care products for 333.7 billion CNY in 2016 and forecasting sales in the same sector for 433.2 billion CNY in 2021; in addition, the Chinese beauty and personal care market is expected to enjoy a consumer trading-up, with a compound annual growth rate value of 9% at constant 2016 prices for premium brand and personal care[54].

Table 10 Forecast Sales of Beauty and Personal Care by Category: Value 2016-2021

CNY million

	2016	2017	2018	2019	2020	2021
Baby and Child-specific Products	15,103.2	16,854.3	18,977.9	21,522.1	24,244.7	27,124.4
Bath and Shower	21,107.2	21,652.3	22,183.7	22,733.3	23,285.1	23,878.2
Colour Cosmetics	28,313.5	30,970.9	33,876.2	36,993.3	40,344.1	43,964.7
Deodorants	710.6	731.1	751.1	774.6	800.4	827.5
Depilatories	473.5	501.1	530.4	561.0	593.3	627.3
Fragrances	5,366.6	5,529.6	5,705.1	5,892.1	6,111.9	6,359.8
Hair Care	49,454.8	50,019.7	50,532.7	51,037.1	51,516.2	51,967.2
Men's Grooming	12,445.7	12,940.6	13,431.9	13,923.5	14,412.1	14,893.5
Oral Care	32,730.8	34,308.8	35,874.4	37,427.5	38,930.7	40,407.6
Oral Care Excl Power Toothbrushes	31,911.7	33,427.0	34,928.5	36,416.8	37,855.2	39,267.0
Skin Care	169,139.3	178,490.2	188,597.1	199,483.0	211,039.5	223,267.6
Sun Care	5,535.3	5,941.1	6,406.7	6,937.9	7,543.2	8,236.1
Sets/Kits	17,707.3	19,568.0	21,498.4	23,393.4	25,243.2	27,126.9
Premium Beauty and Personal Care	68,861.9	74,829.9	81,467.6	88,834.6	96,789.1	105,188.2
Mass Beauty and Personal Care	229,916.1	239,536.0	249,860.8	260,958.2	272,631.2	285,082.6
Beauty and Personal Care	333,726.3	350,971.4	369,578.3	389,674.1	410,882.5	433,286.3

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Note 1: Premium/mass beauty and personal care sales are additionally included within baby and child-specific products, bath and shower, colour cosmetics, deodorants, fragrances, hair care, sets/kits, skin care and sun care.

Note 2: Sum of categories is greater than market size because of double counting in men's bath and shower, men's deodorants, men's hair care, men's skin care, men's fragrances, colour cosmetics sets/kits, skin care sets/kits, fragrances sets/kits and baby and child-specific sun care categories.

Table 1: Forecast sales of beauty and personal care by category 2016-2021. Euromonitor International (2017). *Beauty and Personal Care in China.*

This means not only that the Chinese cosmetic industry has continued to gain momentum but also that it was able to maintain its status as the world's second largest cosmetic market[55]. In such a thriving environment, four main trends can be identified: the increasing demand for premium brands, the key role of online distribution, the booming men's cosmetic sector and the propensity to buy sets and kits for what concerns beauty and personal care.

[54] Euromonitor International (2017).

[55] European Chamber (2017). Cosmetic Working Group, *European Business in China Position Paper 2017/2018.*

Regarding the premiumisation trend and its growth in sales, the main reasons for this phenomenon can be traced back to the increase in the number of middle-class consumers and to the ease to purchase upmarket and exclusive beauty goods on cross-boarders platforms, like JD.com and Tmall.com[56]. Tmall.com and JD.com were 2016 China's main B2C platforms for the local e-commerce, with respectively the 57% and the 25% of market share, and among the best performing platforms for cross-border e-commerce[57]. However, more and more new players are now gaining significant shares of the market through the combination of more specific promotions and an effective storytelling, driven by the customers demand for more innovative, top-quality and customized products. For this reasons, the competition in the premium segment is expected to increase sharply, leading manufacturers to exploit new technologies and to extend their current product lines to gain more and more market share. The success of premium brands depends on the fact that nowadays Chinese consumers are more aware of the products available on the market and are often willing to pay higher prices for better results. In addition, the easier access to international brands promoted by the online platforms led to a change in consuming habits, that moved from price-oriented to quality- and brand-oriented.

As far as online platforms are concerned, they are more and more considered by beauty companies the key tools to achieve success in the Chinese market. In fact, rocketing internet sales have incredibly weakened the traditional retail distribution channels, in particular in the department stores, where distribution costs are very elevate[58]. For these reasons, an increasing number of both local and international players are operating through an online B2B platform and opening their online flagship stores. Internet platforms have a really important role in the consumer's mind: they do not only provide convenient prices, but are also a valuable way to collect information and product evaluation. For this reason, marketers must consider internet not only as a distribution channel but also as an effective information channel, able to deliver product information, build a strong brand image and present new products. A successful performance can be reached with the right use of the internet platform: Pechoin, a Chinese historical beauty brand, aired online two video clips before November 11, China's Single Day

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[56] Euromonitor International (2017).
[57] Graziani, T. (2017). *How to use Tmall and JD.com to enter China? A simple guide*, in "Walk the Chat", available at https://walkthechat.com/use-tmall-jd-com-enter-china-simple-guide/ (accessed on 07/11/2017).
[58] Euromonitor International (2017).

and a popular shopping day. The videos became very popular and Pechoin realized 145 million CNY of sales on Tmall.com, ranked among the top brands in the beauty sector[59].

For what concerns male's cosmetics, it seems that the number of men using beauty products has risen dramatically, showing how men have become a strong driver of China's beauty market together with women. The "male beauty era" is in fact a reality, with more and more men getting conscious about their outer appearance, not only to look more attractive but also to increase their self-confidence, given that the concepts of good-looking and attractiveness are often related to other values such as success or personal achievement. The drivers of such a flourishing market are several, however, it is possible to identify three main reasons that led to the rise of the male beauty era. Firstly, the male use of cosmetics has always been a reality in China. Traditionally, men's usage of beauty products can be traced back to the 200 AD, when people with prestigious careers used to cover their wrinkles to look younger[60]. Secondly, the boost to consumerism of 1980's was followed by a raising awareness concerning personal hygiene, hence men, in particular those belonging to the youngest generations of first-tier cities, are now more willing to groom themselves and to follow a healthier lifestyle. Thirdly, it is important to underline the incredible influence that media have in promoting the male beauty standard: in fact, the portray of men on magazines and TV series is often inspired by the Korean pop culture, where both men and women have a highly developed beauty regime[61]. Nowadays, thanks to their raising disposable incomes, more and more young men decide to take care of their appearance, spending money mainly on facial skin care products, hair care and perfumes. Anti-acne remedies, sunblock and oil-control products are the most consumed beauty goods among men, with L'Oréal Paris, Nivea and Clinique being their best brand choices[62].

The last successful trend recorded in 2016 is that of the promotion of sets and kits of beauty products. This kind of promotion seems to be a common strategy to boost retail sales: on the one hand, the high price of these sets and kits allows manufacturers to gain a higher average

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[59] *Ibidem.*
[60] Li, J. (2017). *Young Chinese males make up larger share of country's US$33bn cosmetics market*, in "South China Morning Post", available at http://www.scmp.com/business/china-business/article/2109143/young-chinese-males-driving-growth-countrys-us33bn-beauty (accessed on 11/11/2017).
[61] Daxue Consulting, (2016). *Male Grooming Market in China: The Rise of Male Beauty,* in "Daxue consulting", available at: http://daxueconsulting.com/male-grooming-market-in-china/ (accessed on 11/11/2017).
[62] Li (2017).

value per every transaction, on the other hand, the presence of a full range of products in one set creates a consumption habit in the customer, who is taught to use all the units of the kit[63]. In this way, customers are educated to follow all the steps to complete their routines and are spurred to purchase more types of products. In addition, from the manufacturer's point of view, sets and kits are often effective ways to introduce new launches, given that companies can insert the new product in the kit to raise its number of trials. Kits and sets bring many advantage also to the consumer: they are seen as cost-effective formats, able to satisfy different kind of needs. A successful example is L'Oréal Power Moisture Collection, a set that includes shampoo, conditioner, hair masks and repair oil which attracted many loyal consumers not only for its lower price, but also for the opportunity to purchase all the set without losing time in comparing and selecting a wider range of products; the same strategy was adopted by Carslan, with the introduction of different make-up sets, like "Beginner" or "Nude make-up", whose purpose is that of matching the consumer needs concerning a certain type of make up without asking them to select all the products individually[64]. Furthermore, sets and kits are often convenient for those who travel, thanks to their small pack sizes and the availability of the full set of products. Experts think that the sale of kit and sets will continue to grow, in particular premium kits are expected to attract price-sensitive consumers, while event-exclusive sets for skin care or color make-up will be popular among younger generations. Moreover, their convenience respect to the single products will probably attract more men, who will probably contribute to the future growth of the category.

2.1.2 Products

According to the Oxford Dictionary, the word cosmetic means "a preparation applied to the body, especially the face, to improve its appearance", that took its origin from the Greek *kosmētikos*, from *kosmein* 'arrange or adorn' and *kosmos* 'order or adornment', and has been used from the early 17th century with the meaning of beautifying the body[65]. The Chinese cosmetics market is composed of an increasing number of cosmetic products. According to the present regulation on imports, they can be divided into two main sectors: ordinary

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[63] Euromonitor International (2017).
[64] *Ibidem.*
[65] "Cosmetic", (definition of), in *The Oxford English Dictionary*, retrieved from https://en.oxforddictionaries.com/definition/cosmetic (accessed on 18/07/2017).

cosmetics and special-use cosmetics. The first ones include hair care, nail care and skin care products, fragrances and make-up, whereas the latter are hair growing products, hair dying colorants, body slimming, deodorants, spots removal and sun screens[66]. An overview of the main products available on the Chinese market is the following.

1. Skin care products. Leaders in sales are skin care products, that increased by 5% in 2016, reaching 169.1 billion CNY of sales, with mass skin care brands that accounted 74% of the total value of the products[67]. If compared to 2015, the growth was slower because of three main reasons: the economic slowdown, a more strict industry regulation that eliminated some low-end brands from the market and the increasing online purchase of foreign brands. Nevertheless, no one can doubt the prosperity of this sector. At the moment, the incredible success of skin care products depends mainly on two different factors[68]. Firstly, the continuous effort to educate the consumer promoted by the main players and their ability to convey the message of the importance of skin care have succeed in the creation of a skin care routine among the majority of Chinese consumers. This trend was also boosted by the popularity of DIY products and by the fact that many Chinese consumers prefer to carry out their beauty routine at home instead of in beauty salons. For this reason, many brands decided to took advantage of the situation and integrated style and sonic care technology to create self-cleansing devices, that can be easily use at home, like in the case of Clarisonic's Mia Fit. Secondly, there has been a continuous technological improvement of the products, as now many of them do not offer only basic functions, but they have been included with more features. For instance, a part from the basic functions such as moisturizing, whitening and anti-aging, face masks often offer new functions, such as anti-allergy, instant detox or brightening.
2. Natural and green products. People are becoming more and more aware about this kind of products, which are considered to be better because of their few side-effects and the traditional believes in organic ingredients, that are often favored by the

[66]Guo, A., (2016). *Guidance on Regulations Compliance of Cosmetic Products in China 2016*, in "CIRS", http://www.cirs-reach.com/news-and-articles/guidance-on-regulations-compliance-of-cosmetic-products-in-china-2016.html (accessed on: 18/07/2017).
[67] Euromonitor International (2017).
[68] *Ibidem.*

traditional Chinese medicine. To promote natural skin care products and speed-up sales and consumer trials, brands explain the source of the raw materials, the production process and the ideal result of the continuous application of the cosmetic on the skin, together with the concept of "natural white." Women in top-tier cities seem to be the most interested in this kind of products: they pay attention to skin health and prefer a natural bright instead of using whitening products, whereas women living in second- and third-cities still choose whitening cosmetics. Moreover, the positive trend towards the use of green products was also boosted by the numerous reports on counterfeit and adulterated mass market goods, that made Chinese consumers believe that all mass market products were produced with synthetic and unhealthy ingredients.

3. Men's grooming. The sector experienced a slowdown in 2016 if compared to 2015, mainly because of the economic downturn and of a general lack of consumer education[69]. However, men's cosmetics has just left the ground, so it is expected that in a few years of market cultivation, product penetration and consumer recognition will be higher among the majority of Chinese consumers. In fact, in 2016 Chinese men exhibited an increasing growth in the consumption of skin care products, in particular oil-control and cleansing products, showing a rising interest in their skin conditions. The demand for featured goods such as facial masks, sun-blocks, whitening and moisturizing products has also been incremented. With its wide portfolio of men's products, L'Oréal China was the leader of the sector, with a retail value of 16% in 2016[70]. Its early entrance, the collaboration with famous celebrities such as Daniel Wu and its wide portfolio, that includes skin care, shaving and hair products as well as fragrances, let the company have a high reputation and a strong brand awareness. Other popular products are those of Estée Lauder and Lancôme for what concerns top-quality beauty brands and of Adidas and Gatsby for sport labels.
4. Baby products. Sales of baby and child-specific products registered an exceptional growth in recent years. Chinese people are becoming more and more interested in healthy products, in particular in child-specific goods and have an increasing

[69] Euromonitor International (2017). *Men's Grooming in China*, available at: http://www.euromonitor.com/mens-grooming-in-china/report (accessed on 12/11/2017).
[70] *Ibidem.*

sensitivity about the safety of these products. In fact, the implementation of the second-child policy of 2016 is expected to boost the birth rate, which will lead to a rising demand for this kind of products: according to Euromonitor[71], baby care and child-specific products have already doubled their sales in the 2011-2016 lustrum, moving from 7,594 billion CNY of sales value to 15,103 billion CNY.

5. Cosmeceuticals. 2016 was a year of growth for cosmeceuticals and dermocosmetics. These two kind of products are perceived as a combination of cosmetic and pharmaceutical features, such as spot lightening cream and acne treatment. The market has been mainly dominated by foreign players, like VICHY, La Roche-Posey and Freeplus, although some domestic brands, like Herborist and Tongrentang are gaining awareness among Chinese consumers[72]. However, despite the recent success, these kind of products must deal with two great development problem: on the one hand, many consumers tend to look for this kind of product only when they face a specific skin problem and, on the other hand, they must deal with the competition of standard brands promoting the use of green and natural ingredients, that are often perceived to have the same effect of cosmeceuticals.
6. Color cosmetics. Recently, this market recorded an impressive growth especially thanks to the increasing popularity of wearing make-up among the younger generations. Millennials are in fact the main make-up consumers as they consider color cosmetics as a way to catch up with new trends and are highly sensitive to the latest updates. For this reason, a plenty of beauty brands have started to feature with beauty bloggers, actors and celebrities or to sponsor dramas, tv series and films in order to boost sales. For example, in mid-2016 a Korean drama featuring the famous actress Song Hye Kyo was aired in China. In the drama, she used to wear a two-tone lipstick from Laneíge that soon became a must-have among the younger consumers in China, creating a real fashion-frenzy among women[73]. L'Oréal China is now the leader in the sales of color cosmetics thanks to its strong and well-established brand

[71] Euromonitor International (2017).
[72] Hong Kong Trade Development Council (2017). *China's Cosmetics Market,* available at http://china-trade-research.hktdc.com/business-news/article/China-Consumer-Market/China-s-Cosmetics-Market/ccm/en/1/1X000000/1X002L09.htm (accessed on 12/11/2017).
[73] Euromonitor International, (2017). *Colour Cosmetics in China,* available at: http://www.euromonitor.com/colour-cosmetics-in-china/report (accessed on 12/11/2017).

image, a nationwide retail system and to the incredible performance of its high-end cosmetics brands such as Giorgio Armani and Lancôme[74].

2.1.3 Competition

The cosmetics market is mainly dominated by domestic brands for what concerns the mid- and low-end segments, while foreign enterprises and joint ventures are leaders in the high-end segment. According to HKTDC, in 2016 foreign brands accounted nearly the 60% of the total sales, even if thanks to the rapid development of the Chinese cosmetics industry, local cosmetics companies are starting posing pressure on the foreign counterparts[75]. This phenomenon is due to the increase in reputation of many domestic enterprises, such as Chinfie, Herborist, and Longrich and to the effort of well-established Chinese companies, like Pechoin and Maxam, to carry out intense research and development activities, to renew existing products and to meet the customer needs. Furthermore, domestic players also boosted brand awareness through the development of online channels and with the effective use of advertising and marketing. In fact, while in the past Chinese brands mainly targeted second- and third-tier cities, they now started to manufacture high-quality products, to meet the domestic demand of the mid- and high-end market. None the less, in the short-term multinational brands will not probably be affected by these increase in competition, as Chinese firms are mainly targeting low-end market, while world-renowned companies are still dominating the majority of the market, thanks to their strong brand image and the Chinese consideration of their products to be extremely reliable and of high quality. Overall, 2016 was the year of premium brands, that performed better than mass players, thanks to the increasing care of Chinese woman for their skin health and their trust in premium brands that are expected to provide real protection and effective recovery. A the moment, there is a fierce competition between foreign brand such as Olay, L'Oréal China, Shiseido and Mary Kay. In 2016, L'Oréal China was the leader of the skin care sector[76]. This position was sustained by different factors. Firstly, L'Oréal China's wide range of products is able to satisfy both the mass and the premium market, also thanks to the recent development of the dermocosmetic brands, that have met the need of a everyday larger group of consumers. In addition, L'Oréal

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[74] *Ibidem.*
[75] Hong Kong Trade Development Council (2017).
[76] Euromonitor International, (2017). *Skin Care in China*.

China has built a strong and positive brand image and has a widespread distribution network that allow consumers to find L'Oréal products almost everywhere in China, supported by a deep penetration of the online and offline channels. A mild drop was instead record by private labels, that were badly affected by the fall in the number of distribution channels and faced strong competition from similar products.

2.1.4 Sales channels

The three main distribution channels of cosmetics goods in China are department stores, supermarkets and specialty stores, which accounted for nearly two-thirds of the whole beauty market in 2015[77]. In recent years, the opening of specialty stores, in particular in the format of franchise stores, has been considered an easy and effective way to reach the highest level of success with the least expenses. Directly-operated specialty stores are also able to ensure quality service, to maintain stable prices and to convey a strong brand image. Other popular sales channels are dedicated counters, drugstores, beauty salons and direct selling. Regarding dedicated counters, they are traditionally adopted by well-established foreign companies, as they are able to create a strong brand awareness among Chinese consumers and are able to generate high returns in terms of word-of-mouth[78]. Estée Lauder, Lancôme, Chanel and Dior are just few examples of the most famous brands selling through dedicated counters; on the other hand, Chinese brands seem to be unable to take advantage of this kind of distribution and only a few companies, seem to be able to compete with the top global brands. Meanwhile, drugstores are becoming a more and more attractive sale channel, especially for what concerns cosmeceuticals and dermocosmetic products. In fact, pharmacies are attracting the attention of both international top companies and of local players, that see in drugstores an interesting opportunity that can support traditional channels of distribution such as shopping centers as well as supermarkets. Nevertheless, as a consequences of the upgrading of consumer preferences, of the rise of middle class in second- and third-tier cities and of the increasing distrust in traditional distribution system, new distribution channels are standing out. Among these, the most popular are online channels, that grew from 5.3% in 2011 to 15.5%

[77] Hong Kong Trade Development Council (2017).
[78] *Ibidem.*

in 2014, with a further forecasted increment of the 30% in the following five to ten years[79]. The popularity of online retailing was driven by both the scarcity of retail stores and brand diversification outside first-tier cities, that led second- and third-tier consumers to look for alternative ways of purchasing. E-commerce in fact, allow Chinese consumers to compare products, to look for the most convenient opportunity and to save time. In addition, the development of online sales was also supported by the advantageous terms that foreign imported products received compared to the domestic manufacture and traditionally imported goods. In fact, these foreign products were not subject to the same registration requirements for consumption, requirements that could be very expensive as they were calculated per each stock-keeping unit (SKU) and could last up to 8 months. Moreover, they encountered a few taxation and as a consequence many products that were not officially registered for consumption in mainland China were available on e-commerce. It is only form 2016 that the government decided to introduce a stronger regulation for the sale of cross-border goods via online platforms, reducing the difference with products purchased in traditional distribution channels. However, to stay on top of the market, both local and international players needed to adapt to this change in retailing strategy, opening flagship stores on B2B platforms like JD.com and Tmall.com.

2.2 The Chinese consumers behavior

Despite the recent economic slowdown called "New Normal[80]", the eyes of the world are still looking at China. In fact, as salaries have continued to grow over the past few years and unemployment rate has stayed low, consumptions have continued to increase. Chinese consumers are still confident about market opportunities but they are changing their shopping behavior. In example, they are becoming more selective on what they are spending money for, they are moving from products to services and are looking for premiumisation opportunities outside the mass market. These new trends are the mirror of the changes in the Chinese

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[79] Trade Administration: the U.S. Commercial Service and Industry & Analysis (I&A), (2016). *Asia Personal Care & Cosmetics Market Guide 2016*, http://www.trade.gov/industry/materials/AsiaCosmeticsMarketGuide.pdf (accessed on: 18/07/2017).

[80] "New Normal" is used to define the slower but more sustainable economic development that is taking place in China after that the Chinese economic growth has dropped form the extraordinary double-digit rate to 6-7%. Zhang, J., & Chen, J. (2017). Introduction to China's new normal economy. *Journal of Chinese Economic and Business Studies*, *15*(1), 1-4.

society: the pursue of a modern and more balanced life in which wealth, family and experience have the priority, the incredible popularity of international travels and the rapid adoption of new mobile payments. However, what is outstanding about China is that, though rising incomes, a better urban living and an high-level education system are common results of the industrialization process, there are also some unique factors that have shaped the modern Chinese consumer. According to Atsmon, Magni, Li, & Liao (2012) some major demographic changes and the development of new shopping patterns have affected purchase habits in China. Their findings are discussed in the following paragraphs.

2.2.1 Changing demographics: Income growth, aging population and women independence

According to Atsmon, Magni, Li, & Liao (2012), the urbanization process is expected to maintain its current rate and by 2020, the 60% of the population, around 850 million people, will be living in urban areas[81]. The income growth has been and will continue to be the most important change affecting the consumer landscape. The disposable income of the urban population is expected to double between 2010 and 2020[82], even if the actual differences in incomes will remain. The sharp income differences among the population have deeply affected the behavior of global company operating in China, that must decide whether to stretch their brands to target the mass market of "value" consumers — those whose annual disposable income is between $6,000 and $16,000 — or to serve only the "mainstream" and "affluent" consumers, that have higher annual disposable income but only represent the 8% of the population[83]. In the past, multinational players that targeted the high-income category were able to maintain their business model as it was applied in other parts of the world, but limited their target to a really small part of the Chinese market. On the other hand, those who targeted the low-income consumers had a bigger piece of market to compete in, but they needed to adapt to the market conditions, lowering prices and changing business models. But nowadays, the situation is changing rapidly. Due to the rising incomes, many value consumers are expected to move to the mainstream sector and it is predicted that their number will cover more than the 50% of the urban population, becoming the standard setter of consumption for

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[81] Atsmon, Y., Magni, M., Li, L., & Liao, W. (2012). Meet the 2020 Chinese consumer. *McKinsey Consumer & Shopper Insights*, (March), 1-41.
[82] *Ibidem.*
[83] *Ibidem.*

international companies. Furthermore, another important condition to point out is the significant difference of wealth across regions. Understanding the variation in the distribution of wealth is extremely important to analyze the market and to know which kind of goods and services increase more rapidly, and where. For example, although nowadays the majority of mainstream consumers are living in the top 100 wealthiest cities and only the 10% is living in the next 300 cities, the percentage of the latter is expected to increase sharply by 2020, allowing families to purchase a range of goods that are now within reach of consumers who are living in the wealthiest cities[84].

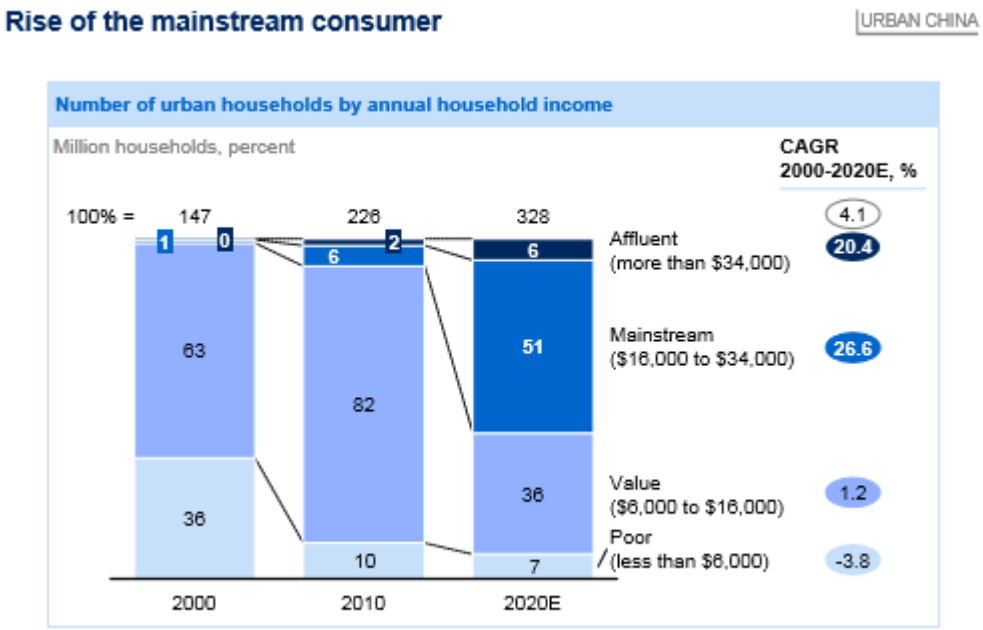

Exhibit 2: Rise of the mainstream consumer. ***Meet the 2020 Chinese consumer*****. McKinsey Insights China – Macroeconomic model update (March 2011)**

Concerning the demographic development, China is showing an opposite trend to that of other developing countries. If usually developing countries present a high birth rate with a relatively short life expectancy, China is experiencing an increment of the aging population and a drop in birth rates. The latter is not only a consequence of the modernization process carried out in the country but also the result of the one-child policy introduced in the 1970's, that is still partly effective today and allows only ethnic minorities or family of single-

[84] *Ibidem.*

children parents to have a second baby. This condition has been effecting the Chinese demography for the last decades and the result is an increase in the population's median age, that is expected to shift from 34 to 37 in the next ten years, with an increment of the over 65 population from 10 to 15%[85]. Regarding the differences in wealth distribution reported above, also in this case regional differences are strong: many cities have attracted a great deal of young migrants looking for a job, while other regions are so poor that the life expectancy level is very low. The main result of the general increase in life expectancy and the higher incomes is a change in life stages. People are more willing to postpone marriage and having a family to get a good education and to find a job. This change is deeply affecting the Chinese society: not only does it give people more free time to spend in travels or recreation activities but it is also shaping the relationship system, where people are spending more and more time with their peers, such as friends and colleagues, rather than with family members. This phenomenon is also boosted by the enormous proliferation of entertainment options that have come out in recent years: if ten years ago social occasions were limited to dining out or going to KTVs, nowadays younger generations have at their disposal an infinite set of activities to spend their time on, like going shopping, travelling or dancing. The proliferation of occasions led to another interesting consequence, the growing desire for customers to buy occasion-specific goods and services.

The last big change in Chinese demographics concerns the more independent role of women. Even if there is a sharp imbalance between the number of men and women within China, due mainly to the one-child policy that have pushed many families to look for a male heir, women are playing an interest role in economy. According to Atsmon, Magni, Li and Liao (2012) report that their participation in the workforce is very high, especially if compared to that of Japan or India. The one-child policy in fact has freed many of them from spending time at home caring for large families and allowing them to work. For this reason, the income gap between men and women is expected to narrow further in the following year, leading to a generation of women that will be more and more independent from their male counterpart, that will be able to finance family's purchases and will represent an extremely attractive target for any company. For example, as women's incomes rise, their expenditure on fashionable

[85] *Ibidem.*

clothes and on apparel increases too; this pattern is consistent with that observed in many other developed countries, where women spend 1.5 up to 2.5 times what men do on fashion[86].

2.2.2 New spending patterns: Dealing with discretionary spending, aspirations, senior market and geographic differences

China's changing economics and demographics allow an analysis of the key trends and spending patterns of the next decade. The government's boost for consumption along with the high incomes and a more widespread general wealth are changing Chinese spending patterns, in particular for what concerns four aspects: increasing discretionary spending, improving aspirations, the rise of the senior market and the evolution of geographical differences[87].

The growing discretionary spending is the result of the government effort to push consumption and the higher level of incomes. As a result of the increase in the number of mainstream consumers, discretionary categories are expected to experience an increment too, as they will be affordable for a larger number of customers. This trend can be directly linked to the second one, aspiration. People are driven by the desire to improve themselves, their lives and their social status, especially in a society where people are mainly judged for what they buy. The fact is that in developing markets, during the early growth phase, people come in contact with a great deal of goods and services and they are willing to try products for the first time. But when the market is mature, people buy more frequently and often are not willing to try other versions of the same product, trading up by buying a more expensive kind of items they already have. Trading-up opportunities exist in many categories of products, hence international players might need to reposition themselves to be attractive according to the new aspiration level, while younger brands can surpass more established companies by offering premium goods. The top of the market will benefit a lot from trading up, with some luxury and exclusive goods that can increase far more than the whole category, such as the sales of skin care products, that have increased by 20% over the past ten years, while the whole industry only grew of 10%[88].

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[86] Lui, V., Zhou, Y., Hsu, H., Jap, W., Liao, C., & Lou, Y. (2011). Dressing up: Capturing the dynamic growth of China's fashion market. *Report, Boston Consulting Group*.
[87] Atsmon, Magni, Li & Liao (2012).
[88] *Ibidem.*

Regarding the enlargement of the senior market, it is considered a direct consequence of the higher life expectancy. According to Atsmon, Magni, Li and Liao (2012), the number of citizens above the age of 65% is expected to increase by 5% in 2020, that is to say 126.5 million people more than the actual Chinese population. However, what is interesting about this is that some purchase pattern usually associated with elderly people could be much less evident in the future, like the saving inclination or the refusal to spend money on discretionary products. At the moment, the majority of people in China with more than 55 years have experienced the difficult condition brought on by the Cultural Revolution, between 1966 and 1976. The harsh living experience of the past is still reflected into the purchase pattern of the older citizens of one-tier cities, that devote more than an half of their money on food and a little on other products. In comparison, younger residents are more willing to spend on discretionary items and it is expected that in 2020, 55 to 65-years-old citizens will have purchasing patterns that are really similar to those of younger generations, implying that companies will need to reconsider the older consumers[89].

In the end, geographical differences will remain strong. The increasing of income levels will let the majority of urban consumers to afford almost all the basic products, but the discretionary items gap will be wider, not only for the different distribution of wealth among the regions, but also for the several tastes and inclinations of the consumers across China. These differences are not expected to disappear in the immediate future, for this reason both global and local players will need a deep and patchworked map of opportunities. Moreover, it is important to underline the growing potential of heavy spenders that live in low-tier cities and in the inland regions. It is expected that by 2020 two-thirds of the middle- and affluent-class consumer population will live in low-tier cities, accounting the 60% of the growth of the fashion industry, hence requiring companies to penetrate also in the most unserved markets and adapt their strategies to the new consumers[90].

2.2.3 Global orientation and global identity

Along with the demographic changes and the new patterns of consumptions, it is also fundamental to understand how Chinese consumers deal with global brands. According to

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[89] *Ibidem.*
[90] Lui, Zhou, Hsu, Jap, Liao, & Lou, (2011).

Guo[91], emerging countries like China and India tend to prefer global brands from developed countries to those of less developed countries. This result can be analyzed through the concept of global orientation. Global orientation is a result of the globalization and refers to "a person's shared consciousness of the world as a whole", that is to say, people with this kind of orientation considered themselves as global citizens and do not prefer the local existence as in the case of local orientation[92]. In fact, as the globalization process has included almost all the possible aspects, from the economic practices to the communication process or the consumer culture, people have started to realize the existence of multiple lifestyles that differ from the traditional ones. Therefore, the social identity is changing too. A convergence between the local and global identities is happening, with more and more people starting to consider themselves as global citizens, hence holding a positive attitude towards the globalization process instead of just identifying themselves with their own local community. This new identity has a deep effect on consumers choices, too. In fact, the purchasing behavior is expected to follow the identity inclinations, namely, a high global identity corresponds to a preference for international brands while, a local one is linked to the preference for domestic products: according to Guo, the global consumer orientation and the global identity both influence consumes in China, given that the purchase if global brands is seen as a symbol of integration into the global culture[93]. Therefore, it becomes necessary for foreign firms to identify the market segment that reflects these kind of characteristics as consumers from this segment are those considering global brands to be more innovative, high-quality and interesting if compared to those of emerging countries. This xenocentric trend may be extremely profitable for those foreign firms able to individuate the global consumers even in the more ethnocentric markets[94]. In fact, they would not only be able to provide the right products with the right advertisings but also to identify the proper location for their shops according to the region variations of xenocentrism in the country: for example, in China, where there is a strong preference for international brands, foreign retailers must be able to

[91] Guo, X. (2013). Living in a global world: Influence of consumer global orientation on attitudes toward global brands from developed versus emerging countries. *Journal of International Marketing*, *21*(1), 1-22.
[92] *Ibidem.*
[93] *Ibidem.*
[94] Balabanis, G., & Diamantopoulos, A. (2016). Consumer xenocentrism as determinant of foreign product preference: A system justification perspective. *Journal of International Marketing*, *24*(3), 58-77.

leverage their brands in order to be identify as foreigners and to deal with those local brands that use branding strategies in order to appear more international, too[95].

2.2.4 Shaping the "new" Chinese consumers behavior

No one can deny that the changing demographics and the new spending patterns have changed the behavior of the Chinese consumer, though there are still significant differences among the several segments of the market. Focusing mainly on the mainstream consumers, that are expected to include half of the urban population by 2020, Atsmon, Magni, Li and Liao (2012) have identified some main trends[96]:

1. Despite the growing wealth, pragmatism is still the focus point. A realistic and concrete vision has always been associated with the Chinese consumers. They are conservative, they want to evaluate all the features, fix a budget and purchase only when they find the best deal. This attitude is usually associated with the traditional Confucian values that are rooted in the society, and is not expected to change in the next few years. On the contrary, the development of e-commerce will support Chinese willingness to spend time on researching purchases and will provide an easier way to compare prices.
2. Chinese consumers are showing an increasing sense of individualism. This condition is usually a consequence of the maturation of the market. While in a new and developing market, consumers look for basic functional benefits, durability, comfort in apparel and good tastes in food and beverage, once the market is more mature, consumers' expectations increase, too. People sought healthier or user-friendly products and put more consideration on the emotional part of the purchase, emphasizing self-expression and the user's sense of individuality. In fact, as incomes increase, so will consumers' sense of uniqueness and assertiveness and global companies must be able to satisfy this requirement, not only in the high-end categories but also in the mass market. Niche brands are those supposed to take the main advantage from this situation. In fact, while in the past, big brands were the leader in the country thanks to their well-known brand image, nowadays people have more

[95] *Ibidem.*
[96] Atsmon, Magni, Li & Liao (2012).

purchasing experience and knowledge of the products, so that they feel more secure to try new brands and to judge them. Hence, purchasing niche brand not only is a way for them to experience new products but also a way to differ from the mass market.

3. A more balanced and healthier life is what Chinese consumers are striving for right now. Practicing sports, eating nutritious foods and having an healthy lifestyle are among the main concerns in China and companies have adjusted their image to win a bigger piece of the market, introducing new natural products and promoting organic and green food consumption. This trend is also recognizable in the increasing awareness regarding healthcare products and in the remarkable participation in sport activities.
4. The level of brand loyalty is growing. Compared to their Western counterpart, Chinese consumers did not demonstrate to be loyal consumers or to be stick to a particular brand in the past. However, a certain degree of brand loyalty is expected to emerge, especially among younger consumers. In fact, the increasingly strong promotion of the emotional benefit of a certain brands is view as a favorable point by many consumers, that are more aware of the differences between brands and identify themselves only with some of them. On the other hand, private-labels are accounting great level of sales all over the world and can be considered by many Chinese an interesting alternative for commodity items. To sum up, the proportion of consumers that are willing to switch from one brand to another is decreasing and it is now very difficult for a company to become one of the brand that consumers select, as just few of them are open to new products and advertising has a lower effective power, if compared to the past.
5. New shopping channels are replacing traditional stores. China has always embraced modern retail formats, conveying the message that shopping is an entertainment activity to be shared within your family. But now, while malls are losing their novelty, e-commerce is gaining the preferences of the Chinese population. The great number of shopping apps for mobile devices, well-developed online payment systems and several logistic infrastructures are the key factors for the success of online retails. Along with the efficiency of the structure, online platforms are becoming more and more popular because of other factors: convenience, ease in price comparison, a unique assortment of products, high quality and social network experiences are what the pragmatic Chinese consumers are looking for right now.

These new trends show how the process of modernization is changing the consumers behavior. Chinese people are giving more and more importance to their quality of life, to relationships and to experiences. A full understanding of these changes is necessary for all the global players to be able to compete successfully in the Chinese market.

2.2.5 Dealing with the new pattern of consumption

A clear action is needed by any international company that want to take advantage of the immense opportunities offered by China's developing consumer markets. According to the analysis provided by Atsmon, Magni, Li and Liao (2012), the biggest challenge today is not whether a company will keep on growing in China or growing faster than in other regions of the world, but whether it is able to build and sustain a top position and, in case of multinational firms, if China can be a driver of global growth. In fact, being one of the country with the largest group of mainstream consumers, China could become a testbed for any player that targets this segment. However, giving the dynamic nature of this market, it is necessary for an international company to clearly specify its intention, defining the market segment to be reached, the products to be delivered and the geographical area in which to operate. In this way in fact, it is possible to look for the right capital and human resources and to allocated them in the proper way to reach the highest growth opportunities. Furthermore, foreign players running business in China must pay attention to the geographical differences among the regions and consequently, to tailor their portfolio in order to satisfy the diverse needs. The vastness of China and the diversity of its regions are so huge that consumer needs could vary considerably within the country. Therefore, companies must be able to redefine the roles within the organization, delegating more decision-making activities to subsidiaries that must organize their strategic planning, consumer research and marketing operations. The headquarter has still to organize the activities among the different subunits and to safeguard the brand image, but with less local involvement. In addition, foreign companies operating in China must not forget the increasing importance of new trends such as individuality and self-expression. In fact, while in the past the undifferentiated mass consumption allowed companies to deliver the same value proposition to all kinds of customers, nowadays they need to differentiate all the value propositions in order to connect with different consumers and to be clearly recognizable from the competitors. To

keep on being successful, brands must target a narrower consumer segment and offer a more dedicated and tailored value proposition. It is very difficult for those that have stretched their brands across the different segments to maintain a stable market position, as they will probably be obliged to move to a model based on a portfolio of more targeted brands and to move to a more “consumer-centric” approach. No doubt that the consumer behavior will change in the next few years and that companies will need to manage more complexities, but flexibility and dynamism will be the keys to win the bigger size of the Chinese market.

Chapter III

Social media and brand communication in China

3.1 Branding strategies: Standardization and adaptation

As it was analyzed in the previous chapters, the rise of China as a global player and the evolution of the consumers behavior have deeply affected foreign brands strategy in the country. However, there is another factor to be kept into consideration while discussing the Chinese market, that is to say, its strong technological development. Generally speaking, the technological development has been the driver of the convergence of commonalities, as it allowed to establish a strong communication and transport system almost everywhere, letting people from all over the word desire the products they have seen or heard about through new technologies[97]. For example, let's take into consideration the present diffusion of smartphones. Around thirty years ago, mobile phones were making their first appearance on the market, but because of their elevate prices they were owned only by a minority of wealthy people. However, their continuous technological development, the diversification of products and the reduction of prices have allowed more and more people to afford a mobile phone, leading to a massive diffusion of these devices at the beginning of the 21st century. In 2016, the number of smartphone users around the world was estimated to be more than two billion, with China being the leader of the market since 2012, with a forecasted growth to 1.1 billion users by 2019 [98]. Given that today's smartphones combine the common benefits of vocal communication with an open access to internet, the possibilities for the owners become unlimited: they can read newspapers, stay connected with friends through social networks or buy anything, from train tickets to clothes, just with a click. Therefore, this means also that a smartphone user can be aware of what is happening around the world anytime. The result is a rising awareness of the consumers about what is available on the market and the necessity for global players to satisfy their needs with standardized products, that could be available to

[97] Levitt, T. (1983). The Globalization of Markets, *Harvard Business Review, 61* (3), 92-102.
[98] Statista. *China: Smartphone Market - Statistics & Facts*, available at: https://www.statista.com/topics/1416/smartphone-market-in-china/ (accessed on 17/11/2017).

anyone, everywhere. For what concerns foreign cosmetics, especially luxury ones, whose business models are precisely studied for high-end customers, a replication of the standardization strategies is expected, as it was done for many other luxury products [99]. In fact, the standardization approach has been generally followed by the majority of corporations that decided to play in an international context, not only because of the reduction of the operational costs, but also because it allows to increase the brand reputation and product positioning[100]. However, in recent years, a countertrend seems to have make its appearance. The push for localization has gained more and more interest among top players, as localization implicates some local, cultural and historical references that are usually appreciated among the more educated customers. It is in this kind of context that global players try to differentiate themselves from the mass market: in an educated market in fact, consumers have a deeper knowledge of the products, hence companies try to make their brands noticeable and to distinguish them from competitors. According to Vescovi[101], the localization process is likely to be achieved when the market presents these four characteristics:

1. An homogeneous context for what concerns the cultural references, such as values, writing, symbols, etc..
2. A good knowledge of the product categories and of their main features.
3. A shared set of criteria for purchasing, along with a subjective evaluation of the criteria based on the expected benefits and needs of the consumers.
4. Well-known brands, whose values are encoded both individually and socially and ease in brand positioning and classification.

With the application of this model to Chinese market, where more than one billion consumers have a shopping behavior that strongly differs from that of the Western markets, some specific aspects emerge[102]:

1. A deeply-rooted and unique cultural context, that convey a specific set of values, symbolism and rituals that are very different form the international ones.

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[99] Mihajlovic, Vescovi & Pontiggia (2017).
[100] Vescovi, T. (2011). Strategie di marca per i prodotti italiani in Cina. *Micro & Macro Marketing*, *20*(1), 73-92.
[101] *Ibidem.*
[102] *Ibidem.*

2. An ancient writing system.
3. A market that is still not completely educated and that is overloaded with information.

The influence of these peculiarities on the branding strategies of foreign players is very strong, resulting in both the necessity to know the details of the Chinese traditions and that of educating the consumers about the products. In fact, even if the higher social classes have a good knowledge about foreign products, thanks to their education, travel opportunities and in general, to their exposure to a more international context, people from the middle and lower classes still lack of information about products. For this reason, to be successful in China, companies need both to adapt to the market specificities and to educate the consumers to some purchasing habits that are similar to those of the brand's country of origin, modifying their branding strategies as follows [103]:

1. Identifying of the brand value components for the Chinese consumers.
2. Translating the brand name in Chinese.
3. Building a strong brand experience.
4. Giving importance to brand leadership.

These results are really interesting when analyzing the strategies adopted by foreign brands to develop their brands and communication in China. According to Schultz[104], they moved into three main stages. The first approach was that of globalization as it was proposed by Levitt, that implied that companies standardized their brands all over the world, offering global products that were the representation of their "think global, act global" mindset. This actually implied a transfer of their Western branding practices and communication techniques to China. This approach achieved a lot of success in the major cities but shown that people were more interested in the new foreign products than in Western branding strategies. This problem implied that companies adopted a more "think global but act local" approach, that was based on the idea that the production, processing and logistics skills to be used were the Western ones but they had to be applied to the Chinese market. As soon as foreign brands started to adapt their communication and marketing practices to the Chinese context, sales increased sharply. The third stage concerns a more localized approach. The concept is that of "thinking

[103] Pontiggia, A., & Vescovi, T. (2015). *Panni stesi a Pechino: Esploratori e pionieri nei nuovi mercati internazionali.* EGEA spa.
[104] Schultz, D. E. (2002). Another Turn of the Wheel. *Marketing Management, 11*(2).

local and acting local", that means to develop a branding, marketing and communication approach specifically for the Chinese market, while taking advantage from the abilities developed in the countries of origin. However, Schultz (2002) individuated a fourth stage, that goes beyond the "think local, act local" concept and that underlines the importance of creating a local brand strategy without forgetting its global features. Nowadays, companies are shaping their brands according to the specific cultural context of a country without overlooking their international characteristics: in China this model is applied widely as it is able to create a new brand identity, both global, because it is accepted worldwide, and local, because of its origins[105]. For example, Estée Lauder has achieved an incredible success through the collaboration of the company's global team with a local team, that was able to engage with Chinese consumers, and a regional one. In this way, they have been able to share and increase the possibilities to catch what Chinese consumers want and to modify constantly their strategy in order to suit a market that is in a continuous evolution[106]. The result was stunning: during the fourth quarter of 2017 fiscal year, an overall sales growth of 40% was announced for the Chinese market, in deep contrast to the growth of global sales at 9% [107]. Hence, it seems that to be successful, a brand must rely on three main elements: its values, its reputation and its cultural references[108]. Given that the Chinese consumer often lacks of knowledge about the products and the brands differences, these characteristics can convey a strong message about the company that can be further boosted by some elements, such as the brand name or image as well as the country of origin effect.

3.1.1 Luxury cosmetics strategy

As far as luxury products are concerned, companies usually adopt a standardization approach for two main reason. On the one hand, luxury consumers usually have a very similar shopping profile, that do not vary a lot across countries and, on the other hand, exclusive companies want their brand image to be consistent all around the world[109]. However, given the great cultural distance of the Chinese market, standardization is not always the right

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[105] Pontiggia & Vescovi (2015).
[106] Pan, Y. (2017). *How Estée Lauder Is Making Its Global Brand Locally Relevant in China,* in "Jing Daily", available at https://jingdaily.com/estee-lauder-locally-relevant-global-brand-in-china/ (accessed on 23/11/2017).
[107] *Ibidem.*
[108] Pontiggia & Vescovi (2015).
[109] Mihajlovic, Vescovi & Pontiggia (2017).

solution and although cosmetics companies are free to adopt their own strategies and solutions to penetrate the market. Mihajlovic, Vescovi and Pontiggia, (2017) individuated adaptation as the crucial strategic choice: the Chinese beauty canon, the need to adapt the marketing mix and the success of adaptation strategies in such a specific market are the main reasons for pursuing this approach. As it was discussed in the first chapter, East-Asian beauty ideal is strongly different from the Western one and consequently it influences a company's strategy. The interest of Chinese consumers for skin care routine, traditional ingredients and lighter make-up deeply effect their shopping behavior. For this reason, players that want to achieve success ought to meet the customer needs and to understand the Chinese culture in order to create a valuable offer that suits the beauty ideal of China. Moreover, an adaptation of the marketing mix is also needed to achieve a successful performance. Mihajlovic, Vescovi and Pontiggia, (2017) analyze three successful groups and a medium one, namely L'Oréal, Estée Lauder, LVMH and P and G Olay. During the analysis, five key factors emerge as fundamental for the success of a foreign company in China: an efficient digital strategy, the need of Asian spokespeople, a local research and development center, the usage of traditional ingredients and the necessity to provide market-specific products[110]. These strategic solutions are not followed by all the companies at the same level, however a certain degree of adaptation to these factors is required for a positive performance. Lastly, given the specificity of the Chinese market, adaptation strategy seems to be more effective than the standardization one. China in fact represent a big challenge for those players that pursue a globalization approach, to the point that even an exclusive company such as the American beauty brand Estée Lauder has been obliged to move to a certain degree of adaptation to fulfill consumers expectations. Estée Lauder has been considered for many years a brand dedicated mainly to mature Chinese women who were looking for some rejuvenate products. However, recently, this prestigious brand has been able to renovate its brand image and to become popular among the younger generations. Its impressive success is mainly due to the combination of a strong marketing campaign with the support of some local ambassadors, such as Yang Mi and Hua Chengyu, that not only have thousands of followers across the country, but also perfectly suit the public image of the brand. For example, in February 2017, a TV series called "Eternal Love", starring Yang Mi, became very popular in China among young people. Both the brand

[110] *Ibidem.*

and the actress used their Weibo platforms to attract followers and to boost a follow-up campaign about the lipstick worn by Yang's character, which succeeded in generating interest about Estée Lauder's lipstick collection[111]. The popularity achieved by the Estée Lauder was so incredible that the brand not only decided to name a lipstick after its ambassador, but it was also forced to use all its available online sales channels, including WeChat and Tmall.com, in order to maintain its position and turn its popularity into real sales. The success of the America beauty brand is undoubtable, however it is the result of a strong effort to understand the Chinese market. In fact, Estée Lauder's achievement can be attributed to three main strategies[112]. Firstly, its decision to use local spokespeople led to an increasing brand awareness among the younger generations. Secondly, Estée Lauder has been able to understand the particularity of the Chinese consumers and to adapt its strategy to the market, instead of merely proposing a copy of its approach in Western countries. Thirdly, it reached a high-degree of knowledge about China's digital world, shaping a comprehensive strategy that included social-media, digital and mobile marketing and e-commerce. Therefore, it comes out that only through a certain degree of adaptation it is possible to shape a strategy that can effectively attract new consumers.

To sum up, given that beauty standards vary from country to country, they can be considered the main obstacles for those who want to push the same products all around the world. In fact, while before the Nineties beauty standard was believed to be universal, as companies were highly influenced by the American and European beauty standards, after the opening of the Chinese market it was necessary for international players to review their approach[113]. China has always been eager of Western cosmetics because of their high reputation and safety, however, Chinese were not willing to adapt to the Western beauty ideal. Therefore, companies, even high-end ones, needed to change their strategies and to shift from a global and standardized approach to a country-specific one, adapting to the consumer needs through the launch of new products, the choice of a Chinese name and of a different marketing strategy. Thus, only proposing cosmetics that are aligned with a country beauty ideal and are supported by the right marketing mix it is possible to achieve success.

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[111] Pan (2017).
[112] *Ibidem.*
[113] Mihajlovic, Vescovi & Pontiggia (2017).

3.1.2 Brand name

When operating abroad, one of the main concern of a firm regards its brand name. Due to the importance of a brand during the advertising practice, the decision about whether to translate it or not becomes critical: in fact, a brand name usually conveys many values, such as the central theme or the key features of a product. The choice of the right name can bring many advantages, for example, it can show a degree of adaptation to the domestic market and to different cultural expectations, it can represent the brand image as well as tell information about the product[114]. On the other hand a bad translation can be misleading for customers as it can convey wrong information or transmit culturally different meanings. Therefore, it becomes essential for a firm to analyze the cultural and linguistic differences of the target market to find out the degree of adaptation needed for the brand.

Philip Kotler defines a brand as "the name, term, sign, symbol, design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors"[115]. This concept can be further analyzed through the lenses of brand equity. Brand equity is defined by Keller as "the differential effect of brand knowledge on consumer response to the marketing of the brand"[116]. This concept includes some important points: "the differential effect" that concerns the extent to which a consumer responses to marketing, "the brand knowledge", that relates to the concepts of awareness and brand image, and "the consumer response", that is to say his or her perception and preferences due to the marketing mix[117]. Hence, it becomes fundamental to understand the cultural references of a country and to take advantage of them in order to rise consumers awareness. A brand is in fact associated with many components, such as the name, the logo or the colors that effectively influence the consumers choice. Its name is the most important part and must be able to convey some messages to the consumers, such as the benefits of the product, its quality, the country of origin effect or the perception of some traditional values of

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[114] Chuansheng, H., & Yunnan, X. (2003). Brand name translation in China: An overview of practice and theory. *Babel, 49*(2), 131-148.
[115]Kotler, P. (2000). Marketing management: The millennium edition. *Marketing Management*, *23*(6), 188-193.
[116] Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *the Journal of Marketing*, 1-22.
[117] *Ibidem.*

the targeted country[118]. Because of its thousands of characters, each with its own meaning and pronunciation, choosing the most appropriate brand name in China is considered a really hard challenge[119]. This complexity partly depends on the linguistic differences between Chinese and Indo-European languages. Chinese is a tonal language, with an almost-perfect correspondence between syllables, morphemes and characters. Words are formed through the combination of morphemes, which are represented by a character in written language, hence new words tend to be "more meaningful" than in other languages, as they are the combination of two already existing characters (or lexical morphemes), instead of being just the result of a phonological string, like in English[120]. This means that every component of the brand name should be carefully selected as calligraphy and meanings acquire a deeper significance in China than in Western countries. Concerning semantics, brand names are required to report some positive connotations, such as reference to some auspicious animals (i.e.龙 *lóng*, dragon or 凤 *fèng*, phoenix), nature (兰 *lán*, orchid and 山 *shān*, mountain), fortune (福 *fú*, fortune or 富 *fù*, rich, wealthy), beauty (美 *měi*, beautiful) or to lucky colors and numbers (红 *hóng*, red, 金, *jīn*, gold or the number 8)[121]. Moreover, this positive connotation can be also expressed through the selection of characters with a favorable sound, that could be pronounced easily across China's different regions, that have a balance between *yīn* (even number of strokes) and *yáng* (odd number of strokes) and a suitable calligraphy[122]. All these aspects deeply affect the process of brand translation in Chinese. A foreign company can in fact decided to translate its name in four different ways[123]:

1. No adaptation. The Chinese name is completely different from the original in sound or meaning and allows the company to customize the brand identity. In this way, it is possible to convey a specific or new meaning, avoiding the problems caused by different pronunciations. The Dutch brewing company Heineken adopted this solution

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[118] Pontiggia & Vescovi (2015).
[119] Fetscherin, M., Alon, I., Littrell, R., & Chan, K. K. A. (2012). *In China? Pick your brand name carefully*, in "Harvard Business Review", available at: https://hbr.org/2012/09/in-china-pick-your-brand-name-carefully (accessed on: 01/08/2017).
[120] Basciano, B. (2017). *Brand Names in Chinese*, in "Brill's Language & Linguistics Blog", available at: https://brill.linguistlist.org/uncategorized/brand-names-in-chinese/ (accessed on 22/11/2017).
[121] *Ibidem.*
[122] Usunier, J. C., Lee, J. A., & Lee, J. (2005). *Marketing across cultures*. Pearson Education.
[123] Fetscherin, Alon, Littrell, & Chan (2012).

when translating their brand, that become 喜力, *Xǐ lì*, literally "pleased strength", as well as the American Estée Lauder, that is translated in 雅诗兰黛，*yǎ shī lán dài*, conveying a completely different meaning. In fact, while Estée Lauder comes from the name of the co-founder of the beauty company[124], the Chinese translation convey a different meaning: 雅, means "elegant", 诗 "poem", 兰 "orchid" and 黛 " blacken eyebrows". Thus, the brand name is able to evoke a beauty ideal linked to purity and elegance, that can be traced back to the traditional ideal of femininity in China. Moreover, the character 黛 recall the Chinese consumers about 林黛玉 *Lín Dàiyù*, one of the main characters of the Chinese novel "Dream of the Red Chamber", famous for her intelligence and beauty[125].

2. Sound adaptation. This method allows to directly translate the brand name with the adoption of Chinese characters whose sound recall the original pronunciation of the brand, but that are not semantically related to it. It stresses the brand international identity and is adopted mainly for those brands that depend on advertising and word of mouth, such ad in the case of the German cars manufacturer Audi, that was translated into 奥迪, Àodí, or of the French beauty company Lancôme, that becomes 兰蔻, *lán kòu* in Chinese, with the two characters meaning respectively "orchid" and "nutmeg".
3. Meaning adaptation. In this case a cultural similarity between the original and the Chinese name is researched, creating a semantic fit between them even if the pronunciation is completely different. The most famous example is that of Red Bull, whose energy drink has been translated into 红牛, *Hóng Niú*, literally "red cow". The meaning of the name is really similar to the original one, but it has been adapted to the target market, where the cow is seen positively as it is one of the animals of the Chinese horoscope and is a symbol of hard-work and generosity[126]. Another example is that of P & G, translated into 宝洁, *Bǎojié*, or "clean treasure", that convey the

[124] Chesters, A. (2012). *A brief history of Estée Lauder*, in "the Guardian", available at:https://www.theguardian.com/fashion/fashion-blog/2012/feb/06/brief-history-of-estee-lauder (accessed on: 01/08/2017).
[125] Nomen. *The Chinese Naming of Cosmetics Brands: Beauty Lies in names*, available at: *http://www.nomen.co.uk/naming/the-chinese-naming-of-cosmetics-brands-beauty-lies-in-names* (accessed on 21/11/2017).
[126] Pontiggia, Vescovi (2015).

meaning of cleanliness and beauty and suggests the kind of products offered by the American company.

4. Dual adaptation. This method attempts to recreate a connotative meaning in the target language starting from the source language, without forgetting the pronunciation. It is very difficult for a company to both maintain the original sound and meaning into the target language, for this reason this solution tend to be more successful when translating a brand name based on acronyms. A successful example is that of the Swedish Ikea, whose Chinese translation 宜家, *Yí jiā*, sounds like the original brand name and convey the message of a "suitable and appropriate home" . However, this strategy worked well also in the case of Maybelline, that was translated into 美宝莲, *Měi bǎo lián*, literally "beautiful and precious lotus" .

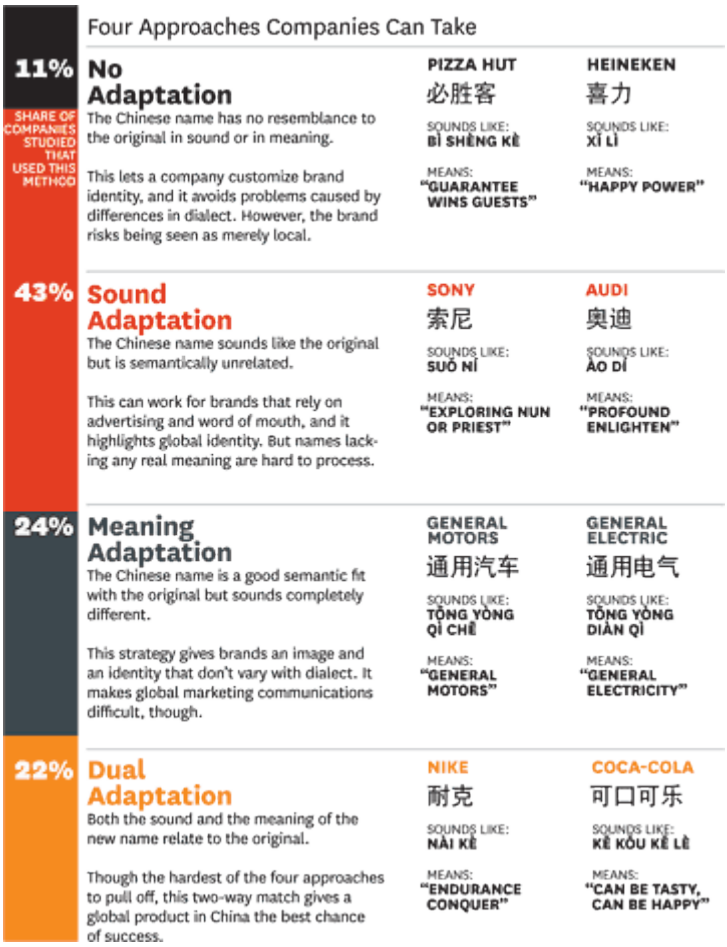

Table 2: The four approaches suggested by Fetscherin, Alon, Littrell and Chan. From: Fetscherin, M., Alon, I., Littrell, R., and Chan, K. K. A. (2012).

However, nowadays many Western companies, especially luxury and high-end brands, decide not to adapt to the local market, namely maintaining the original graphic and sounding. On the one hand, this strategy allow to make a brand recognizable everywhere, pursuing a global branding strategy, on the other hand the necessity to translate the name into characters, both for pronunciation and citation, can lead to the diffusion of different or non-codified translations, that do not reflect the brand values and change continuously[127]. When playing internationally, naming is probably the first task to be faced by companies. In fact, when it comes to enter into the world market, companies must be able to choose carefully their brand names. The factors to be kept in mind are several: linguistic and semantic differences, cultural meanings and graphic perception change across countries and companies must be capable of individuating the most suitable strategy for naming their products.

3.1.3 Country of Origin Effect

Strictly linked to a brand name and to its perceived values lies the concept of country of origin. The country of origin effect can be defined as the information pertaining the country where a product is manufactured[128]. The perception of a country image is very important to build an effective advertising campaign and for marketing strategies. The country of origin image has been defined as "the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses[129]". It is really important as it combines the brand strategies with the consumers education and becomes a way for evaluating the products: in fact, a positive image of a country can strongly influence the acceptance of a product[130]. According to Verlegh and Steenkamp in "A review and meta-analysis of country-of-origin research", the country of origin effect can influence the consumer decisions in several way[131]. First of all, consumers are likely to be influenced by some intrinsic and extrinsic factors, so the country of origin effect is minor when it is conveyed with other information such as brand name, price or

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[127] *Ibidem.*
[128] Zhang, Y. (1996). Chinese consumers' evaluation of foreign products: the influence of culture, product types and product presentation format. *European Journal of Marketing*, *30*(12), 50-68.
[129] Roth, M. S., & Romeo, J. B. (1992). Matching product category and country image perceptions: A framework for managing country-of-origin effects. *Journal of international business studies*, *23*(3), 477-497.
[130] Pontiggia & Vescovi (2015).
[131] Verlegh, P. W., & Steenkamp, J. B. E. (1999). A review and meta-analysis of country-of-origin research. *Journal of economic psychology*, *20*(5), 521-546.

warranty. Moreover, the country of origin effect is reported to be stronger in the initial phase on the decision-making process, when consumers have a stronger perception of brand quality than product knowledge or buying intention. In the end, a part from brand quality, it is considered also an effective way to convey some symbolic and emotional connotations to the customers, as it can be associated with a particular status or degree of exoticness. Therefore, a strong product-country-imagery can deeply affect the consumer choices as it can result in a strong emotional attachment to those brands that are able to express their symbolic connotations.

An interesting analysis of how the country of origin affect the Chinese consumer behavior is that proposed by Dr. Warveni Jap, in her article "Does "Made in …" Matter to Chinese Consumers?"[132]. She analyzed the Chinese perception of luxury products according to the country of origin effect. The country image was investigated with different product constructs such as quality, prestige, brands and design and shown a general preference towards foreign brands over domestic ones. With the rise of middle-class in fact, more Chinese consumers were able to afford foreign products, in particular luxury ones. These foreign luxury products were perceived as high-quality, with a strong brand reputation and were appreciated for their long-term and technological innovation, on the other hand, counterfeit and low quality domestic products influenced the Chinese consumers perception of domestic brands, considered short-sighted and less consumer-oriented than the global counterparts[133]. Despite their high prices, the overall favorable perception of global brands would push middle-class consumers to buy these kind of products, as they are often associated with an higher brand reputation, sense of trust, a better consumer service, higher values and social prestige. The consumer needs for security and brand visualization in fact are still determinant for the purchase decision. In China this concept is even stressed by its collective society, where the need to avoid mistakes is a crucial point during the buying phase, leading to a situation in which people often tend to purchase global brands because of the sense of security and comfort they transmit[134]. For example, in China, France is perceived as the country of luxury and fashion and for this reason the sales of cosmetics with the "Made in France"

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[132]Jap, W. (2013). Does" Made in..." Matter to Chinese Consumers?. *Journal of Global Business Management*, *9*(1), 186.
[133] *Ibidem.*
[134] Pontiggia & Vescovi (2015).

denomination have boosted in recent years, showing that the country of origin is still an effective part of the brand's capital [135]. Hence, companies need to pay attention to this added value and to adapt their strategies in order to take advantage from this phenomenon.

3.2 Branding in the Age of Social Media

The development of social media has completely changed the traditional way of branding. The digital information has become the "lifeblood of the economies in which a brands operate[136]" as it is able to connect all the markets and the consumers around the world. For this reasons, companies must be aware of the opportunities and threats that Web 2.0, social media and creative consumers represent.

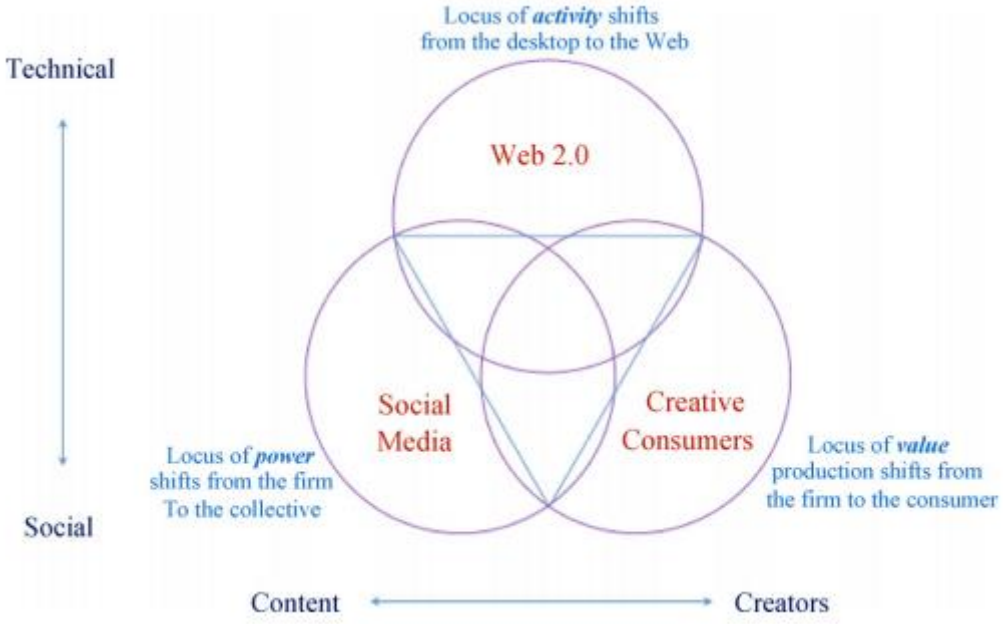

Figure 1: The relationship between Web 2.0, social media and creative consumers. From: Berthon, P. R., Pitt, L. F., Plangger, K., and Shapiro, D. (2012). Marketing meets Web 2.0, social media, and creative consumers: Implications for international marketing strategy. *Business horizons*, *55*(3), 261-271.

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[135] Rebufet, M., Loussaief, L., & Bacouël-Jentjens, S. (2015). Does the Country of Origin Matter for Cosmetics? The "Made in France" Argument. In *Advertising Confluence: Transitioning Marketing Communications into Social Movements* (pp. 45-60). Palgrave Pivot, New York.

[136] Hobsbawm, A. (2009). Brand 2.0: Brands in a Digital World, in Rita Clifton (edited by), *Brands and Branding,2,* John Wiley & Sons, 2009.

Because of their relation, these three terms are often interchanged, but they still convey three different meanings. According to Berthon, Pitt, Plangger, and Shapiro[137], Web 2.0 can be considered as the infrastructure, composed by both hardware and software, that allows the existence of social media and support the creation of consumer-generated content; creative consumers are the creators of the content in social media, while social media include both the channels and the content created by the interactions among individuals and organizations. The market often considers social media as user-generated content (UGC) or consumer-generated media (CGM), but it is important to underline the difference between these two concepts: consumers are those who produce the content, while media are the vehicles that move these information[138].

This new global marketing environment has produced a shift, giving more and more power to the consumers than to organizations. The fact is that many companies do not realize this and keep on believing that social media are an easy and fast tool to achieve success: creating a fan page on Facebook, twitting, establishing a Instagram profile or buying some ads space on YouTube can be simple actions but they become very difficult when it comes to target those generations that are fond of internet and that have grown up with social media. For this reason, in order to be effective, companies must understand how deeply digital information have changed the way brand operate, both amplifying and connecting cultures, leading to the creation of a new world based on connectivity. The consequences of the changes in digital information can be sum up as follows [139]:

1. Information is no more a monopoly. With the arrival of the digital information era the way people relate with a brand has completely changed: in fact, as consumers can have easily access to the majority of social media, modern marketing has become a sort of global conversation among millions of internet users. This participative culture asks consumers for reviews, discussions and judgements and companies need to act with transparency and ethic, given that once released, information cannot be hidden.

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[137]Berthon, P. R., Pitt, L. F., Plangger, K., & Shapiro, D. (2012). Marketing meets Web 2.0, social media, and creative consumers: Implications for international marketing strategy. *Business horizons*, *55*(3), 261-271.
[138] *Ibidem.*
[139]Hobsbawm (2009).

2. In this new media system, information freely flows. This means that if any node of the network represents a responsive individual, any change in lifestyles can spread on and can be copied by others.
3. Companies cannot stand by themselves, expecting to attract customers just with their marketing but must act dynamically, generating interest among its consumers.
4. Brands must guide their consumers. People's trust towards a brand is based on their knowledge of the brand itself. Hence, knowledge becomes a key for success and brands must be able to involve their customers in a relationship activity.
5. Companies must learn how to deal with this brand new world, where digital information has created an acceleration in the flow of information and consumers are changing their habits of consumption.

3.2.1 The evolution of Chinese social media

These considerations become extremely relevant if applied to the Chinese situation. China has a unique social media development, that has been deeply influenced by the strict censorship of the government. Not only did the creation of the Great Firewall[140] block the flow of unfavorable information, but it also prevented the diffusion of foreign social network such as Facebook, Instagram, Twitter or Snapchat. This meant a great opportunity for locally-developed media platforms, that had the chance to create their own community of users, leading to the explosion of social media platforms created *ad hoc* for the Chinese market. For example, Weibo and Tencent became the equivalent of Facebook and Twitter, Youku Tudou is the substitute for YouTube and WeChat developed the features of Facebook as well as those of Paypal, creating one of the biggest communication hub of the whole country. Nowadays. the spread on of social media is happening across all city-tiers and age groups, boosted by the decreasing trust towards traditional media like television and newspapers, especially among the younger generation. In 2016, the social media penetration in the country reached half of the urban population and increased of 17 percentage points respect to the

[140] The Great Firewall is a project proposed in the 1990s by President Jiang Zemin to control the digital realm. It initially targeted foreign news sites and bulletin boards that were perceived as contrary to the Communist party, but now its list includes social media sites, like Twitter and Facebook and search engines. Minter, A. (2017). *Raising the Great Firewall too High*, in "Bloomberg view", available at: https://www.bloomberg.com/view/articles/2017-07-11/china-may-be-raising-the-great-firewall-too-high (accessed on: 08/08/2017).

previous year[141]. China is the third most active country on social media after the US and Brazil, with a higher percentage of active women users than men[142]. Among the most popular platforms it is possible to find WeChat, Weibo, QQ and Youku Tudou: a brief explanation of the main platforms and of their features is now provided.

1. WeChat 微信, *wēixìn*. Considered as "China's everything app" by Bloomberg[143], WeChat is probably the most versatile mobile app available in stores. It was developed by Tencent, a leader provider of "internet value added services", whose mission is that of "enhancing the human life through internet services"[144]. Since its foundation in 1998, Its popularity has kept on growing, especially thanks to its user-oriented contents. Nowadays, Tencent holds some of the major communication platforms in China, such as QQ (QQ instant messenger), WeChat and Qzone; however, it has also developed several other services, such as new payment systems (Tenpay and WeChat Pay), entertaining platforms (like QQ Music, Tencent Comic and Tencent Games) and utilities (as Tencent Questionnaire, Pitu and Tencent Map). WeChat popularity mainly relies on the fact that it allows its users to do about anything they want: playing games, send money, make free video calls, post Moments on their walls or book a taxi. Its success mainly depends on two reasons: the ease and enjoyment of use and its ability to persuade many users to link their bank accounts to the app, winning the trust of the community. For these reasons, despite the traditional users, nowadays more and more companies are hosting a WeChat account to support their business, to create promotional content and attract new customers.
2. Weibo 微博, *wēibó.* Weibo, or Sina Weibo 新浪微博, *xīnlàngwēibó* , is a popular micro-blogging platform that is really similar to Twitter. Such as the American counterpart, Weibo has a 140 character limit for writing posts and is based on the

[141] Guo, M. (2016). *Chinese concerns about impact of social media continue to grow*, in "Kantar", available at: http://www.cn-en.kantar.com/media/social/2016/kantar-china-social-media-impact-report-2016/ (accessed on 08/08/2017).
[142] *Ibidem.*
[143] Lawrence, D. (2016). *Life in the People's Republic of WeChat*, in "Bloomberg Businessweek", available at: https://www.bloomberg.com/news/articles/2016-06-09/life-in-the-people-s-republic-of-wechat (accessed on 08/08/2017).
[144] Tencent. *About Tencent*, available at: https://www.tencent.com/en-us/abouttencent.html (accessed on 19/12/2017).

unidirectional relationship between followers and followees[145]. This means that when one user "follows" others, he or she can read their posts without being followed back: many people in fact are using this social network to follow celebrities and influencers. However, since 140 Chinese characters can convey much more content than 140 English characters, the communication is longer, creating actually a micro-blog instead of one-liners for each post[146]. For this reason, it has rapidly become a popular tool among those companies that want to rise their level of communication.

3. Youku Tudou 优酷土豆, *yōukù tǔdòu.* This platform is similar to YouTube, as it allows user to watch videos uploaded by the community. Compared to YouTube, it provides less self-produced content and people generally use the platform as an alternative to watching television or going to the cinema[147]. The platform is owned by Alibaba, the Chinese e-commerce colossus, and is reported to have lost out to rivals when luxury advertisers started to produce shorter videos to be posted on Weibo[148].
4. QQ. Developed by Tencent, QQ is an instant messaging platform that allows its users to communicate with each other throughout the exchange of text, images, videos and stickers. Users have personalized avatars and as for WeChat, an access to a wallet that allows online shopping and bank transfers.

These are just some of the most popular platforms available in China, as the social media sector is really fragmented and in a continuous evolution. According to Kantar's *China Social Media Impact Report 2017*[149], in 2017 WeChat is still the leader of the sector, even if its popularity has slowed down, while Weibo, the previous dominant social media, is making a comeback, receiving particular attention by the younger generations.

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[145] Koetse, M. (2015). *An Introduction to Sina Weibo: Background and Status Quo,* in "What's on Weibo", available at: http://www.whatsonweibo.com/sinaweibo/ (accessed on 08/08/2017).
[146] Fang, A. (2016). *6 Chinese Social Media Sites You Should Know About,* in "TutorMing Chinese for Business Blog", available at: http://blog.tutorming.com/business/chinese-social-media-sites (accessed on 08/08/2017).
[147] *Ibidem.*
[148] Lucas, L. (2017). *Youku Tudou loses out as luxury advertisers shift focus*, in "Financial Times", available at: https://www.ft.com/content/f9b4791c-4a56-11e7-a3f4-c742b9791d43 (accessed on 08/08/2017).
[149] Guo, M. (2017). *China Social Media Impact Report 2017,* in "Kantar", available at: http://cn-en.kantar.com/media/social/2017/kantar-china-social-media-impact-report-2017/ (accessed on 08/08/2016).

3.2.2 2017 media overview

The evolution of social media is a thing now, as it refers to "any type of media with social functions"[150], which means that it does not only include the well-known apps previously descripted, but also many other social functions, such as e-commerce, videos and news. For example, despite WeChat and Weibo, the term social media refers also to some sub-categories: e-commerce platforms with social functions, such as Taobao or JD.com, BBS (bulletin board system), like Baidu Tieba, Renren, and QQ Zone and video websites and livestreaming platforms with social functions, like Mango TV or Youku.

The width of the sector and the increasing number of people logged on to the internet led to a continuous evolution of the functionalities offered by each social media. However, despite the main differences due to their purposes (microblogging, news, dating…) it is possible to identify some main characteristics and trends that influence the whole panorama of Chinese media. According to Linda Xu, the Chief Client officer, head of Research and Consulting at Kantar[151], five are actually the development trends presented by social media in 2017:

1. A mix between functions and content. Social media present three operational models : UGC or user-generated content, Functions as well as Social business, that emerge from the union of UGC with functions and KOLs, or key opinion leaders. Among these, Social Business is considered the easier way to engage brands and customers. However, given that now the differences among the three operational models are being blurred, it is necessary for brands to master the subject in order to maximize their resources. Content creation in fact is not limited to mainstream media and key opinion leaders, but it also comes from the users themselves in form of original content or as a reply to hot topic discussions. The result of the enhancement between users and social functions is the improvement of their online experiences, the growth of users as well as their usage hours. Weibo, for example, is integrated with an e-commerce platforms as well as gaming, video and chatting ones.

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[150] Kantar, (2017). *China Social Media Impact Report 2017 -- Growth in the Social Media Era*.
[151]Xu, L. (2017). "2017 nian Zhongguo shehuihua meiti geju gailan", 2017 年中国社会化媒体格局概览 (The Evolution of Chinese Social Media in 2017), Kantar, available at: http://cn.kantar.com/媒体动态/社交/2017/2017 年中国社会化媒体格局概览/ (accessed on 10/08/2017).

2. The search for instant gratification. The term "Social Business" defines the inextricable link between business environment and social interaction. According to Xu, while in the past, advertising would have pushed people to purchase, the modern digital marketing is supported by more interactive functions, such as contact with customers, customer experience, purchase and feedback, creating an engagement process whose aim is that of satisfying the consumer desire for instant gratification[152]. Nowadays, consumers care less about prices, while they are more focused on the personalization of products and on the participation in the purchasing process itself; in addition, many platforms have already provided easy interaction channels to satisfy consumers demand for fast sales. For example, Weibo and other video platforms implemented the e-commerce links, while live-broadcasting sites have rewards or virtual gifts. People are more and more willing to pay for entertainment and social media must be ready to exploit this new trend.
3. Pan-entertainment. According to Xu, this phenomenon refers to the actual consumers preference towards entertaining content rather than more formal ones. From news release to hot topic discussions, Chinese consumers tends to appreciate humorous contents. Nowadays, a popular content on social platforms is the entertaining intellectual property, that is to say, a character or a story that are integrated in platforms promotions creating a completely new way of interaction with customers and of conveying content[153]. For example, the popular television series Ode to Joy portrayed its main characters using famous brands, such as Evian or Tadashi Shoji, not only increasing their brand exposure, but also educating the customers and improving their knowledge of the brands themselves.
4. KOL's power. The term key opinion leader (KOL) refers to popular celebrities or internet stars such as Papi 酱 or Gogoboi and to famous self-promoting accounts like 英国那些事儿 *Yīngguó nàxiē shìr*, an overseas informative blog. As soon as KOLs reach a certain degree of popularity, they start to cooperate with brands with the support of a specialized team, instead of simply doing self-promoting as in the past. In order to achieve success, a KOL must be able to both attract enthusiast followers

[152] *Ibidem.*
[153] *Ibidem.*

through the publication of specific posts and to move from a single social media to a multi-platform interaction. In this way, they are able to show an even deeper relation with the brand. Nowadays, key opinion leaders are often essential for those brands that want to increase in sales. In fact, with the share of funny or creative contents, they are able to boost the popularity of a brand and to increase the interest of the audience, aiming at the redirection of the customers to e-commerce platforms, transforming this virtual flow into real purchasing operations. A part from their ability to drive traffic into cash, grass-roots key opinion leaders have a strong influence on their followers, as they are considered more down-to-earth and their advice can lead to a rapid growth in brand popularity; moreover, they are able to trigger buying intent of loyal fans with some limited editions or capsule collections and to provide a precise marketing with O2O (online to offline) and apps[154]. The advent of KOLs have deeply changed the way brands communicate with their target: now, they do not have the last word on content and format but need to enhance a collaboration with the content creators, in order to be consistent with both the brand and the KOL personality.

5. A smart interaction. The recent development of smart technologies such as Virtual Reality, Augmented Reality and Artificial Intelligence has deeply affected the interaction between social media, brand and consumers[155]. The implementation of smart technologies is very useful to increase the interactions, but the main tools to attract follower are still content and marketing. Therefore, the real challenge for brands is being able to analyze the data and to combine them with original stories and creative content. In addition, search engines are already dealing with social media content, showing different results according to consumers preferences.

There are some implications that emerged from the evolution of social media in China and that affect how foreign brands need to deal with them. First of all, give the incredible amount of social media available in China and the incredible fragmentation of the sector, it is necessary for brands to understand which platform best suits their needs and to use different kind of platforms to reach different targets. Secondly, a part from the well-known social media platforms such as WeChat and Weibo, new platforms that mix different functions are

[154] Kantar (2017).
[155] Xu (2017).

now available, hence, brands must be aware of the continuous evolution of the sector in order to exploit all the opportunities that arise in the Chinese market, promoting contents that effectively underline the characteristics and qualities of the products, creating thus a stronger brand engagement. Actually, it seems that not all the items need a strong social image: according to Kantar, at the moment niche and lifestyle oriented brands are in a better position to take advantage of their popularity among internet users[156]. Therefore, brands really need to get a vast knowledge of the Chinese social media panorama. In fact, not only do they need to adopt the right platform with the perfect content, but they must also be able to share it at the right moment with the right target[157].

3.2.3 Crafting a strategy

In such a fragmented scenario, it becomes necessary for any company that desires to take advantage of social media to understand the strengths and weaknesses of the different platforms. Their purposes, geographical diffusion and features can vary from platform to platform, shaping a sector that is often too complex for foreign players to be understood. However, there are some basic tenets that could help companies to craft a winning strategy . According to Chiu, Ip and Silverman in "Understanding Social Media in China", it is in fact necessary to produce user-specific content, to adopt a test-and-learn attitude and to keep in mind the company overall goals[158]. In order to support their opinion, the authors provided the example of three international companies, namely Clinique, Dove and Durex, that will be now briefly explained.

As far as user-specific content is concerned, the authors reported the example of Clinique. In 2009, the company broadcasted a drama series called *Sufei's Diary*, that was available on a dedicated website and on monitors located in crowded places. Although beauty routine and skin care were part of the drama and Clinique products were promptly featured, however the series was not associated with brand advertisement and was considered an entertainment form, becoming extremely popular among teens. The success of the drama resulted in both an

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[156] Kantar (2017).
[157] *Ibidem.*
[158] Chiu, C., Ip, C., Silverman, A. (2012), *Understanding Social Media in China*, in "McKinsey Quarterly", available at: www.mckinsey.com/business-functions/marketing-and-sales/our-insights/understanding-social-media-in-China (accessed on 13/08/2017).

increment in popularity of the brand Clinique, whose awareness increased by 27% respect to its competitors, and in a consistent saving in advertising costs, given that social media advertising is less expensive than a traditional campaign[159].

Concerning the test-and-learn approach, it is suggested to verify the efficacy of a campaign on the market and then to adjust it according to the consumers' feedback. A famous example is that of Dove's Real Beauty campaign. Real Beauty campaign aims at starting a debate on female beauty, fighting against the standard dictated by the society in favor of body acceptance[160]. But when the Dove China used Real Beauty campaign to raise awareness on beauty among women of different looks and body types, Chinese netizens expressed dissatisfaction. Hence, given that the expected success was not reached, Dove decided to partner with *Ugly Wudi*, the Chinese version of the popular US television series *Ugly Betty*: the Real Beauty message was spread into the storyline and pushed through a lot of online activities, such as Wudi's blog. This change in strategy resulted in millions of blog entries and popularity on search engines, rising both Dove body wash products by 21% after the first season of the show and the campaign's awareness by 44% among the targeted consumers, with an estimated return on investment four times bigger than the one expected with a traditional television investment[161].

Lastly, companies must use social media without forgetting the overall brand goals. Nowadays, consumers expect a company to interact with them and to generate buzz, hence companies must be able to use the right social media to engage them. For example, not only did Durex establish a Sina Weibo account, but is also created a marketing team dedicated to monitoring comments and that collaborates with agency partner to ideate original and humorous contents to be shared online[162]. Therefore, to survive in such a competitive market, foreign player must be able to keep pace with the different technologies and to produce contents that are significant for Chinese consumers.

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[159] *Ibidem.*
[160] Dove, *Dove Real Beauty Sketches,* available at: https://www.dove.com/us/en/stories/campaigns/real-beauty-sketches.html (accessed on 14/08/2017).
[161] Chiu, Ip & Silverman (2012).
[162] *Ibidem.*

3.2.4 WeChat and its core potential

As already mentioned, WeChat is China's headliner social media. Big international brands have already created a WeChat account to nurture new followers, but among all the luxury sectors that are active on the platform, beauty seems to be the one with the majority of early adopters, showing an impressive prowess concerning digital marketing[163]. L2's "Beauty China: WeChat" report underlines the importance of WeChat as a "branding platform", where 73 percent of beauty labels take advantage of its features to launch new campaigns and to engage consumers and about half of the brands incorporate sampling and games to expand user experience, like in the case of Estée Lauder's "EyeQ" campaign[164]. "EyeQ" was an interactive campaign focused on the promotion eye care products, where people could read an online diary written by the supermodel Liu Wen. The diary seemed handwritten, with Polaroids and doodle pasted on the pages and the possibility to have a detailed explanation of the model's preferred products and, at the end of all the diary entries, it was possible to participate to a quiz to win a surprise gift. Moreover, the report highlights that lots of beauty brands exploit WeChat for CRM, namely customer-relationship management, with the 59 percent of them offering also a loyalty program with the app[165]. Michael Kors for example, utilized WeChat for CRM when launching its "Mercer" leather bag and "Love" sweater in April 2017: netizens needed to upload a short video on Michael Kors on social media to gain the chance to win a handbag or a bottle of perfume[166]. The campaign was based on the popularity of selfies among Chinese consumers and was supported by a collaboration with the famous photo app FaceU. FaceU is a popular photo app that mainly target the younger generations. It allows to apply beauty filters and funny stickers on photos, encouraging also the socialization among its users through video chats. To support Michael Kors' campaign, FaceU realized some special stickers to be applied on photos and videos used to participate to the competition. Moreover, the campaign was also promoted by Yang Mi, a Chinese celebrity, reaching a great attention from Chinese consumers. On the other hand, as far as loyalty

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[163] Jing Daily, (2016). *What Luxury Can Learn from Beauty Brands About Engaging Consumers on WeChat,* available at: https://jingdaily.com/67577-2/ (accessed on 16/08/2017).
[164] *Ibidem.*
[165] *Ibidem.*
[166] Pan, Y. (2017). *From Mini Apps to KOLs: 6 Effective Luxury Marketing Campaigns on WeChat*, in "Jing Daily", available at: https://jingdaily.com/mini-apps-kols-effective-luxury-marketing-campaigns-wechat/ (accessed on 17/08/2017).

programs are concerned, the best one is considered that of L'Oréal Paris[167]. The French beauty brand proposes a loyalty program that embraces its WeChat account, official website, Tmall shop and its own app and is based on the collection of points for both online and offline purchase. This strategy is also adopted by Clinique, that allow its followers to gain points through the interaction with the account. However, Chinese cosmetics brands seems to be those with the strongest WeChat accounts: the 80 percent of them offer a loyalty program, while Western brands are less than a half[168]. Furthermore, their strength is also supported by their ability to integrate WeChat with their traditional loyalty program and with their online e-commerce shops. The fact is that e-commerce has evolved into a core strategy for any brand that desire to operate in China. However, nowadays only the 20 percent of beauty brands host a WeChat shop or allow WeChat payments, even if, as it is stressed by L2's report, a WeChat store "should be considered along with brand sites and e-tailer platforms as central to any China e-commerce strategy"[169].

Among the most effective marketing campaign on the messaging platform WeChat there is DFS and Estée Lauder #BeautyAllNight omnichannel initiative. The campaign was aimed at transforming fans into influencers through the activation of in-store touchpoints and WeChat[170]. The two brands took inspirations from the success of online beauty tutorials and their campaign follows three travelers visiting New York, Venice and Hong Kong[171]. The travel ideal is linked to the fact that consumers often come across DFS stores that are located into airport terminals. In order to take part to the marketing initiative, travelers were encouraged to use the social media hashtag #BeautyAllNight to place themselves within the campaign. According to the brands, #BeautyAllNights used WeChat's facial recognition and applied a "staying in" or "going out" beauty look proposed by Estée Lauder on followers' faces and fans could choose a look from the DFS-dedicated Love of Night set or the Pure Color Love lipstick collection to virtually try-on and share the result on WeChat Moments[172]. Moreover, despite the digital beauty campaign, DFS also created many other opportunities to

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[167] Jing Daily, (2016). *What Luxury Can Learn from Beauty Brands About Engaging Consumers on WeChat,* available at: https://jingdaily.com/67577-2/ (accessed on 16/08/2017).
[168] *Ibidem.*
[169] *Ibidem.*
[170] King, J. (2017). *Estée Lauder and DFS Let You Virtually Try On Lipstick,* in "Jing Daily", available at: https://jingdaily.com/dfs-estee-lauder-wechat/ (accessed on 17/08/2017).
[171] *Ibidem.*
[172] *Ibidem.*

let consumers come in contact with its products. Chinese consumers could find pop-up stores dedicated to the #BeautyAllNight initiative in malls by DFS in Hong Kong, Hawaii, Macau, Venice and Los Angeles, with the exclusive set Love of Night available at DFS locations with the 30 percent of discount. Moreover, in-store touchpoints such as window displays allowed to bring the Venetian spirit, one of the main theme of DFS's spring campaign "Love of Travel", inside the shop. Furthermore, despite the physical in-store activations, it was possible for customers to check many other Venetian landscapes directly of DFS' website.

The combined effort of Estée Lauder and DFS is just one example of how companies are facing the requirements of the Chinese market, blurring the lines between the online and offline spaces. According to Dave Rodgerson, the retail industry executive of Microsoft Canada, the mix of in-store and digital experiences can be explained as follows:

> One of the things I always talk about with retailers is that you'll be more successful if you blur the lines between the physical and digital worlds. […] In the physical store they are creating a digital experience. That does a few things—it is more engaging, there's fun to that, and it is entertainment. That always draws people back to the store. […] The other thing, from a data perspective, is that when consumers try on products in this fashion [brands are] able to measure the products used and the combinations. You have situations where if you had sat down with a cosmetician you would have the same experience, but it would not be as quick and [the brand] would not be able to record the data[173].

This means that the digitalization of experiences offered by many beauty companies is not only a way to catch consumers' interest, but also to hasten the data analysis in order to understand the market movements. Hence, it is possible to say that social media platforms have become much more than online spaces to interact with customers. Any kind of content posted online leaves a footprint, inasmuch it can be seen, liked, commented or shared among users, hence companies must be able to monitor their online influence and the degree of interest that arise from customers to promptly reply to any change in demands.

3.2.5 The beauty apps' potential

With the multiplication of social media platforms and smartphone-based apps, e-marketing seems to be an unstoppable trend in China. However, the last battlefield for those brands that

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[173] *Ibidem.*

want to generate buzz is that of beauty apps[174]. In fact, beauty apps are not only extremely popular among Chinese consumers, but they often provide other features along with the classic beauty filters and beautification functions. FaceU success was already discussed because of its collaboration with Michael Kors, however, a part from this popular app, today's beauty apps panorama spans hundreds more opportunities.

- MeituPic. MeituPic is a popular photo-editing app that allows users to modify their photos with Instagram-like filters, to apply Snapchat-style stickers and offers many other facial features tools; developed by Meitu Inc, the app became very popular among Chinese netizens in 2008, as it satisfied their desire to look pretty on online platforms[175]. Many companies have already figure out MeituPic potential: in example, in November 2016 Fendi partnered with the photo app to launch its Hypnoteyes Capsule Collection, allowing MeituPic's users to apply filters and stickers related to the fashion campaign[176]. The funny experience attracted also many fashion bloggers, that sharing their photos promoted both the brand and the app.
- Makeup Plus. This app is also developed by Meitu Inc, but unlike MeituPic, Makeup Plus aims at integrating luxury products branding into the photo-editing experience. Makeup Plus offers many functions that strongly differ from the basic photo-apps. For example, real time virtual makeovers are allowed. The function permits to users to try on different make up styles through a precise recognition technology that allow to synchronize users' faces with the virtual make up[177]. Well-known cosmetics brands have already teamed up with the app to take advantage of this kind of technology: Dior, Yves Saint Laurent and Bobbi Brown partnered with the app to let customers virtually try their lipsticks. The interesting fact about the function is that it does not compel them to buy the products, instead users can apply them to their selfies as much as they want. However, the app is essentially provided with a direct link to the brand's official website or e-commerce platform, so anyone who is keen on the product can buy it with a simple click. In addition, Makeup Plus inaugurated a platforms where

[174] Ruan, L. (2017). *5 Major Beauty Apps in China You Should Know,* in "Jing Daily", available at: https://jingdaily.com/5-major-beauty-apps-in-china-you-should-know/ (accessed on 19/08/2017).
[175] *Ibidem.*
[176] *Ibidem.*
[177] Chu, K. (2017). *3 Beauty Shopping Apps in China You Need to Know*, in "Chozan.co", available at: https://chozan.co/2017/05/30/beauty-shopping-apps-in-china/ (accessed on 19/08/2017).

beauty guru can share make up tutorials and tips with their followers. The platform is composed of three main channels: Makeup Tutorials, that teaches users how to create a specific look, Makeup Base, that is guide for beginners and Makeup Transformation, where beauty experts recreate celebrity look tutorials[178]. The widespread success of this beauty app was then boosted by the collaboration with many influencers and fashion KOLs, such as the South Korean beauty blogger Pony or the Chinese 赖赖是 Zoe. Hence, companies can see in Makeup Plus an innovative way to experiment the customers engagement and to test if users would be willing to buy a product they have virtually tried on their smartphones.

- 我是大美人, *wǒ shì dà měi rén*. It literally means "I am fabulous" and targets girls that want to be kept up to date with the last beauty innovations, makeup tips and cosmetic products. This app is really voguish among girls from third- and fourth-tier cities: in fact, due to their lower income, they often cannot consult beauty experts, hence 我是大美人 has become an essential source of beauty and products suggestions[179]. This app has some distinctive traits that make it differ from the majority of other beauty apps. Firstly, 我是大美人 collaborates with makeup guru and fashion bloggers to broadcast everyday a few live streaming, where users can interact with the experts, share their appreciation and get feedbacks. Moreover, users are encouraged to participate actively in the community, where they can share their products opinions, tricks and beauty tutorials, ceasing to be only fashion spectators and becoming fashion contributors[180]. The app offers a the possibility to buy online, too.
- 小红书, *Xiǎo hòng shū* or "little red book". Often considered as the Chinese version of Pinterest and Instagram, 小红书 addresses overseas travelers that want to share their shopping experiences, reviews and tips[181]. A part from the user-generated content, 小红书 also provide a cross-border e-commerce that allow to buy foreign products with convenient prices. The platform names 福利社 *fúlì shè*, or home of benefits. Many

[178] *Ibidem.*
[179] *Ibidem.*
[180] *Ibidem.*
[181] Bao, A. (2017). *Do You Know About the Little Red Book?,* in "Sheng Li Digital", available at: http://www.shenglidigital.com/blog/little-red-book/ accessed on (15/02/2017).

brands have already discovered the potential of this app: SK-II, Vivienne Westwood and Anna Sui are just few international brands operating with 小红书 to make their products popular among the Chinese consumers. 小红书 is a clear example of how companies are using experience to differentiate themselves, using this kind of multi-features platforms where e-commerce and social networking mixes together, giving the consumers a new and more interactive way to purchase online.

These are just some of the most celebrated beauty apps available on the Chinese market. Their different features have already risen the attention of international players, as they are able to intensify the promotional activities and to shape *ad hoc* experiences for the customers. After having discussed how most popular beauty apps work, the success of the online beauty campaigns seems to be grounded on three main assumptions. Firstly, beauty companies have not only been able to keep peace with the rapid technological development of Chinese smartphone-based apps, but they were also capable of exploiting all their features, such as face recognition, personalization features and e-commerce links. Then, the importance of key opinion leaders and influencers has been kept into consideration. Their participation in online beauty campaigns, some dedicated filters or stickers and the possibility for followers to interact with them is a great push for the positive result of advertising. Lastly, digital experiences are what Chinese consumers are striving for. Beauty companies are taking advantage of beauty apps to promote online activities in order to establish a deeper commitment of customers and to increase their brands' awareness.

3.2.6 KOLs

Along with the internet development, key opinion leaders (KOLs) have become central to many online campaigns. Key opinion leaders are popular internet celebrities or social media influencers that collaborate with brands in order to create a deeper consumer engagement, allowing companies to transform marketing campaigns into sales. KOLs started to make their appearance on Chinese social media between 2009 and 2012, after the birth of Weibo (in 2009) and the possibility to create public account on WeChat, with a consequent expansion of the social features. At the beginning, KOLs focused on societal matters and the share of professional knowledge and it was only after 2012 that stars like Fan Bingbing and Yang Mi started to promote themselves on Weibo. In 2014 Weibo made it possible to connect directly to some e-commerce platforms and added more entertaining contents, shaping what we now

identify as the current social media panorama. Hence, more and more opinion leaders started to appear, in particular fashion and beauty cyber stars such as Zhang Dayi, and other diversified KOLs like Papi 酱, that are highly entertaining and engaged in many collaboration with brands. According to Xu, KOLs devide into three main categories: celebrities, experts and 网红 *wǎnghóng*[182]. Celebrities include all the people with a high level of exposure, such as popular actors or singers that usually have become famous through the traditional communication channels (televisions, radio). Experts are sector specialists able to share their knowledge with an unskilled audience, while the term *wǎnghóng* usually refers to those working as hosts on social platforms. In order turn the marketing into cash, companies must be able to choose the opinion leader that best suits their brand image and business goals. For what concerns beauty products, this kind of promotion can be extremely effective as consumers are willing to follow fashion bloggers suggestions. For example, in 2017 Olay started advertising on Weibo its Mother's Day gift package, asking some KOLs for a participation in the promotional activity. Olay selected seven KOLs coming from different industries that could convey both emotion-related, lifestyle and fashion content. The result was an incredible increase in the noticeability of the products, with a consequent sales that exceeded 45,000 units on Olay's Tmall store[183]. A part from this kind of sponsorship, KOLs can also be engaged in some co-branding activities as well as in the sales of some special products or capsule collections on their own stores. However, the relationship between opinion leaders and brands has been transforming ceaselessly. In fact, while in the past they were only asked to participate in the campaigns created by the companies, opinion leaders are now getting more and more involved in the advertising process, working with the brand team to develop the campaign itself. However, in such a complex media environment it might be difficult for brands to identify the best KOLs to collaborate with. For this reason, companies must be able to keep monitoring KOLs effectiveness in terms of exposure, sentiment,

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[182] Xu, L. (2017). "Mingxing yu pinpai: meiyou zui hao de, zhiyou zui heshi de" 明星与品牌：没有最好的，只有最合适的, (Right KOL is better than big star), available at: https://cn.kantar.com/首页/媒体动态/社交/2017/明星与品牌：没有最好的，只有最合适的/ (accessed on 29/11/2017).

[183] Chen, J. (2017). *5 WeChat Sales Campaign Ideas for Fashion and Cosmetics Brands That Get Results*, in "Jing Daily", available at: https://jingdaily.com/5-wechat-sales-campaign-ideas-get-results/ (accessed on 30/11/2017).

influence and engagement[184]. In this way, companies can find out which KOLs best fit their brand image and are able to attract consumers interest.

3.2.7 OOH advertising

Along with the improvement of the living standards in China, people are spending more and more time outside their homes. In this way, they are exposed to a great deal of out-of-home media, such as digital or static billboards displaying advertisement in the streets[185]. OOH advertising is a key medium for communication in China: it is able to reach the customers when they are more receptive and less distracted by other media and, throughout the establishment of a strong brand coverage, OOH advertising is able to convey target-specific messages, reaching rapidly a mass audience[186]. Nowadays, OOH has become the third biggest communication channel after TV and internet in China, also thanks to its ability to integrate new technologies with the traditional advertising method[187]. In fact, while in the past out-of-home advertising included more traditional forms such as posters or billboards, recently many OOH media have been able to keep pace with the evolution of technologies; the result is a more engaging way of communication, that take advantage of electronic screens and digital displays. The application of advanced technologies has become critical for the success of OOH advertising. In fact, the value of OOH advertisement can be enhanced with the integration of mobile devices, e-commerce and mobile payment, as well as with the introduction of target-specific content, that lead to a greater degree of interaction with customers and a consequent increase in brand awareness and purchasing intention. Hence, with the development of mobile internet, no matter where people are, because almost all the shopping opportunities are just accessible with a click.

3.3 E-commerce platforms

Along with the explosion of social networks and smartphone-based apps among Chinese consumers and the raising awareness about foreign beauty products, it has become

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[184] Xu (2017).
[185] Guo, M. (2017). "OOH guanggao meiti biaoxian liang yan", OOH 广告媒体表现亮眼, Kantar, available at: http://cn.kantar.com/媒体动态/电视电影/2017/ooh 广告媒介表现亮眼/ (accessed on 14/08/2017).
[186] Beyond summits, (2017). *Trend of OOH Advertising in China*, available at: http://beyondsummits.com/blog/trend-ooh-advertising-china# (accessed on 12/08/2017).
[187] *Ibidem.*

fundamental for international players to make their products available to any customer at any moment. Post-90's generations have different shopping habits and are extremely keen on buying cross-border beauty products. Therefore, top-quality brands that have understood the potential of the market have decided to take advantage of digital channels such as e-commerce to connect with Chinese consumers. When discussing e-commerce in China, it is worth mentioning the two main players of the sector, Alibaba Group and JD.com. Alibaba Group boasts China's largest consumer-to-consumer platform, Taobao.com, the largest business-to-business platform, Alibaba.com and the dominant business-to-consumer platform, Tmall.com. Tmall's direct competitor is JD.com. As shown in exhibit 3, these two e-commerce platforms accounted respectively the 57% and the 25% of market share of B2C local e-commerce platform in 2016.

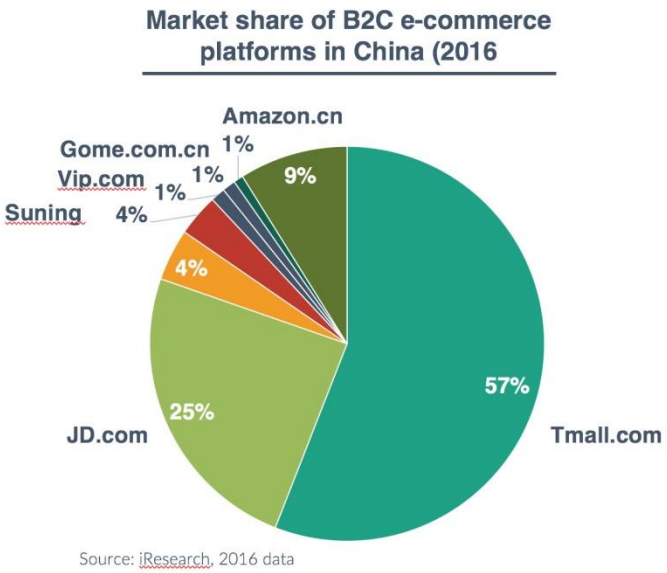

Exhibit 3: B2C market share in China in 2016. From: Graziani, T. (2017). *How to use Tmall and JD.com to enter China? A simple guide*, in "Walk the Chat", available at: https://walkthechat.com/use-tmall-jd-com-enter-china-simple-guide/ (accessed on 25/11/2017).

However, JD's power is unceasingly increasing in China. According to a recent L2's report, in 2014 more than the 90% of brands of the consumer packaged goods (CPG) Index had an official shop on Tmall, but only the 26% was available on JD.com; however, in 2017, brands

with an official flagship store on the platform skyrocketed to 98%[188]. In particular, the percentage of beauty brands available surged from the 26% of 2014 to over 80%, while, concerning the new brands added to the Index in 2017, Tmall can boast only 3% more official online shops[189]. Also the luxury sector is still dominated by Tmall, however JD.com is trying to become more competitive in the sector through the introduction of new services, such as the "white glove" express delivery, that allow consumers to receive a package within a day, brought by an elegant deliveryman.

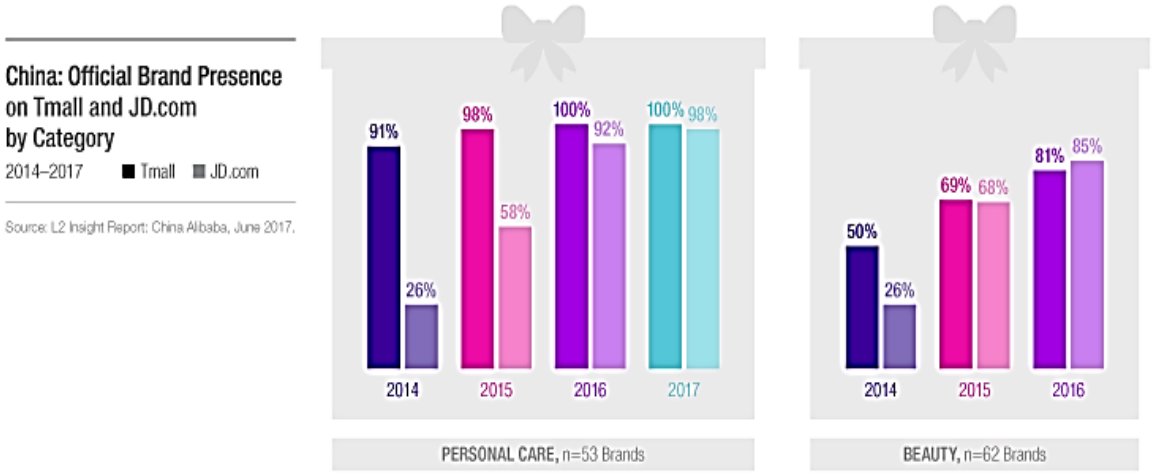

Exhibit 4: Brand presence on Tmall and JD.com by category. From: Flora, L. (2017). *Alibaba vs. JD.com: Who's Winning the Race for Brands?*, in "L2", available at: https://www.l2inc.com/daily-insights/alibaba-vs-jd-com-whos-winning-the-race-for-brands, (accessed on 25/11/2017).

As far as cross-border e-commerce is concerned, the scenario is much more complex. Tmall and JD.com claim a wide and stable presence, however many smaller platforms and newcomers such as XiaoHongShu, Kaola.com and VIP.com are gaining more and more market share. They are able to compete with the two giants of e-commerce through the launch

[188] Flora, L. (2017). *Alibaba vs. JD.com: Who's Winning the Race for Brands?*, in "L2", available at: https://www.l2inc.com/daily-insights/alibaba-vs-jd-com-whos-winning-the-race-for-brands (accessed on 25/11/2017).
[189] *Ibidem.*

of target-specific promotions and a strong storytelling, able to mix the sales activity with the creation of content[190]. A brief introduction on the main players is now provided.

- Alibaba's Tmall is Chinese dominant online retailer, with more than 500 million users and more than 70,000 brands available on its marketplace in 2014[191]. It provides a wide range of products from all over the world, through two main channels: Tmall, that sells goods from retailers that established their business in Mainland China and Tmall Global, that allows users to buy from overseas retailers. According to Alibaba Group Holding Ltd, there are about 3,000 cosmetics brands operating in online stores on Tmall, with about the 80% of the world's most famous cosmetics companies available on the platform [192] . Among the first popular Tmall stores there are those of Max Factor, Clinique and Olay. At the beginning, not all the international brands realized Tmall's potential, assuming that Tmall was just the Chinese Amazon. However, Tmall is much more than a simple e-commerce platform: it combines the features of a search engine like Google with that of an online store, mixing together content and commerce, in order to enhance the consumer experience[193]. In fact, along with the common shopping activities, it is possible to find some entertaining contents such as videos, games, KOLs reviews and community discussions. Some top international players were able to catch the opportunities offered by the platform to increase their popularity. For example, Max Factor took advantage of Tmall-parent Taobao's features to launch user-generated contests, Olay awarded the most liked fan photo with some dedicated products while Clinique offered a free skin test to understand which product best suits their customers[194].
- JD.com, or Jingdong Mall, is probably Tmall's major competitor. In order to compete with Tmall Global, JD has founded a new e-commerce platform named JD Worldwide, that permits the purchase of authentic and convenient cross-border

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[190] Graziani, T. (2017).
[191] L2 (2014). *China Beauty – Tmall Best Practices: Clinique, Olay, Max Factor,* available at: https://www.l2inc.com/video/china-beauty-tmall-best-practices-clinique-olay-max-factor-video (accessed on 20/08/2017).
[192] Tong, F. (2017). *Global Cosmetics Brands Enter China via E-commerce,* in "Digital Commerce 360", available at: https://www.digitalcommerce360.com/2017/03/09/global-cosmetics-brands-enter-china-via-e-commerce/ (accessed on 20/08/2017).
[193] PWC (2017). *eCommerce in China- the Future is already Here*.
[194] L2 (2014).

products and recently, it has launched JD Global, a new e-commerce website that allows consumers outside China to buy on JD.com. Unlike Tmall, overseas producers are not obliged to have a physical presence in China and can run their business online. Sephora opened its first and only flagship store on JD.com in 2015, with over 1,200 products from more than 70 international beauty companies, such as Dior, Givenchy and Benefit[195]. The decision to partner with JD.com was driven by its efficient customer service, its fast delivery and superior reputation that are considered a guarantee for the product authenticity. Moreover, it is worth mentioning that in 2014 JD.com set a strategic partnership with the parent company of WeChat, Tencent. This collaboration has allowed JD.com to be the only mobile shopping channel within the WeChat mobile wallet and has enabled the two parties to enhance their competitive advantages against Alibaba[196].

- Amazon. Amazon is the global e-commerce leader that operates in more than 20 countries, including China, with the domain Amazon.cn. In 2014, it introduced Haiwaigou, a section that enables consumers to purchase products on Amazon US in Chinese, with the support of a Chinese-language customer service[197]. According to Amazon, cosmetics is one of the fastest growing sectors to the point that in 2016, they became the fourth category for sales on Haiwaigou section, forerun only by apparel, shoes, maternity and kinds' products[198].
- Vip.com. Vip.com is a popular online discount retailer. Its success is based on the sales of off-season and slow-moving branded products. Sales often occur in the form of flash sales events that last only few days and that allow the purchase of a limited number of items, creating a win-win situation for both the companies, that are able to clear their inventories, and the website[199]. Although it still offers a limited number of brands if compared to Tmall or JD.com, Vip.com is catching both consumers and companies interest, to the point that a top-quality player such as Marc Jacobs decided to open its flagship store on this platform.

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[195] JD.com (2015). *SEPHORA Opens Flagship Store on JD.com Marketplace Platform to Serve Growing Chinese Market for Authentic Cosmetics,* available at: http://ir.jd.com/phoenix.zhtml?c=253315&p=irol-newsArticle&ID=2047393 (accessed on 20/08/2017).
[196] PWC (2017).
[197] Tong, F. (2017).
[198] *Ibidem.*
[199] Gervasi, M. (2016). *East-Commerce: China E-Commerce and the Internet of Things.* John Wiley & Sons.

- Jumei. In 2013, Jumei hold the 22.1 percent of cosmetics market and nowadays it is likely to be the largest Chinese website about beauty products[200]. Jumei success is due to two main reasons. On the one hand, the company was able to take advantage of the beauty market boom of 2013 by offering low prices and a fast delivery service, on the other hand, its clear strategy of focusing only on the vertical beauty brands such as Estée Lauders and Shiseido prevented the company from the floundering fate of its competitors[201].

According to Kantar's Digital Power Study, in 2016 cosmetics sales recorded a fast growth, with the 50.9% of the market share owned by Tmall.com, the 17.2% by Vip.com, 11% by JD.com and more than the 20% by other competitors[202]. However, according to Wang, Lau and Gong in "How Savvy, Social Shoppers are Transforming Chinese E-commerce", there are still many areas of growth potential on e-commerce platforms: the popularity of online shopping in low-tier cities, the penetration of second-mover product categories, the use of social media as a link with the e-commerce platforms and the popularity of cross-border purchases for those products that are not available in mainland China are just a few examples of the enormous potential of e-commerce[203]. Hence, it becomes necessary for foreign cosmetics company to be ready to change their strategy to adapt to the specificity of the market. Only satisfying the customers' expectations, making their products available on the right platforms and carrying out the right promotional campaign it will be possible to achieve visibility in this marketplace.

This analysis of the Chinese social media environment shows an interesting outcome: mobile, social and e-commerce are no more three separate entities but they reveal a tendency to converge. This phenomenon is probably a result of the current trend of using smartphones to shop online: in China, more than a half of the consumers uses mobile phones to buy products

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[200] Cosmetics China agency, (2016). *Top 5 of the Most Famous Cosmetics Websites in China,* in "Gentlemen Marketing Agency", available at: http://cosmeticschinaagency.com/top-5-famous-cosmetics-platforms-china/ (accessed on 20/08/2017).

[201] Lim, J. (2014). Jumei, *From A Startup In China To IPO On The NYSE*, in "Forbes Asia", available at: https://www.forbes.com/sites/jlim/2014/05/30/jumei-from-a-startup-in-china-to-ipo-on-the-nyse/#4661899b1212 (accessed on 20/08/2017).

[202] Kantar Retail & Venndata (2016). *Digital Power Study - China 2016,* Kantar.

[203] Wang, K. W., Lau, A., & Gong, F. (2016). *How savvy, social shoppers are transforming Chinese e-commerce,* McKinsey & Company, available at: https://www.mckinsey.com/industries/retail/our-insights/how-savvy-social-shoppers-are-transforming-chinese-e-commerce (accessed on 20/08/2017).

on a weekly or daily basis, while globally, the penetration of mobile shopping is around 14%[204]. This means that companies not only have to deal with the rise of third party e-commerce platforms as the main online shopping platforms in mainland China, but they must also be able to exploit the social platforms to attract consumer's interest. Results can be achieved through the introduction of customer services, loyalty programs, special offers on online platforms along with other entertaining options, such as livestreaming and games. In China in fact, social media usage comes along with the shopping experience. The 45% of consumers discovers new products and brands using social networks, more than a half checks for feedback and reviews online before purchasing, the 25% buys through a social channel and then, the 27% writes a comment about the products[205]. Hence, it becomes necessary for international companies to take advantage of the social platforms in order to enhance the consumer experience and to make their own brands noticeable. This does not mean to keep on proposing the traditional advertising contents, but to develop a more sophisticated social engagement that could suits better Chinese expectations. Since social platforms are almost fully integrated in the shopping process and consumers can immediately switch from one platform to another, traditional media advertising can result outdated or ineffective in catching shoppers interest, while more creative and innovative way of interaction are encouraged. If we consider differentiation the key factor to succeed in such a complex market, it is also worth mentioning KOLs influence. In fact, internet celebrities have really changed the way companies sell online, as they represent both a way to interact with consumers and a way to get real-time feedback on products. This means that KOLs do not only try to establish a stronger engagement with consumers, but that they also enable companies to get a deep insight on market trends and real-time opinions, shortening the product development process. Therefore, in such a challenging environment, companies that want to survive must be able to differentiate themselves through the creation of a different customer experience, that is able to engage with consumers on social networks, entertain them and in the end, led them to the online purchase.

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[204] PWC (2017).
[205] *Ibidem.*

Chapter IV

A comparative investigation of the cosmetics sector between China and Italy

In order to discuss how Chinese consumers deal with the purchase of beauty products and to which extent they rely on social networks as information channels a survey has been conducted. The purpose of the study is to analyze how Chinese consumers deal with the purchase of cosmetic products, with a specific focus on their online shopping habits and some general considerations. The survey is composed of three main parts:

- The first part concerns Chinese consumers interest about cosmetics, in particular which are the favorite products and the most valuable characteristics to be considered when buying this kind of product.
- The second part regards their shopping preferences and includes an overview on their online habits, a comparison between Chinese and foreign brands and opinions about KOLs influence.
- The last part of the survey is a data collection based on some general demographic information about the participants such as, gender, age and occupation.

The results of the questionnaire are then compared to the same kind of survey proposed to some Italian participants, in order to be able to make a comparison between the Chinese and Italian cosmetics market, in particular for what concerns the online shopping habits.

4.1 Methodology

The Chinese questionnaire was created through an application called 腾讯问卷, *Téngxùn Wènjuàn*, Tencent Questionnaire, developed by Tencent Holding Limited. As reported in the previous chapter, Tencent is one of the most important provider for internet, media and mobile services in China. As far as Tencent Questionnaire is concerned, this application allows user to create online free surveys, that can be available on Tencent's different platforms, and to analyze the findings through statistics and graphics. Therefore, this kind of program has been selected for three main reasons: the first one is that, once connected with the user's WeChat or QQ profile, this app allow to modify the survey using the smartphone and keeps the survey constantly updated, no matter if the changes are realized through the

website or the app. The second reason is that this kind of app allows researchers to send and share the survey via WeChat or QQ, hence allowing both a really fast distribution of the questionnaire and a quick response, too. Participants were in fact more willing to take part to this kind of survey as it was easier and faster to fill in than a six-pages paper and moreover, it was possible to both send the questionnaire via WeChat and to share it with friends through WeChat Moments. Finally, the last reason is that 腾讯问卷 is a Chinese application and it actually works very effectively in China. In fact, as it has been previously reported, China's Great Firewall blocks many foreign applications and websites, which are accessible only with a VPN, a virtual private network. This means that popular surveys software such as Google Forms are not available in China, thus it has become necessary to find other solutions that are on the one hand, accessible in the country, and on the other hand, whose commands are very clear and easily understandable also by a non-native speaker. On the other hand, for what concerns the Italian questionnaire, it has been developed through the Google Form platform. Such as its Chinese counterpart, Google form allows users to create freely surveys and quizzes and to share them with other people in different ways: the questionnaire can be send by email, as a direct link or can be posted on the main social networks like Facebook and Twitter. Hence, also in this case printed papers have been avoided and the survey has been shared mainly through Whatsapp and Facebook. The survey is composed by three kind of questions: closed-end questions, where participants have to select among a set of given choices, an open-ended question and some Likert scale questions, where respondents must indicate to which extent they agree or disagree with a given statement.

The data collection in China started on the 24th October 2017 and ended on the 26th November 2017, including also a few days of testing to verify the effectiveness of the questionnaire. The survey has reached 418 views and has been filled in by 153 consumers, with a 36% of response rate. All the participants used WeChat to complete the survey, responding in less than five minutes to all the twenty-four questions. Regarding the Italian survey instead, the data collection started on the 14th December 2017 and ended on the 13th January 2018. This survey has been filled in by 153 consumers, too, and the participants were all reached through Facebook and Whatsapp.

4.2 Findings

4.2.1 Survey participants' socio-demographics

The sample that filled in the questionnaire in Chinese is composed for the 90.9% of women and 9.2% of men, that could be divided into five main age groups.

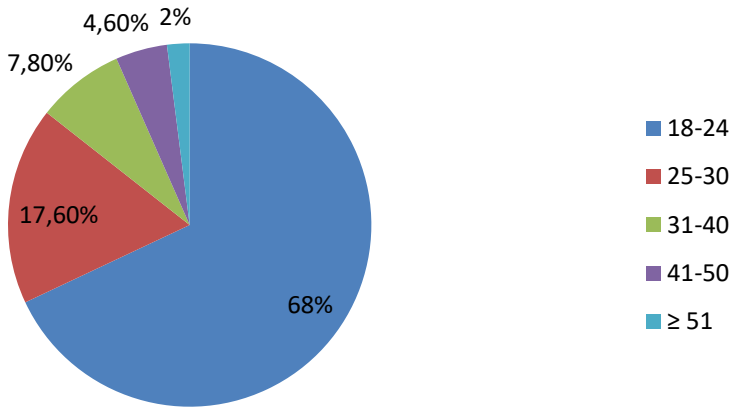

Exhibit 5: Age groups of Chinese participants

The majority of participants are coming from the North-East of China, in particular from Beijing, Jilin province and Heilongjiang province.

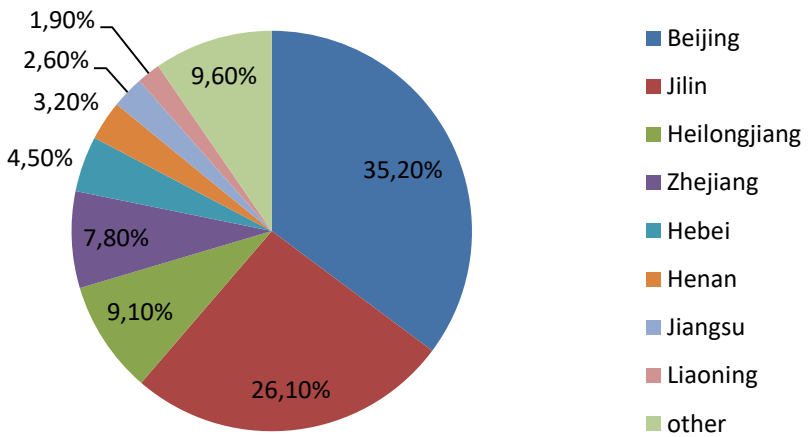

Exhibit 6: Province of Chinese participants

They are mainly students, businessmen or employees and teachers.

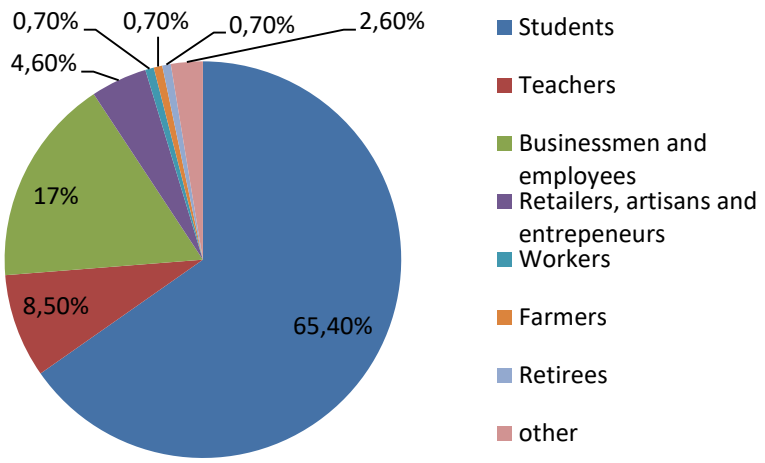

Exhibit 7: Chinese participants' job

However, the majority of them has never been abroad:

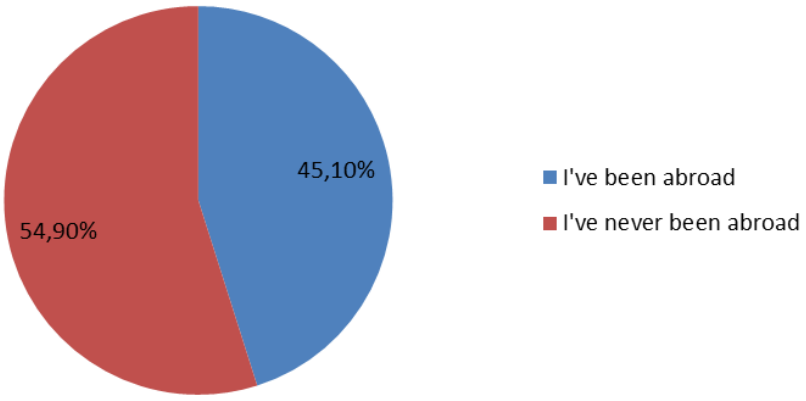

Exhibit 8: Abroad experience of Chinese participants

Their education level shifts mainly from undergraduate, to postgraduate and college graduated.

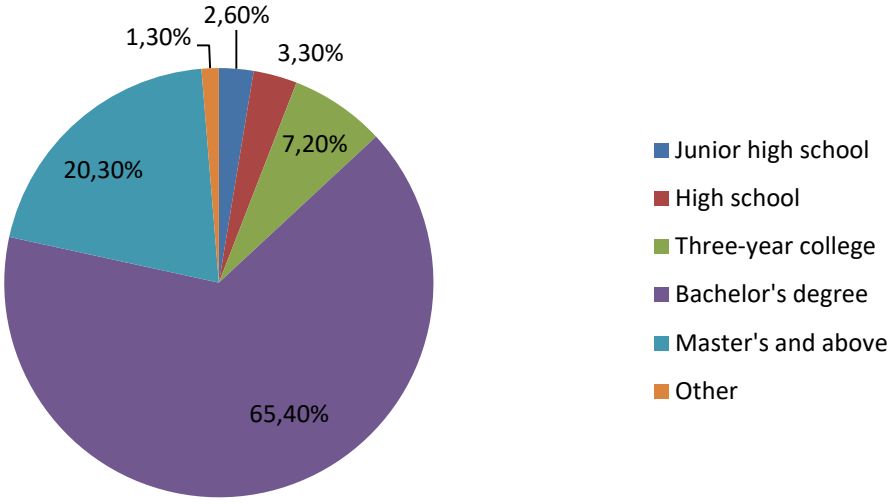

Exhibit 9: Education level of the Chinese sample

Lastly, the Chinese sample reports the following income:

Income in yuan[206]	Percentage
0-30000 yuan	**20.9%**
50001-100000	15.7%
30001-50000	15%
100001-200000	15%
200001-500000	8.5%
More than 500001	2%
I don't know	22.9%

Table 3: Yearly income of Chinese participants

For what concerns Italian participants, the sample is composed for the 88.2% by women and for the 11.8% by men, with a strong participation from Emilia Romagna, Veneto and Lombardia.

[206] 1 yuan corresponds to 7.8 euro. Il Sole 24 ore. *Finanza & Mercati*, available at: http://finanza-mercati.ilsole24ore.com/quotazioni.php?QUOTE=!CNYVS.FX (accessed on 26/01/2018).

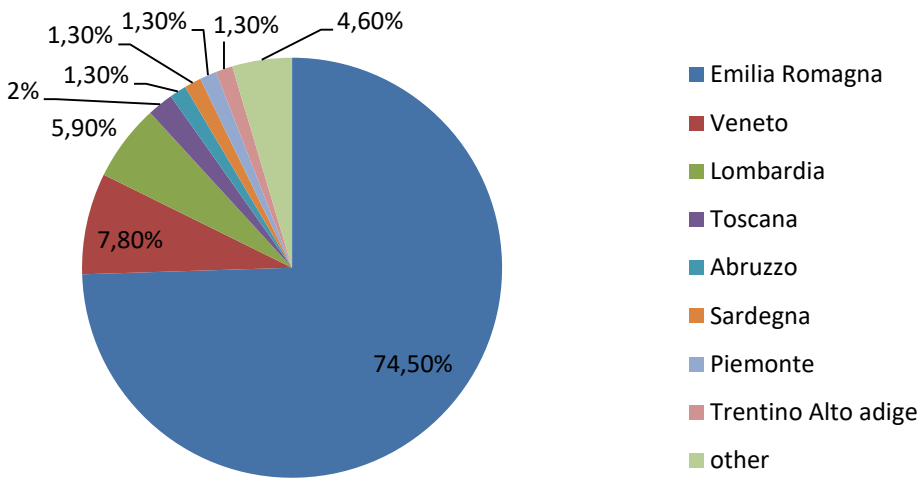

Exhibit 10: Region of Italian participants

However, the composition of age groups is slightly different:

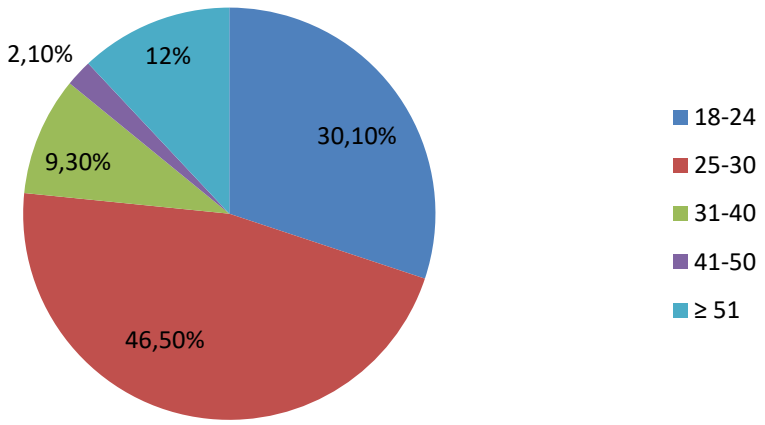

Exhibit 11: Age groups of Italian participants

The majority of participants is aged between 25 and 30, and if compared to their Chinese counterparts, a strong participation from people aged 51 or more has been registered. This difference mirrors itself both on their occupation and education level. In fact, if a strong majority of Chinese participants were students (65.4%), Italian students are just the 37.3% of the sample.

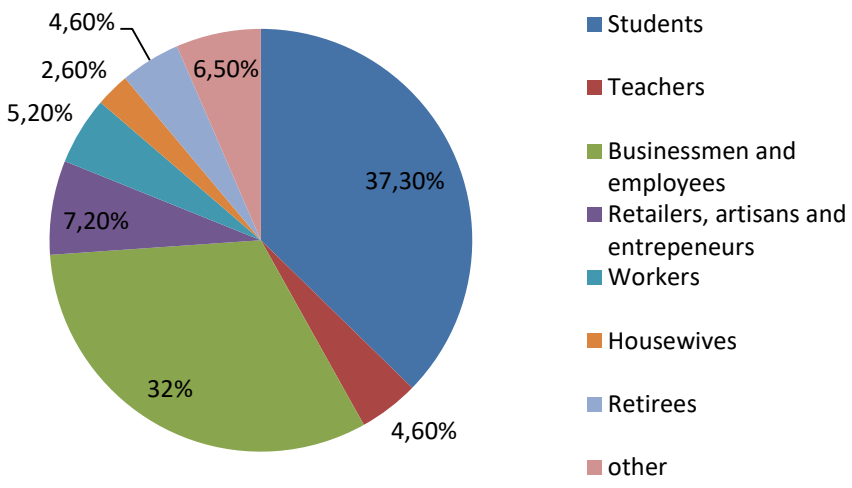

Exhibit 12: Italian participants' job

Hence, the result is a sample that is much more fragmented according to the different job qualification of people interviewed: for example, a 32% of employees, 8% of workers, 7.2% of entrepreneurs are just a few of their occupations. As far as education level is concerned, it appears to be higher among Italians:

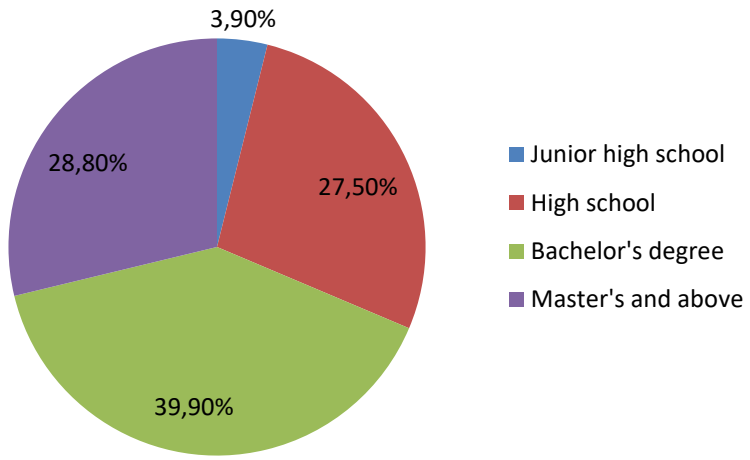

Exhibit 13: Education level of the Italian sample

Another marked difference is that of abroad experience. In fact, if just the 48.4% of the Chinese interviewed has been abroad, almost the totality of the Italian sample has had this kind of experience, reporting the 96.7% of positive answers to the question.

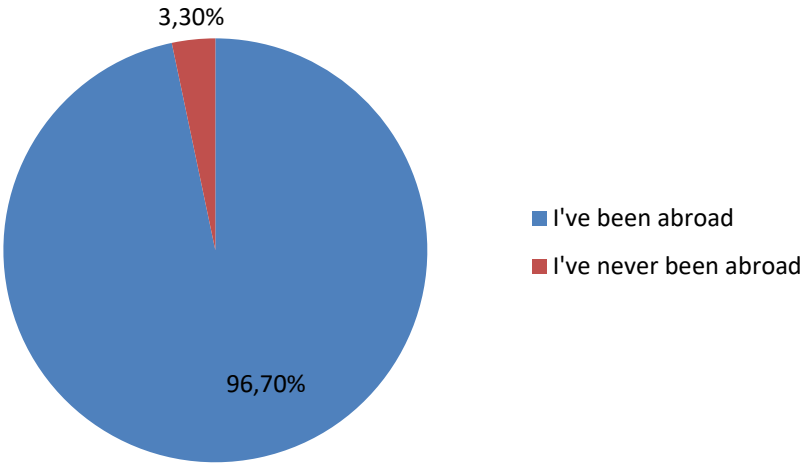

Exhibit 14: Abroad experience of Italian participants

As far as income is concerned, Italian participants report the following division:

Income	Percentage
0-5000 euro	**52%**
5001-10000 euro	5.3%
10001-15000 euro	9.2%
15001-30000 euro	19.7%
30001-60000 euro	2%
60001<	1%
I don't know	11.2%

Table 4: Yearly income of Italian participants

4.2.2 Beauty products: Usage rate, popularity and purchasing patterns

Cosmetics seem to be very popular among Chinese consumers with a usage rate of 86.3% among the interviewed. In particular, the 90.65% of Chinese women are keen on using cosmetics, while only the 42.86% of men affirms to use regularly beauty products. Only the 13.7% of the interviewed never uses cosmetic products. They have reached an even higher degree of popularity among Italian consumers, accounting the 98.7% of usage rate.

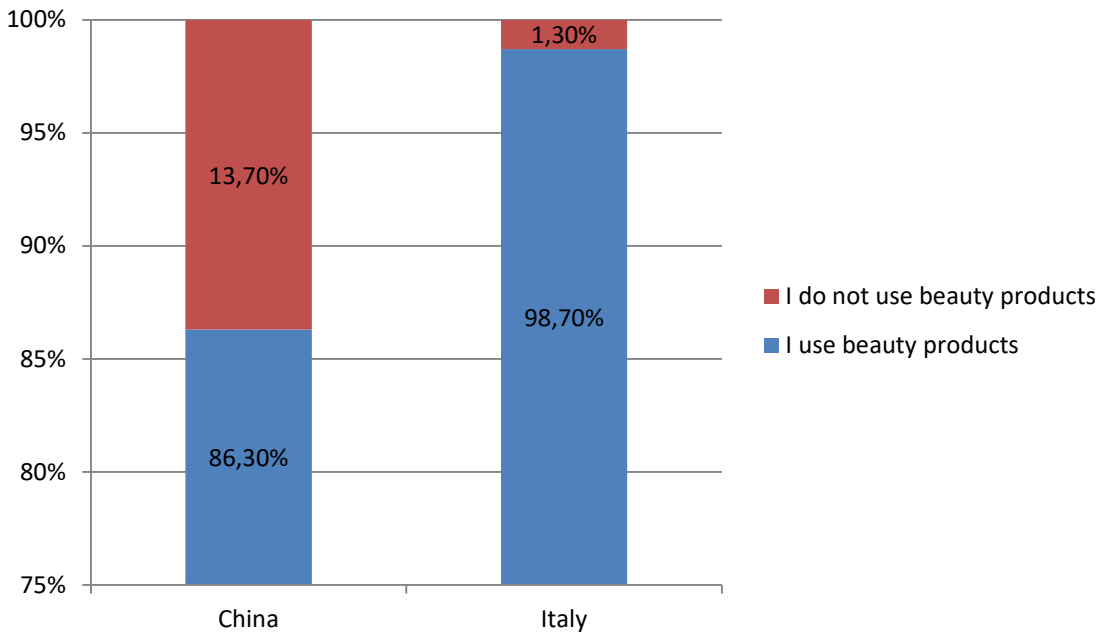

Exhibit 15: Beauty products usage rate among Chinese and Italian consumers

Consumers were then asked to indicate which products they are in the habit of use.

Beauty products	Usage rate among Chinese consumers	Usage rate among Italian consumers
Personal care products	**92.2%**	**97.4%**
Sunscreen creams	55.6%	29.4%
Color cosmetics	62.1%	75.2%
Skin care	77.8%	69.3%
Whitening creams	40.5%	2.6%
Moisturizing products	74.5%	68.6%
Eye creams	32.7%	18.3%
Lotions	59.5%	39.2%
Man's grooming products	7.8%	3.9%
Perfumes and fragrances	32%	64.7%
Manicure and-or pedicure tools	15.7%	40.5%

Table 5: Beauty products preferences

As it can be seen from the chart, in China the most popular beauty products are personal care, skin care, moisturizing and makeup products. Other popular products are lotions and creams with the 59.6% of purchase rate and sunscreens, with the 55.6%. These results show to which extent skin care is still the main concerns of these consumers: in fact, more than half of the participants confirmed to spend their money on skin care products, moisturizing, lotions and sunscreens, the 40.5% uses whitening products and the one-third of the sample also uses eye creams. However, some other outcomes are worth to be mentioned, in particular those referring to color cosmetics, men's grooming and fragrances.

- For what concerns makeup cosmetics, the survey showed their popularity among the 62% of the consumers. In particular, the 65% of young consumers aged between 18-24 and the 81% of consumers aged 25-30 are those more interested in buying this kind of product.
- As far as man's grooming is concerned, the sector also points out a really interesting outcome. In fact, although men represented only the 9.2% of the total participants, however, the 91% of them confirmed to use men cosmetics products. Men showed also interest towards the use of skin care products, moisturizing products and perfumes. This means that the sector is really growing in China, in particular among younger consumers, hence international companies must be prepared to meet Chinese men's demand for a more dedicated line of products.
- Finally, regarding fragrances, the results show a quite widespread interest among half of the participants aged 25 or more, however the lowest-age sample appear to be the less interested in this kind of products, as only the 25% of people aged 18-24 regularly buys perfumes. The reasons can be several. First of all, it is important to remind that fragrances can met little success because of a lack of familiarity with this kind of product, given that Chinese do not have the habit of wearing perfumes every day. Moreover, the high costs of the product, especially for Western luxury fragrances, can create a barrier for those who do not have a high disposable income. Therefore, although the fragrances sector is expected to keep on growing, with a consequent trade-up from mass to premium products[207], it seems that to catch the attention of the

[207] Euromonitor International, (2017). *Fragrances in China*, Euromonitor International, available at http://www.euromonitor.com/fragrances-in-china/report (accessed on 13/12/2017).

youngest generation top-players must be able to both educate them to the usage of a product they are traditionally not used to and to exploit the popularity of KOLs to raise their brand awareness.

Similarly to the Chinese consumers, the Italian sample indicated personal care products, color cosmetics, skin care and moisturizing products to be the most popular. However, some differences are still noticeable, in particular:

- Sunscreen creams. In China, this kind of products results to be very popular among more than a half of the sample, while in Italy, only the 29.4% of the participants has indicated to use them. This difference may be associated with the different perception of the products in the countries: in fact, given that pale skin is considered a fundamental beauty canon in China, sunscreens have become part of the daily care routines. However, in Italy, where the importance given to this kind of complexion is not so strong, sunscreens are not considered as skin care products that can be used every day but they are perceived more as a protection system to be used during the summer.
- Perfumes and fragrances. With the 64.7% of usage rate, perfumes and fragrances result to be very popular in Italy. These products are usually exposed to a strong seasonality, in particular during festivities and gift-giving days like Mother's day and Valentine's day, however the sector is expected to grow, in particular for what concerns premium and unisex fragrances[208]. The success of these products can be also associated with the strong advertising investment realized by the main players: perfumers were in fact the category that obtained the majority of investment in 2015 (22.5%) if compared to the principal beauty products[209].
- Man's grooming. If compared to the Chinese market, the percentage of Italian men using dedicated beauty products is relatively small: less than one-third of the male participants confirmed to use this kind of products. However, they appear to be interested in cosmetics, too. In fact, a part from daily care products, other categories

[208] Euromonitor International,(2017). *Fragrances in Italy*, available at http://www.euromonitor.com/fragrances-in-italy/report (accessed on 15/01/2018).
[209] Ermeneia (2016). *Beauty report 2016*, available at https://www.cosmeticaitalia.it/documenti/a_centrostudi/beauty_report/BR_2016_sintesi.pdf (accessed on 15/02/2018).

are very popular: in particular, perfumes are used by the 56% of the men interviewed, while sunscreen creams, skin care and moisturizing products are common among the 39% of them.

Concerning cosmetics purchase frequency, the results of Chinese consumers can be divided as follows:

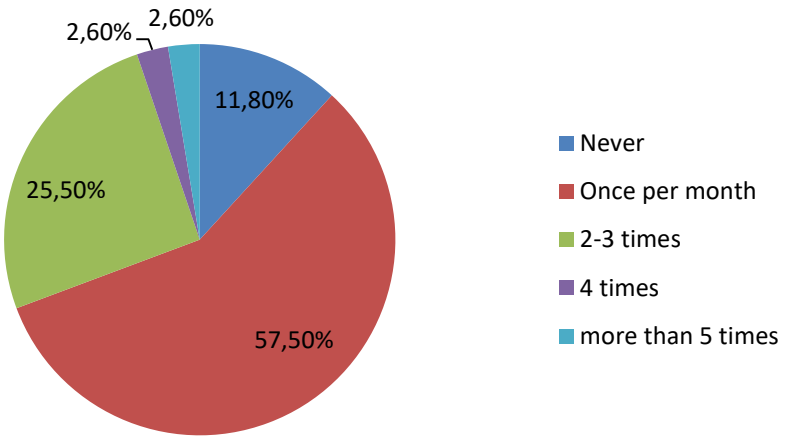

Exhibit 16: Purchase frequency in China

The average monthly expenditure on cosmetics instead is much more difficult to determine. Participants in fact divided themselves equally into three main price category, that is to say the "under 100 yuan", "101-250 yuan" and "251-500 yuan" categories.

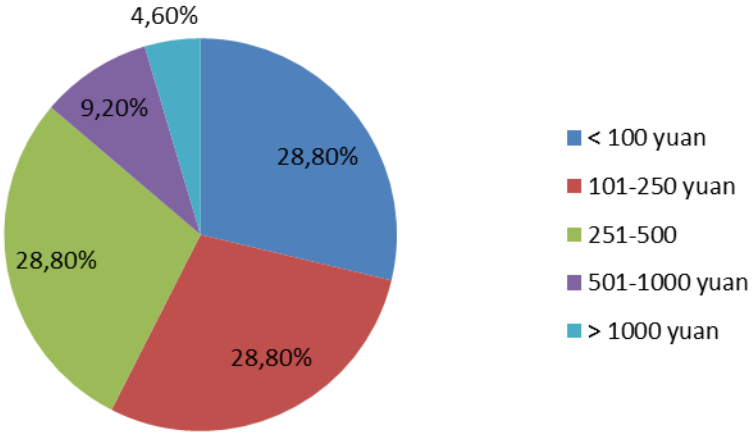

Exhibit 17: Monthly expenditure on cosmetics in China

The three categories all recorded the 28.8% of the total participants, with only the 9.2% spending more than 501-1000 yuan per month and the 4.6% more than 1000 yuan. However some noticeable outputs came out comparing the monthly expenditure with the age of participant:

1. Regarding consumers aged 18-24, the 26.92% spends less than 100 yuan, 34.62% between 101 and 250 yuan, and the 27.88% spends 251 to 500 yuan. Only 10.57% purchase cosmetics for more than 501 yuan every month. This result is quite expectable as the 90% of people aged 18-24 that took part to the survey is composed by students, hence on the one hand they do not earn money to spend freely, on the other hand, as students, they could be more interested in cheap and low-end products, that are durable but also fashion at the same time.
2. For what concerns consumers aged 25-30, the majority of them (37.04%) buy cosmetics for 251 to 500 yuan every month, while the 25.92% spends more than 501 yuan on beauty goods. In particular, the 14.81% purchase cosmetics for 501-1000 yuan, while the 11.11% for more than 1001. Other participants equally divides into the less-than 100 yuan and between 101 and 250 yuan, recording the 18.52% in both categories. What is remarkable about these consumers is their incredible brand awareness: Estée Lauder, SKII 2, Lancôme, Clarins and Kielh's are just few of the preferred brands of these consumers, who showed an incredible interest for many high-end brands, both Eastern and Western.
3. Consumers aged between 31 and 40 instead divides more equally among the different categories. The majority of them (41.67%) spends less than 100 yuan per month, the 25% between 101 and 250 yuan and another 25% between 215 and 500 yuan. Only the 8.33% spends more than 501 yuan per month.

Comparing these results with those of the Italian sample, there are not many noticeable variations neither in purchase frequency nor in the average monthly expenditure.

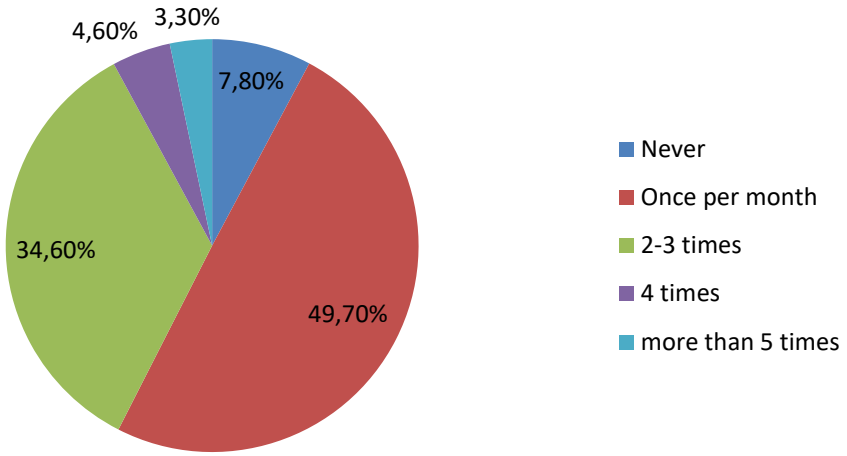

Exhibit 18: Purchase frequency in Italy

As far as purchase frequency is concerned, the majority Italian participants buys cosmetics once or twice per month, very similarly to the Chinese consumers. The monthly expenditure does not show a sharp contrast too, with the majority of people dividing into three main categories: less than 15 euro per month (39.2%), from 16 to 30 euro per month (38.6%) and from 31 to 60 euro (19%). Also in this case in fact, the strong participation of student can justify the small investment in cosmetics of the majority of the participants.

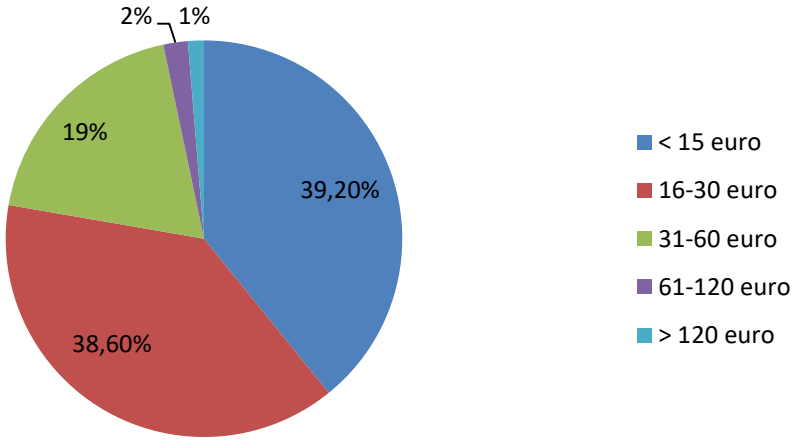

Exhibit 19: Monthly expenditure on cosmetics in Italy

4.2.3 Purchasing drivers and features' evaluation

The report investigates then the reasons that led consumers buy cosmetics. Participants were asked to choose among seven main reasons for buying beauty products: daily care, to appear more beautiful, to feel younger, to look more mature, to whiten the complexion, to correct imperfections and to get a darker complexion, resulting in the following preferences:

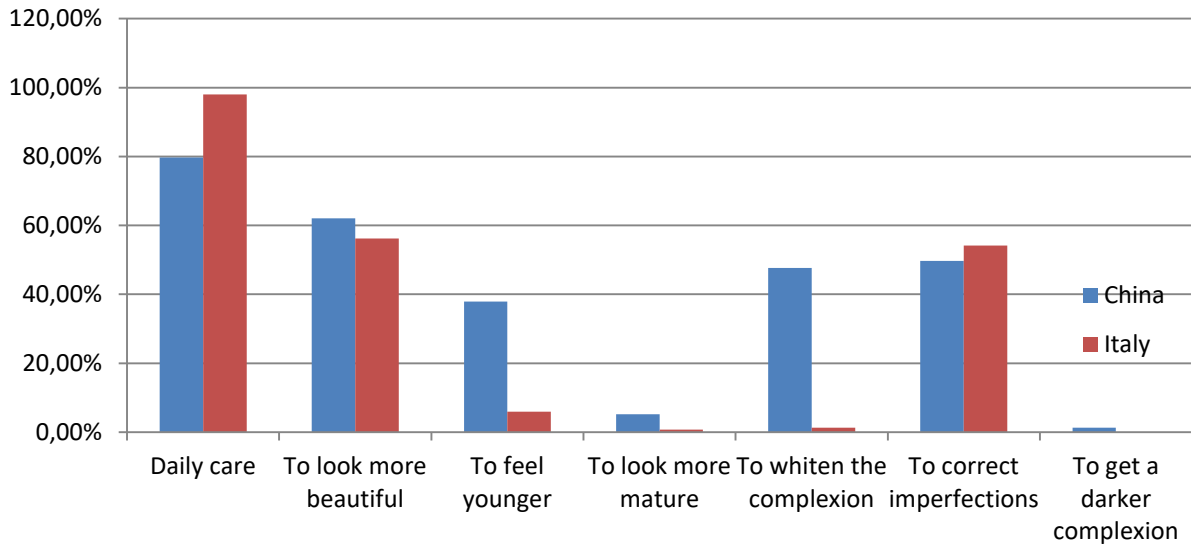

Exhibit 20: Reasons for buying cosmetics

The outcomes is probably quite expectable, reflecting the general ideal of cosmetics as a mean to help people to clean and beautify their body. However, as far as Chinese consumers are concerned, the 47.7% of the people confirms to use beauty products to whiten the skin, pursuing the traditional idea of a pale and perfect skin. On the other hand, almost none of the participants want to get a tanned or darker complexion, likewise only a few of them uses cosmetics to appear more adult. Therefore, it is possible to say that the Chinese beauty ideal actually affect consumers choices, making them pursuing the beauty ideal of a delicate and innocent woman, with a smooth and pale skin, similar to that of a young girl. Italian participants revealed the same preferences of the Chinese consumers, that is to say, they use cosmetics as part of their daily care routine, to correct imperfections and to feel more beautiful. However, a part from these three main reasons, the Italian sample did not shown any particular interest for the other alternatives.

The last part of the survey on cosmetics preferences deals with the features to be kept into consideration during the shopping process. Consumers were given some specific product characteristics and were asked to determine which were the factors driving their shopping preferences giving them a score, in a scale from not important to extremely important.

	Mean (China)	Mean (Italy)
Price	3.4	3.6
Brand name	3.2	3.1
Fashionable products	2.6	2
Ease in use	3.6	3.5
Efficacy	**4.5**	**4.4**
Durability	4	3.7
Composition	4.1	3.8
Safety	**4.5**	4.1
Natural/Green product	3.5	3.5
Beauty of the packaging	2.7	2.2
Country of production	2.8	2.7

Table 6: Evaluation of cosmetics attributes by Chinese and Italian participants

Most important features: safety and efficacy have been considered the most important features while buying cosmetics by the majority of Chinese participants. In particular, as far as security is regarded, as a consequence of some counterfeit episodes, Chinese consumers are becoming more and more aware of products composition, in particular for what concerns baby and child-specific products, make up, depilatories, oral care, sunscreens and skin care[210]. Another important characteristic is composition: this means that a part from the traditional basic characteristics of beauty products, consumers are increasingly conscious of what they are wearing on their skin. This trend then mirrors itself back to their shopping preferences: for example, the Korean brand Innisfree, whose motto is that of preserving and protect nature, has been voted the second favorite brand by the participants.

Important features: ease in use and durability resulted to be two important features according to Chinese consumers, highlighting how the validity of the product itself is considered worth

[210] Euromonitor International, (2017). *Beauty and Personal Care in China*.

to be paid attention to. Moreover, if we consider China as a not acquainted market, it is normal that a strong importance is given to those products that are practical and easy to be used. Brand name is still a matter in China. Given that the Chinese cosmetics market is still growing, big brand names have been having almost a monopoly in recent years, as the brand's fame was considered an indicator of quality and security. This means that only after having reached a certain degree of knowledge about products, consumers would be willing to try lesser-known names. Price was also considered an important feature. As already mentioned, Chinese shoppers have a really pragmatic attitude to purchase: they always look for the best deals, fix budgets, spend time pondering different solutions and judging the features that are worth paying for[211]. Hence, the money value that they assess to products becomes a basic consideration during shopping, in particular after the advent of internet, when price comparison has become much more easier. Lastly, green and natural products are getting more and more attention from Chinses buyers.

Less important features: participants indicated fashion, packaging and country of production as to be the three less important features. Concerning the country of production and packaging's beauty, the small interest shown could be considered a consequence of the still uneducated market. In fact, these two characteristics could be perceived as extrinsic characteristics, that are not directly linked to the functionality of the product, such as its effectiveness, ease or comfort, and hence being less valuable at the eye of the consumer. Concerning fashionable products, they reported the lowest score (2.6 out of 5), showing that this features is not so important for Chinese consumers.

Comparing the results of the Chinese sample with those of the Italian one, there are not many marked differences that emerge. However, it is worth mentioning to major variation:

1. According to the Italian sample, composition is not a fundamental driver of their purchasing choices. They give a strong importance on this aspect but not as much as their Chinese counterparts. As already mentioned, this divergence could be traced back to some counterfeits episodes that happened in China in the previous years.
2. Fashionable products received an even lowest score according to Italian participants.

[211]Atsmon, Magni, Li & Liao (2012).

4.2.4 Retailers

In the second part of the survey, preferences on retailers, information channels and brands are discussed. As far as purchasing process is concerned, people were asked to indicate to which frequency they go to some given retailers to buy cosmetics.

	Mean (China)	Mean (Italy)
Supermarkets	1.8	3
Franchising (single-brand)	2.4	2.6
Franchising (multi-brand)	**2.6**	**3.2**
Department stores	2.1	2.6
Shopping malls	2.4	**3.2**
Online shopping (single-brand)	**2.6**	1.7
Online shopping(multi-brand)	**2.6**	1.8
APPs	2.3	1.2
Overseas purchasing	2.4	1.2

Table 7: Purchase frequency per retailer in China and Italy

Supermarkets and department stores are not considered the ideal place to buy cosmetics by the Chinese consumers, as the majority of participant never or rarely goes there to buy beauty products. Franchising, both single and multi-brands, are appreciated by many consumers, as well as shopping malls. However, as far as online shopping is concerned, both single-brand and multi-brand e-commerce obtained the highest score, resulting to be the preferred retailers together with multi-brands franchising and overseas purchasing. The recent technological development and the advantages proposed by many online shops, such as a fast delivery or the wider range of products available, has in fact let these retailers become extremely popular. Even if one third of consumers affirms to never use apps to buy cosmetics, this purchasing system is becoming more and more popular, accounting the 6.5% and the 13.1% of the participants always or often buying cosmetics with their smartphones. Lastly, also overseas purchasing is considered positively by Chinese consumers. This term indicates the process of buying products abroad, by or on the behalf of a consumers, in exchange of the payment of a fixed charge. Overseas purchasing has become very popular in China as a consequence of the

fact that many products are not available in the country or have a higher price than abroad. For what concerns beauty products, overseas purchasing is extremely popular among the 7.2% of participants that always use this method to buy cosmetics; the 19% often rely on this kind of service, another 19.6% sometimes and the 24.2% only rarely does.

The differences between the Chinese and the Italian market for what concern retailers choice is very strong. In particular, some main differences can be discussed as follows:

1. Supermarkets are considered common places to buy cosmetics in Italy, while in China they are believed to be the less popular retailers.
2. Multi-brand franchising and shopping malls are the preferred retailers of Italian consumers, both obtaining a score of 3.2. None of the retailers got such an high score in China, even if multi-brand franchising seems to be very popular also in the Middle Kingdom: in fact, together with online shopping (single-brand and multi-brand), multi-brand franchising are the most frequented retailers.
3. Concerning online shopping, there is a deep difference between the shopping habits of Chinese and Italian consumers. If in China, people buy online cosmetics quite often, in Italy consumers rarely use e-commerce. This difference reflects itself also on the use of mobile Apps to buy beauty products: in China, it is not unusual to buy beauty products through apps, while in Italy almost no one rely on this service.
4. Despite its popularity in China, overseas purchasing is not common in Italy, especially for the purchase of beauty products.

In addition, participants were asked some opinions concerning online shopping. In particular, they had to discuss the main advantages of this retailing channel. According to the results, e-commerce are perceived as a convenient and easy way to buy by the 77.1% of the Chinese participants, the 67.3% enjoyed the wide range of products available and the 64.7% stated that online products are cheaper than those in stores. On the other hand, Italian participants have a different opinion about online shopping. They believe that the main advantage of online purchasing is that to find products unavailable in stores (71.9%); moreover, price are perceived to be lower online (51%) and the range of products available is considered to be wider (41.2%).

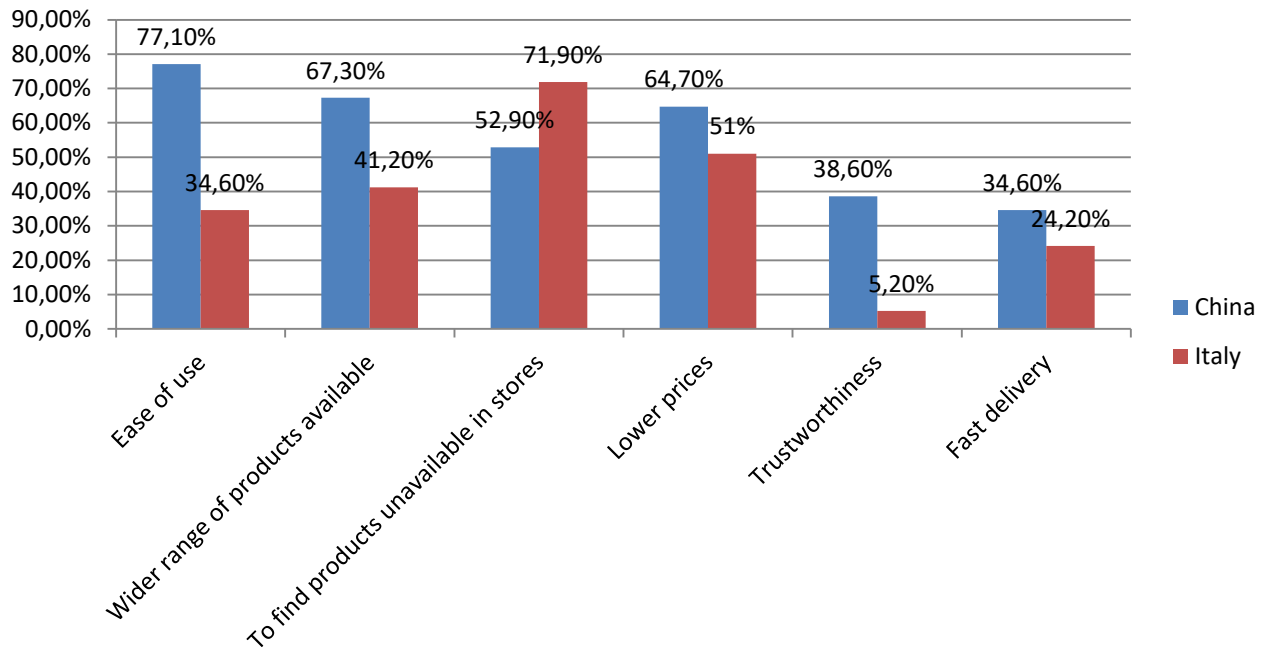

Exhibit 21: Evaluation of online retailing advantages

4.2.5 Dealing with brands: Characteristics association and brand preferences

After this selection, the ways consumers deal with foreign brands and collecting information are investigated. The 79.7% of Chinese participants and the 94.8% of Italian ones have declared to use foreign beauty products.

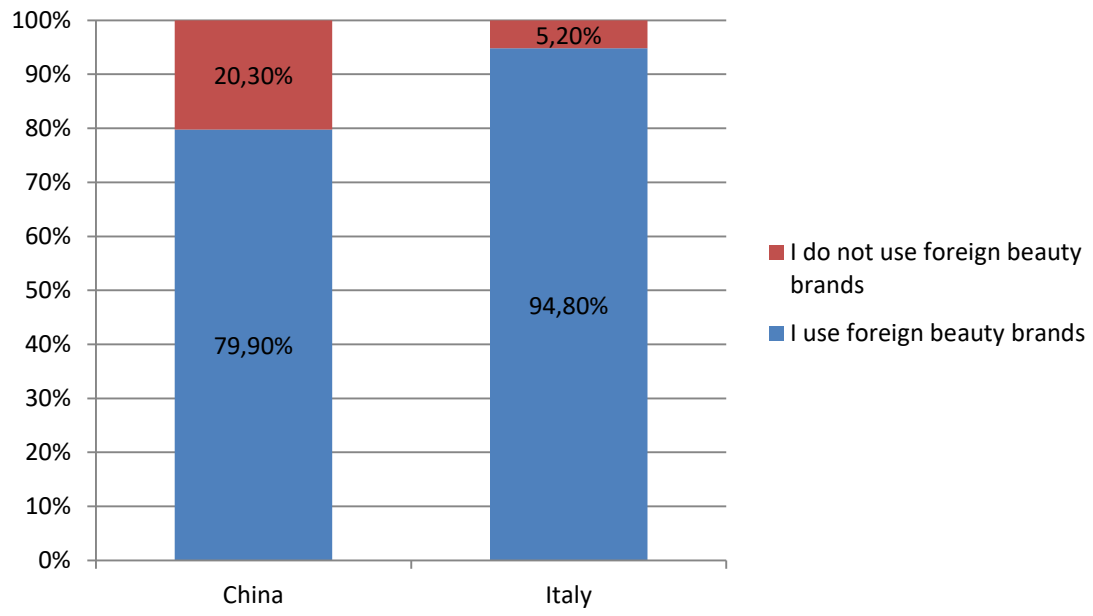

Exhibit 22: Foreign brands' usage rate

Moreover, participants were also asked to associate domestic and foreign brands with some given characteristics, as reported in the following charts.

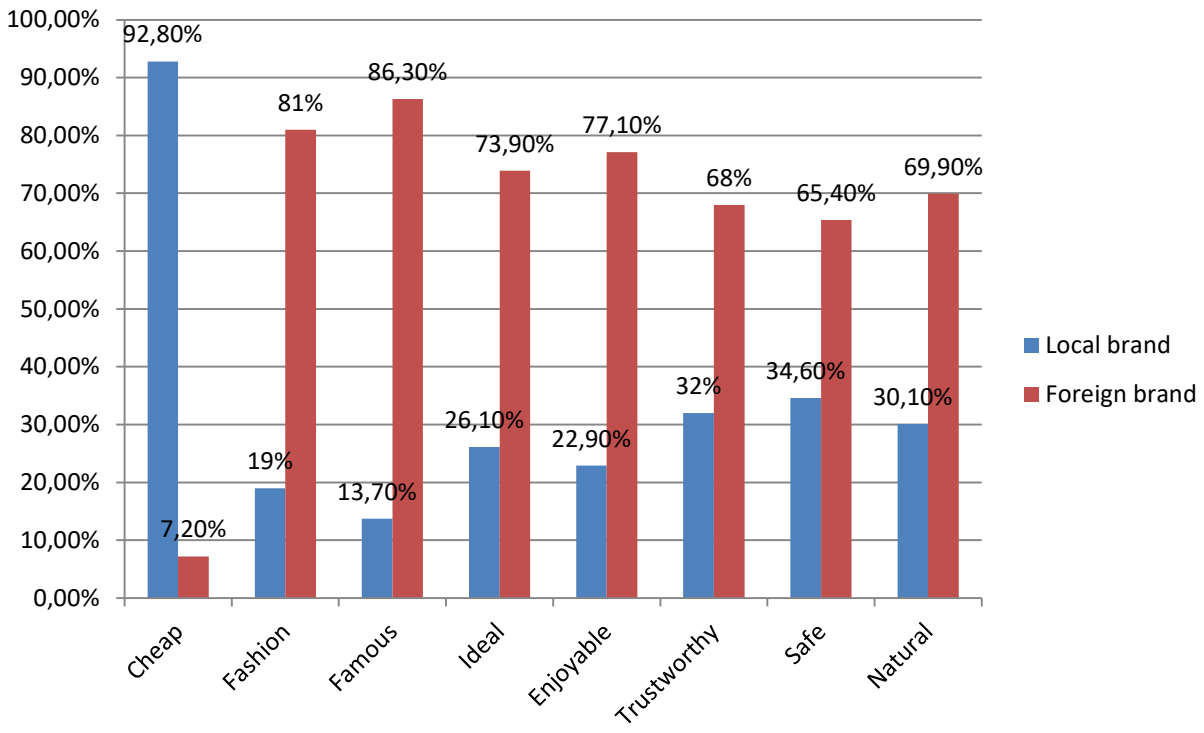

Exhibit 23: Attributes' perception of Chinese and foreign brands

The outcome reveals that almost all the features are associated with foreign brands, a part from that of "cheapness". This could reflect the Chinese perception that foreign products are all expensive or high-end, while local product are more affordable. Moreover, more than the 80% of the participants associated foreign brands with terms such as "fashion" and "famous", hence considering foreign beauty brands to be more up-to-dated with the latest trends and to be more successful. However, it is worth mentioning that at least one-third of the participants have a positive consideration of local products, in particular for what concerns their effectiveness and safety. Then, these findings have been compared to those of the Italian sample. However, as far as characteristics association between local and international brands is concerned, the outcome of Italian participants strongly differs from the Chinese one.

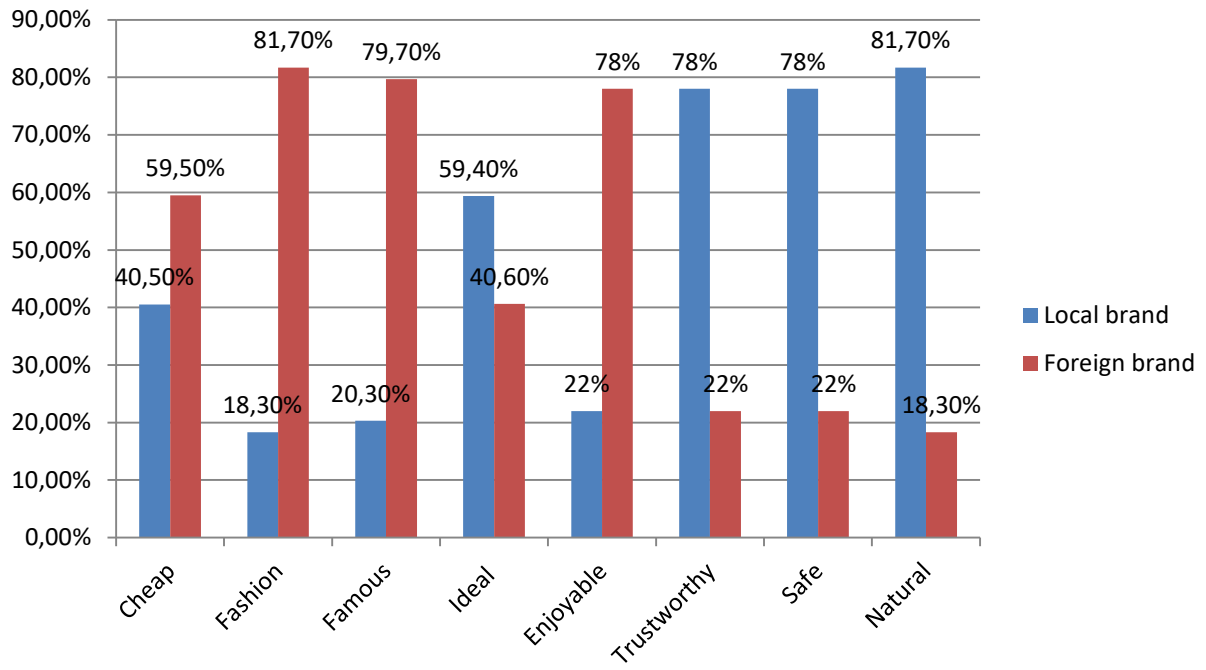

Exhibit 24: Attributes' perception of Italian and foreign brands

In fact, while Chinese consumers only associated the characteristic "cheapness" to Chinese cosmetics, the Italian sample had a much more fragmented opinion. First of all, Italians did not perceived domestic brands to be cheap. This characteristic was in fact associated to foreign brands as well as other adjectives, such as fashionable, famous and enjoyable. This results may be due to the high penetration of foreign brands, in particular those low-end brands dedicated to the youngest generations like Essence or Catrice that provide fashionable products at a very competitive price. Moreover, many Italian brands are probably perceived to be foreign because of their names: for, example Wycon and Nabla are two Italian brands whose name can be misleading in assessing the country of origin. Furthermore, it is worth mentioning that Italian brands have been considered the most trustworthy, safe and natural. Nowadays in fact, more and more people are becoming more and more conscious about natural cosmetics and it is possible to find many Italian brands producing environmental-friendly and organic products. This changing attitude is observable also in the following section, where Italian consumers named many green brands as their preferred brands.

The survey investigates then Chinese consumers favorite beauty brand. Participants were asked to nominate their best choices for beauty products, with the following results:

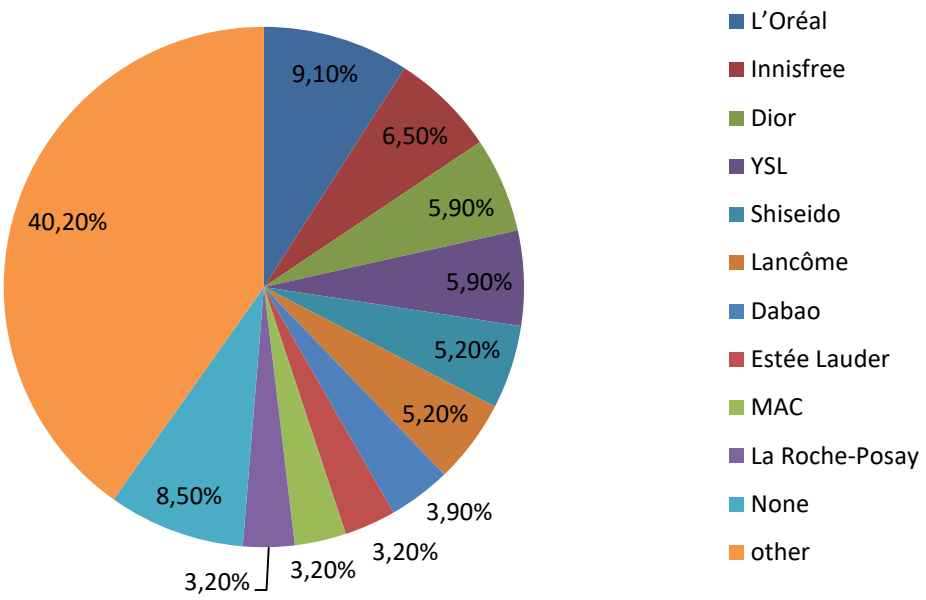

Exhibit 25: Brand preference in China

The total number of brands mentioned was 68, with some participants indicating more than one preference. Focusing on the top ten brands, the first thing that catches attention is that among these brands, there is only one Chinese name, indicating that foreign cosmetics are still considered the preferred ones. Moreover, it is worth mentioning the presence of four luxury brands, such as Dior, YSL, Lancôme and Estée Lauder, of three "affordable" luxury brands like L'Oréal, Shiseido and MAC and one dermocosmetic brand, La Roche-Posay. This outcomes shows to which extent beauty products are still considered as high-end products, given that a part from Innisfree, middle- and low-end brands have not register a strong market penetration, yet. In addition, participants indicated five French brands as top brands, leading us to the consideration that France is perceived as the best country for beauty products. Lastly, given the high number of preferred beauty brands that were nominated by the participants, it is possible to say that the Chinese cosmetics panorama is a really fragmented, with a high number of brands available to Chinese consumers. However, only affirmed beauty brands seems to have been able to make their brands noticeable to the majority of consumers, that indicated them as their preferences. Comparing the Chinese preferences with those of Italian consumers, some other interesting discussing points came out. The Italian sample mentioned a great deal of brands, too, with the following preferences:

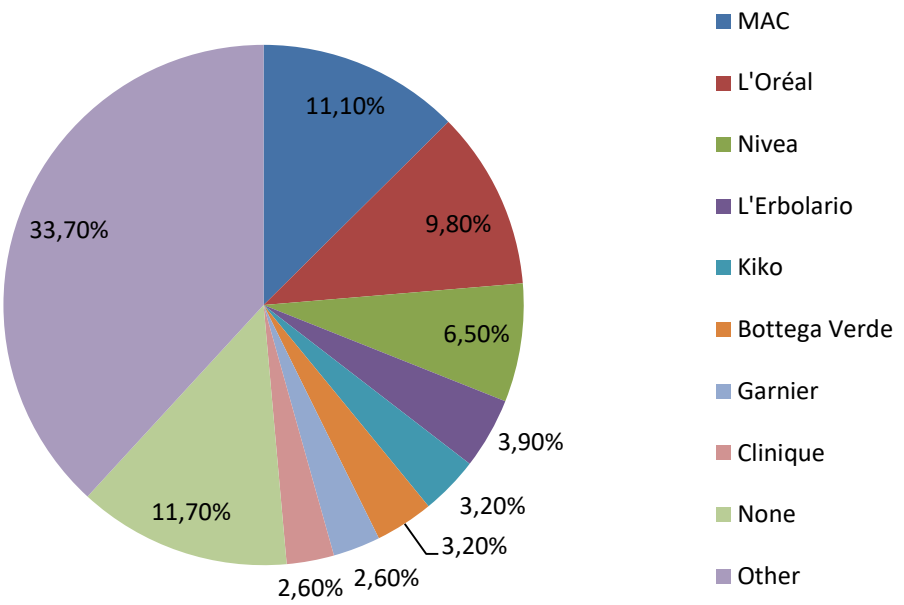

Exhibit 26: Brand preference in Italy

As it is noticeable from the charts, L'Oréal and MAC are the only two brands popular in both countries. Looking at the Italian results and comparing them with the Chinese ones, three main aspects emerge. Firstly, more domestic brands have been mentioned by the Italian participants, showing a deep penetration of the market and a strongest trust of the consumers towards local brands. Secondly, luxury brands result to be much less popular in Italy than in China. Despite Clinique, which have been mentioned by some the participants, more affordable beauty brands seem to be more popular among Italian consumers. Furthermore, it is worth stressing the importance of green and natural products. While Chinese consumers only mentioned one natural brand, Innisfree, Italian consumers named more brands that use natural ingredients to produce cosmetics.

4.2.6 Online retailers and information channels

Then, the best online retailers for cosmetics and the main source of information are analyzed. According to Chinese participants, the most popular e-commerce to buy beauty products are Taobao, Tmall and JD.com, that is to say China's major e-commerce website. On the other hand, Italian consumers did not show a marked predilection for a specific online retailer and more than an half of them stated not to use online shopping to buy beauty products.

Online retailers	Percentage
I don’t use e-commerce	24.8%
Taobao	**49%**
Tmall	41.2%
JD.com	28.1%
Amazon	13.1%
WeChat	15%
Yihaodian	5.9%
Xiaohongshu	19%
Others	15.7%

Table 8: Most popular e-commerce in China

Online retailers	Percentage
I don’t use e-commerce	**65.4%**
Amazon	15.7%
Sephora	11.8%
Asos	0%
Douglas	5.9%
Aliexpress	1.3%
Single-brand e-commerce	8.5%
Green e-commerce	13.1%
Others	3.5%

Table 9: Most popular e-commerce in Italy

Instead, for what concerns the information sources, participants were asked which channels they use to obtain information about foreign beauty brands, with the following results:

	Mean (China)	Mean (Italy)
Stores	2.1	3.1
Social networks	**2.8**	3.1
E-commerce	**2.8**	2.3
Family and friends	**2.8**	**3.2**
Television and ad	2.1	2.8
Newspapers and magazines	1.9	2.5
Promotional activities	2	2.7

Table 10: Main information channels in China and Italy

E-commerce, social networks and family and friends were considered the most popular information sources by the Chinese consumers. In particular, focusing on the social media and e-commerce category it is possible to determine which are the most frequently used channels to gather information on beauty products. In fact, Weixin and Weibo are considered the most popular social network for cosmetics advertising, while Youku and QQ are much less popular. Moreover, e-commerce platforms and apps are becoming more and more common way to get information about new products, since only the 19.6% of the participants never uses them. From the analysis it clear that nowadays consumers tends to prefer social media platforms and e-commerce to some more traditional source of information such as magazines and television advertising. However, also worth of mouth is still important in China, as it can be seen form the popularity of discussing beauty products with friends and family members. This findings are really interesting if analyzed through the lens of current shopping patterns in China. In fact, the technological development led traditional sources of information such as television and magazines to have been slowly left apart in favor of more interactive ways to communicate. Social media can in fact be considered not only as an improvement of the traditional communication system for what concerns advertising, but also a sort of evolution of the word of mouth system. In fact, nowadays consumers do not need to talk directly to a friend or a relative to know his or her opinion, but can just understand his or her tastes from the pictures shared, the comments posted or the news liked on his or her profile. The same is happening for e-commerce platforms. Since the increasing popularity of these channels as retailers, people tend to spend more and more time online looking for the best deals or the newest products, even without purchasing them. Moreover, taking the incredible interaction features offered by the e-commerce into consideration, it is possible to define them as a really

sophisticate way to gather information: shoppers can read consumers comments on the products, can ask for experts suggestions and read celebrities opinion and then, can decide whether to buy or not.

Italian participants have shown a major interest for the information channels proposed. In particular, family and friends are still considered the main information sources, together with social networks and stores. Compering these results with those of the Chinese sample, some variations can be discussed:

1. E-commerce platforms, that are popular information channels in China, accounted the lowest score in Italy. This difference can be attributed to the different conception of e-commerce in the two countries: if in China, online stores provide a wide range of service that increase the customer experience, in Italy they are perceived mainly as a purchasing channel. Hence, consumers can use e-commerce to evaluate alternatives but do not rely on them as a principal information source about the latest trends.
2. Stores are perceived as a primary information source in Italy, but not in China. The difference may be traced back to both the presence of many traditional perfume shops in almost any Italian city and to the necessity for Italian consumers to try the product before the purchase.
3. Traditional media, such as television and newspapers are still considered valid information sources by Italian consumers. Also in this case, the reason of this difference can be several: on the one hand, the majority of magazines dedicated to women provide a section dedicated to the use of cosmetics and to the latest trends, on the other hand, television has been the main recipient of advertising investment for a very long time[212].

As far as social networks are concerned, people were asked to evaluate which social network represented the major information source for international cosmetics brands.

[212] Ermeneia (2016).

Social platforms	Mean
WeChat	2.8
Weibo	**2.9**
QQ	1.6
Youku	1.5
E-commerce and APP	**2.9**

Table 11: Usage frequency per social network (China)

Social platforms	Mean
Facebook	2.4
Instagram	**2.6**
Twitter	1.1
Youtube	2.3
E-commerce and APP	1.9

Table 12: Usage frequency per social network (Italy)

The social networks proposed in the two surveys are different according to the preference of the market, however a discussion of the findings is now provided:

- WeChat, Weibo, e-commerce and apps result to be the most trustworthy social networks according to Chinese consumers, while Facebook and Instagram are the favorite of Italian ones.
- Online streaming systems and video sharing platforms like Youtube are quite popular in Italy: everyday, experts and KOLs use this kind of platform to share opinions, reviews and tutorials with their followers. However, the Chinese version of Youtube, Youku, is not as popular as its American counterpart: in fact, the frequency rate at which Chinese consumers look for information on Youku is just 1.5 out of 5.
- As already stated, e-commerce and Apps are very popular information channels in China, but they still are not so common in Italy.

4.2.7 Influencers effectiveness and social network dedicated time

People were also asked their opinion about key opinion leaders, that is to say, if they perceived their influence to be strong or not and whether or not they felt influenced by them.

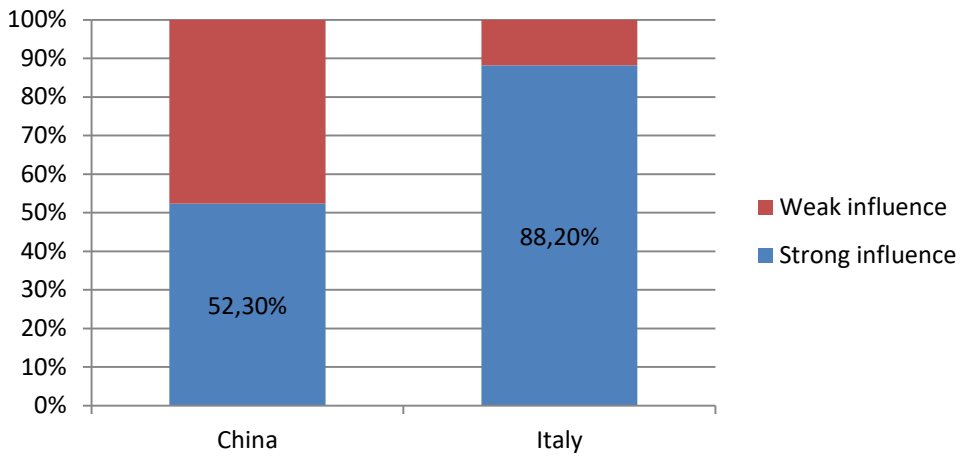

Exhibit 27: Influencers' perceived power in China and Italy

Concerning the first question, the Chinese sample did not shown a strong preference for one of the two options: 52.3% of the participants said yes, while the 47.7% no. A very strong perception of influencers' power is instead that of Italian consumers. There is a clear difference between the two alternatives, with more than the 88% of Italian participants considering influencers to be very powerful.

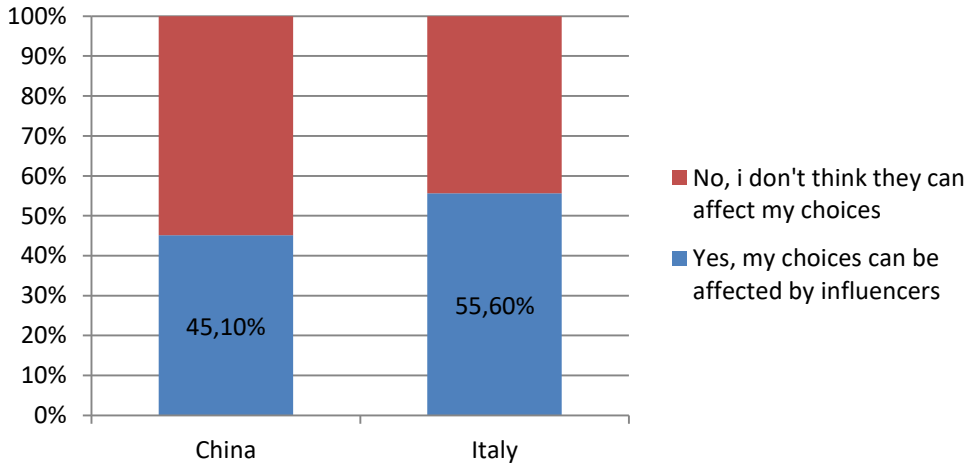

Exhibit 28: Perceived influence of Kols in China and Italy

The same happened for the second question. When asked about KOLs influence on themselves, Chinese interviewees divided again almost equally among the two options, with the 45.1% of them affirming that yes, influencers can actually affect their points of view, and the 54.9% that negated this sort of influence. However, cross-checking this last finding with the age of participants, it is noticeable that younger consumers, aged 18-24 and 25-30, and

those between 41 and 50 divides quite equally into the two categories, while the majority of people aged 31-40 and that are 50 or more believes that celebrities influence could not affect their points of view. As far as Italian consumers are concerned, they have shown a similar result to their Chinese counterparts: when asked if influencers could actually affect their decision process, only the 55.6% of the participants affirmed to have been influenced by their opinions.

Lastly, participants had to indicate how much time do they spend on social networks.

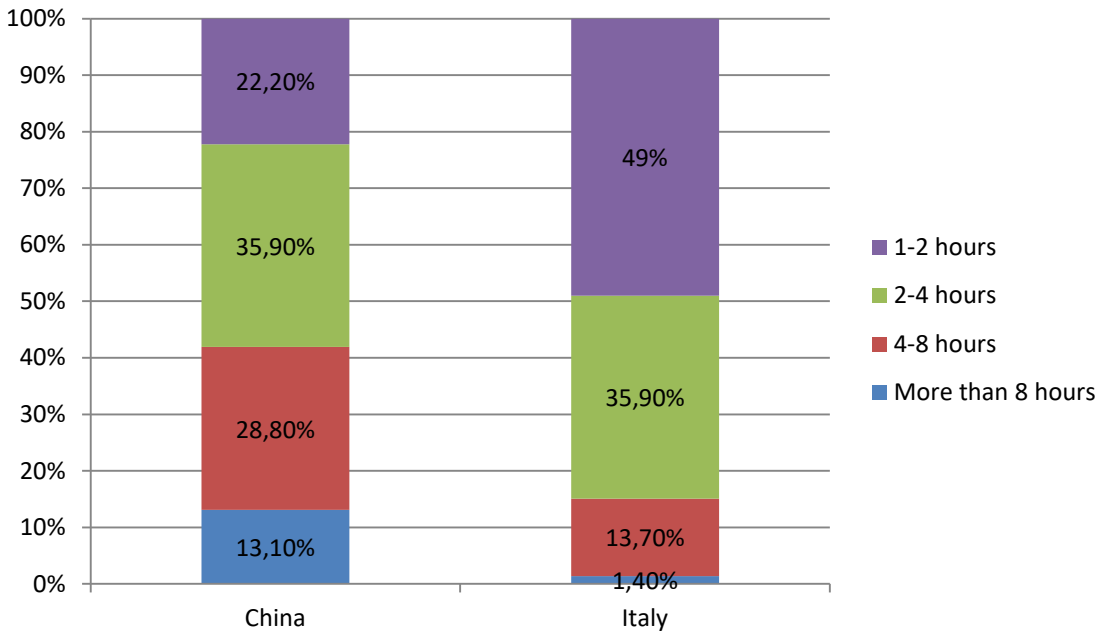

Exhibit 29: Time spent on social networks in China and Italy

The 36% of Chinese participants usually spends from 2 to 4 hours per day, 28.8% from 4 to 8 hours per day, and the 22.2% only one or two hours per day. In particular, people aged 41 or more, tend to use social networks much less than the younger generations. In fact, many people aged 18-24 use mobile phone 8 or more hours per day (13.46%) or from 4 to 8 hours (32.69%). At the same time, the 18.52% of those aged 25-30 uses social networks for more than 8 hours a day and the 25.93% from 4 to 8 hours. However, as age increases, the number of hours decreases: for example, the 57.14% of those aged 41-50 only uses social for one or two hours a day. Instead, Italian participants have generally declared to spend less time using social networks: the majority of them (49%) only spend one or two hours on social channels and the 35.9% only from two to four hours.

4.3 Discussion

Findings can show many interesting starting points to analyze the current cosmetics market in China and its differences with the Italian one. As far as purchasing patterns are concerned, consumers from both countries have indicated to buy cosmetics mainly once per month and to be able to spend different amounts of money according to their disposable incomes, showing how products from different price groups can be popular in both countries. Findings suggest also that the main reasons that guide Chinese and Italian consumers to buy cosmetics are the same, that is to say to use them as part of their daily care routine, to look and feel more beautiful and to correct imperfections. A discussion about the main findings is now provided:

- First of all, the use of skin care products, moisturizing and sunscreens is vividly widespread across the nation, proving that skin and body care are still the main concerns of Chinese beauty buyers. However, some other products are catching the attention of the consumers, in particular color cosmetics and men's grooming products. There is a strong consensus towards the use of color cosmetics, especially by the youngest generations that see the use of makeup both as a way to increase self-confidence and to catch up with latest trends. This trend is observable also by how some recent make-up campaigns have been able to create a fashion-frenzy among many Chinese women, as it happened for Lancôme latest lipstick campaign. At the same time, men's grooming sector is acquiring more popularity, too. Chinese men are no longer afraid to show their interest about personal care and are becoming more and more conscious about what kinds of products are available on the market. Compared to the Italian market, some differences emerge. In fact, even if also Italian consumers are keen on skin and moisturizing products, they show a stronger appreciation for make-up products and perfumes. Moreover, men's dedicated products did not receive as much as attention as in China. This does not mean that Italian men do not care about their external appearance, but that they might not perceive such a great difference between products designed for him and for her. Generally speaking, results suggest that consumers from both countries pay attention to the same attributes when buying cosmetics, that is to say that both Chinese and Italian participants really cared about products efficacy and safety. On the other hand, attributes like fashion products, country of origin and beauty of the packaging are not considered to be essential neither for Chinese consumers nor for Italian ones.

- Regarding retailers, people were asked how frequently they go shopping in some given stores. However, findings shows that there is not a favorite retailer for both Italian and Chinese consumers, given that none of them received a very high score. This can be due to the fact that beauty products themselves do not have a very high purchase rate: people are starting now to buy cosmetics as a way to keep up with the latest trends, while until a few years ago, they were mainly bought to replace used-up products. However, some evident differences are noticeable. In China, online retailing formats have a deeper penetration than in Italy, showing that the continuous technological development really affected consumers preferences. In fact, while in Italy consumers prefer to buy beauty products in physical stores, such as supermarkets and franchising, Chinese people use more often e-commerce platforms and apps in order to buy cosmetics: Taobao, Tmall and JD.com are just the most common and well-known e-commerce platforms where people purchase cosmetics.
- As far as information sources are concerned, e-commerce, social networks, family and friends are considered the most popular information sources by the Chinese consumers. In particular, findings show that Weixin and Weibo are the most used by participants while Youku and QQ are much less popular. Regarding Italian participants instead, in general they tend to use the given sources of information more frequently than Chinese consumers. Findings indicate family and friends as the main information source, together with physical stores and social networks. As far as social networks are concerned, Instagram and Facebook represent the major information source for cosmetics, even if compared to their Chinese counterparts, WeChat and Weibo, they are consulted lesser. Italy, e-commerce platforms are not perceived as possible information sources, suggesting a completely different interpretation of these channel between the two different population. If in China, online platforms provide a great deal of services, such as blogs, videos and promotions, in Italy they are perceived merely as purchasing channels. From the analysis of stores and information channels preferences, it is clear that Italians still give a strong importance to the physical purchasing process, they go to stores, ask information and test the products before buying. On the other hand, the development of e-commerce platforms in China, allows many consumers to do these kind of actions directly from their smartphones or tablets: they have access to all the products, can ask friends opinions about the purchase, read experts suggestions and even virtually try on the products before buying it.

- Premiumisation is still a strong trend in China. When asked to indicated their favorite brands, many international high-end names have been mentioned as well as some other "affordable" luxury brands. Moreover, findings indicate foreign brands to be more popular among Chinese consumers than local ones. On the other hand, Italian consumers are more keen on middle- and low-end products, with a specific attention for environmental-friendly products. In addition, findings suggest also that domestic products are more popular in Italy than in China. This results is also stressed by the fact that, when asked to assess local and foreign products according to some given attributes, Italian participants indicate domestic brands to be cheap, ideal, trustworthy, safe and natural, while Chinese consumers only perceived them to be cheap.
- KOLs influence is not perceived to be very strong by Chinese consumers, that affirm that online celebrities are not so decisive in influencing their opinions. On the contrary, Italians believe that influencers power is really strong, even if they agree with Chinese consumers about the fact that KOLs are not so effective in influencing their point of view. However, findings suggested that Chinese consumers dedicate a lot more time to social networks than Italian ones within a day.

This research presents some limitations in term of sample size and of its exploratory intent: on the one hand, the majority of participants are students, hence they have a very limited purchasing power, on the other hand, many respondents have a neutral opinions, especially when asked about their favorite retailers and their opinions about influencers. However, the finds suggest some potentially useful considerations about cosmetics preferences and social media marketing in China. These include a willingness of the consumers to accept foreign products and a confirmation of 2017 predictions about the popularity of premium brands and of skin care products. Concerning retailers, none of the suggested one has received a strong attention by the consumers, however, e-commerce platforms stand out as well as multi brand franchising. In fact, e-commerce have shifted from being simply considered online shops to represent a real source of information for Chinese consumers, allowing them to conduct their own product evaluation directly on the online shops. Moreover, another crucial point concerning e-commerce is distribution. Companies usually invest a lot of time and money in creating a new package for their products in order to be able to sell them in local stores. However, more and more Chinese consumers are now preferring to buy original packaging, perceiving that as a demonstration of the authenticity of the product as well as to be cheaper

than the local version, therefore the demand for overseas purchasing is growing rapidly. Nowadays many distributors use platforms such as Taobao or Tmall to meet this demand but often headquarters ignore this situation and are not aware of the operations run by distributors in the country. No one can deny the difficulty that company can face in controlling distribution, however the presence of an official website, of guidelines and policies can help the coordination between the parties, as well as a clear social media campaign. People use social media to know the brand, to keep updated with the latest trends, to take part in games and contest and, above all, to communicate with the brand. They can express their like or dislike, ask information or suggest improvements, with the certainty to be talking directly to the brand. Therefore, it becomes necessary for any company operating in China, to guarantee this kind of interaction. It has happened many times to companies missing an official fan page to discover that one or more distributors have been running a WeChat or Weibo page with the brand name and the link to the official website of the company as well as to find out that the local branch, in charge with the control of the area, was unable to run social media marketing properly. The Chinese social media panorama can offers a lot of opportunities, however, to survive in a such a competitive environment a strong strategy is necessary. For example, companies must be able to provide an official website in China, even if with a rough translation, to build a trustworthy relationship with local customers, and to be able to understand which platform best suits the communication of the brand: in fact, a part from the well-established Weibo and WeChat, many other dedicated platforms, such as Xiaohongshu and 5Lux for luxury or Yihaodian for food, can spread the popularity of the brand. Moreover, they must keep updated with the latest services launched by the platforms, like Baidu brand zone, a paid-for service that allow top brands to dominate Baidu search results with customized information about the brand, such as the latest collections, images, videos or direct links to social media brand pages. The common idea of companies going to China with the expectation to open easily a successful, brand-new shop is far from reality: operational costs are very elevate and many companies cannot sustain these kind of expenses. Therefore, it becomes necessary to steadily look at the new opportunities offered, to be updated with the latest trend and to be as innovative as possible in order to be successful in such a vibrant marketplace.

Conclusion

According to the recent developments, China is fast becoming the world leading market for beauty products and the rise of the Chinese middle-class is now presenting an incredible opportunity for those interested in investing in the sector[213]. However, the cosmetics industry, that was almost inexistent during the revolutionary years of the country, is now becoming saturated with the presence of both local and foreign beauty goods, leading to a situation where international companies have to deal with a multitude of different factors in order to survive in such a competitive environment.

First of all, a deep comprehension of the local beauty standard is needed. In fact, the Chinese beauty ideal strongly differs from the Western one, posing emphasis on characteristics such as a white-porcelain complexion, a slim figure, big eyes and straight, dark hair. Therefore, companies must be able to adapt their products to the necessity of the Chinese consumers and to reach them through an *ad hoc* marketing campaign.

Secondly, international companies must be able to deal with the evolution of the Chinese consumers. In fact, along with the dramatic improvement of living conditions and job opportunities, shopping patterns have changed, too. Even if the traditional sense of pragmatism is still characterizing their choices, the growing wealth led to an increment of the discretionary spending and of the personal aspirations of the consumers, that reflect themselves into an increasing sense of individualism. In addition, the rising awareness about products available led to a higher degree of brand loyalty among Chinese customers as well as an increasing pursue of healthy living. Furthermore, traditional retailing systems are losing their allure in favor the online shopping: the diffusion of shopping apps, a well-developed online payment system and a strong system of infrastructure are now at the base of the success of e-commerce platforms. Therefore, companies must not only be able to understand the evolution of the consumers, but also to maintain a flexible and dynamic approach in order to keep on running a successful business in the country.

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[213] Morgan Stanley, (2016). *Beauty in the Eye of the Chinese Consumer*, Morgan Stanley, available at: https://www.morganstanley.com/ideas/china-beauty-market-consumer-boom (accessed on: 05/02/2018).

Then, as far as communication is concerned, a deep comprehension of the new communication channels is needed. Social media are in fact considered one of the main source of information by Chinese consumers, together with e-commerce and family or friends' opinions; thus, companies must be able to choose which platform best suits the brand image and to exploit all the interaction services offered by the platform itself. Social media are in fact the first point of interaction between the company and the consumers, hence, not only must they represent the brand itself and its characteristics, but they must also be able to build an effective communication flow with the consumers: contests, games and videos are just few examples of the services offered to engage with them. Moreover, companies should not underestimate also KOLs' influence. The success of online celebrities and influencers is undeniable and now almost all the top players are now collaborating with local celebrities for the launch of new products, taking advantages of their influence to create a real fashion-frenzy. In fact, key opinion leaders can easily engage customers and add personality to the brand, transforming rapidly the marketing expenses into real sales[214]. However, along with social media platforms, e-commerce are also successful information channels for Chinese consumers. Their popularity relies mainly on the several services offered by the platforms, that mix the shopping experience with the creation of content: advertisement, experts reviews, celebrities opinions and video streaming are now available on the main platforms, transforming e-commerce into a very sophisticate way to gather information. The success of social media and e-commerce as information channels can be considered both the result of the technological progress taking place in China and the natural evolution of the word-of-mouth (WOM) system: through social platforms consumers can easily communicate online, moving from a traditional word-of-mouth to an electronic word-of-mouth (eWOM)[215].

Lastly, traditional shopping channels are now being replaced by online retailers. E-commerce are as popular as multi-brand franchising: the survey has shown that almost half of the consumers rely on online platforms such as Taobao and JD to buy beauty products. Their success relies on many reasons. First of all, China praises the largest internet users community,

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[214]Xu, L. (2017). "Mingxing yu pinpai: meiyou zui hao de, zhiyou zui heshi de" 明星与品牌：没有最好的，只有最合适的, (Right KOL is better than big star), available at: https://cn.kantar.com/首页/媒体动态/社交/2017/明星与品牌：没有最好的，只有最合适的/ (accessed on 08/02/2018).

[215] Chu, S. C., & Kim, Y. (2011). Determinants of consumer engagement in electronic word-of-mouth (eWOM) in social networking sites. *International journal of Advertising, 30*(1), 47-75.

with multi-device owners spending the 17% more on online shops than their mobile-only peers[216]. In such a lively environment, e-commerce has been able to adapt to the country development, satisfying the demands of the new consumers. For example, with the development of low-tier cities, they have provided all those products available in the main cities to those customers living in the farthest rural areas. At the same time, they represent an easy way to buy cross-border products still unavailable in the country. Moreover, as beforehand reported, they are strongly perceived as an information channel, too. Consumers use ecommerce to discover new products, to find out experts evaluation and KOLs opinions, transforming the shops into real interaction platforms. Furthermore, Chinese online shops are able to integrate the most diverse services, combining effectively the shopping experience with some entertaining options and offline services, such as the collection of items at the stores. Hence, in such a complex environment, companies must be able to develop a more sophisticated strategy, that combines the study of the marketplace with a social engagement able to satisfy Chinese expectations. In a market where the general integration of the platforms allows users to switch form one site to another, traditional media advertising can be considered outdated for capturing consumer interest. Therefore, more innovative ways of interaction are encouraged, in particular those that are able to build a new kind of customer experience that starts with the customer engagement on social networks, entertains them and then, spurs them to buy online[217].

[216] Wang, K. W., Lau, A., Gong, F., 2016, *How savvy, social shoppers are transforming Chinese e-commerce*, McKinsey&Company, available at: https://www.mckinsey.com/industries/retail/our-insights/how-savvy-social-shoppers-are-transforming-chinese-e-commerce (accessed on: 08/02/2018).
[217] PWC, (2017).

Appendix A

Index of figures, exhibits and tables

Figures

Tables

Exhibits

Appendix B

Survey conducted in China:

在中国的化妆品市场。社会媒体怎么能影响消费者的购买意愿？

1. 您用不用美容化妆品？

☐用

☐不用

2. 您平常用哪个美容化妆品？（多选题）

☐个人护理产品 （比如 牙膏，洗发水，护发素，香皂等）

☐防晒霜

☐化妆品 （比如睫毛膏，眼影，眼线笔，口红，粉底，BB 霜等）

☐洁面产品 （洗面奶，面霜，洁面泡沫等）

☐美白面膜

☐保湿面膜

☐眼霜

☐乳液

☐男士清洁品

☐香水

☐美甲工具

3. 您平时一个月买美容化妆品的频率是

☐从来不

☐1 次

☐2-3 次

☐4 次

☐5 次以上

4. 为了买美容化妆品，您一个月大概消费多少钱？

□100 元以下

□101-250 元

□251-500 元

□501-1000 元

□1001 元以上

5. 您一般购买美容化妆品的目的是 （多选题）

□日常个人卫生

□显得美貌

□显得更年轻

□显得成熟

□美白皮肤

□遮盖皮肤缺陷

□美黑皮肤

6. 下列的类型对购买化妆品的相关性大小

	无关	一点儿	很相关	非常相关
价格				
牌子				
时尚				
使用便利				
有效性				
耐用性				
成分				
安全				
有机产品				

包装的美感				
生产的国家				

7.您平时在哪儿买美容化妆品？

	从来不	偶尔	有时	常常	总是
超市					
专营店（单一品牌)					
专营店（多品牌)					
百货商店					
购物广场					
网购 多品牌					
网络单一品牌					
手机 APP					
海外代购					

8. 您认为网购最重要的竞争力是什么？（多选题）

☐操作方便

☐选择多样

☐拥有在商店买不到的产品

☐价格便宜

☐可靠性

☐快递高教

9.您一般使用海外的美容化妆品吗？（ 比如奥拉雅，洗生堂，Amore Pacific 爱茉莉，Olay，妮维雅等）

☐使用

☐不使用

10. 关于美容化妆品，下列的类型您认为最适合中国还是海外品牌

	中国品牌	海外品牌
便宜		
时尚		
有名		
理想		
享受		
可靠		
安全		
有机		

11. 您最喜欢的美容化妆品牌是什么？_____

12. 您主要通过哪些一个网站来购买海外的美容产品？（多选题）

☐不用网站来购买美容化妆品

☐淘宝

☐天猫

☐京东

☐亚马孙

☐微信

☐一号店

☐小红书

☐其他_____

13. 您主要通过 哪些渠道来了解海外品牌和产品？

	从来不	偶尔	有时	常常	总是
买体店，如超市，商店等					
社交平台，如微信， 微博等					
网购，如淘宝， 天猫，品牌官网等					
家人， 朋友					
电视， 广播					
纸质媒体（ 报纸，杂志）					
推广的活动					

14. 您主要用什么社交平台来了解海外的品牌和产品？

	从来不	偶尔	有时	常常	总是
微信					
微博					
QQ					
优酷					
我直接用购物网站，如淘宝， 天猫，APP，品牌官网等					

15. 您觉得网红的影响大还是小？

☐大

□小

16. 您认为网红的建议可以影响您的选择吗？

□可以

□不可以

17. 您每天使用社会媒体多少时间？

□1-2 个小时

□2-4 个小时

□4-8 个小时

□8 个小时以上

18. 你是

□男性

□女性

19. 年龄

□18-24 岁

□25-30 岁

□31-40 岁

□41-50 岁

□51 岁以上

20. 您是哪个城市的人？_____

21. 您的职业是

□学生

□老师

□零售店主　工匠　专业者

□白领　公司雇员

□工厂工人

□已退休

□家庭主妇

□农民

□其他

22. 您的受教育水平是

□初中

□高中

□大专

□本科

□研究生　　硕博

□其他

23. 您出国过吗？

□有

□没有

24. 家庭年收入

□0 元

□0-30000 元

□30001-50000 元

□50001-100000 元

□100001-200000 元

□200001-500000 元

□500001 元 以上

□不知道

Appendix C

Survey conducted in Italy:

La cosmetica in Italia: come i social media influiscono sulle nostre abitudini di consumo

1.Utilizzi prodotti cosmetici e per la cura del corpo?

☐Sì

☐No

2. Quali prodotti utilizzi di frequente?

☐Prodotti per la cura del corpo e della persona (come dentifricio, shampoo, balsamo, bagnoschiuma, ecc)

☐Creme solari

☐Trucchi e prodotti per il make-up (come mascara, ombretto, eye-liner, rossetto, fondotinta, BB cream, ecc)

☐Prodotti per la cura del viso (come latte detergente, crema viso, mousse detergente ecc)

☐Prodotti sbiancanti

☐Creme idratanti

☐Creme per il contorno occhi

☐Creme corpo e lozioni

☐Prodotti cosmetici per l'uomo

☐Profumi

☐Smalti e prodotti per la nail art

☐Altro:

3. In un mese solitamente quante volte compri prodotti cosmetici?

☐Mai

☐1 volta

☐2-3 volte

☐4 volte

☐Più di 5 volte

☐Altro:

4. In un mese, quanto spendi per l'acquisto di tali prodotti ?

☐Meno di 15 euro

☐Tra i 16 e i 30 euro

☐Tra i 31 e i 60 euro

☐Tra i 61 e i 120 euro

☐Più di 121 euro

5. Per quale motivo compri prodotti cosmetici?

☐Per pulizia e igiene personale

☐Per apparire più bella/o

☐Per sembrare più giovane

☐Per apparire più matura/o

☐Per schiarire l'incarnato

☐Per correggere le imperfezioni

☐Per scurire l'incarnato

☐Altro:

6. A quali dei seguenti fattori dai importanza durante l'acquisto dei cosmetici?

	Nessuna importanza	Poca importanza	Importante	Estremamente importante
Prezzo				
Nome del brand				
Prodotto di tendenza				
Facilità di utilizzo				

Efficiacia				
Durabilità nel tempo				
Composizione				
Sicurezza				
Prodotto di origine naturale				
Bellezza del packaging				
Luogo di produzione				

7. Dove acquisti solitamente questi prodotti?

	Mai	Raramente	A volte	Spesso	Sempre
Supermercati					
Negozi monomarca					
Negozi multimarca					
Negozi generici					
Centri commerciali					
Siti di e-commerce monomarca					
Siti di e-commerce multimarca					
App					
Tramite servizi per l'acquisto di prodotti stranieri					

8. Quali credi siano i vantaggi dell'acquisto online?

☐Comodità d'utilizzo

☐Vasta scelta

☐Possibilità di trovare prodotti non disponibili nei negozi

☐Prezzi più bassi

☐Affidabilità

☐Velocità di consegna

9. Utilizzi prodotti cosmetici di brand stranieri? (Ad esempio, L'Oréal, Shiseido, MAC, Nivea..)

☐Sì

☐No

10. Quali dei seguenti aggettivi attribuisci ai marchi italiani e quali a quelli stranieri? *

	Brand italiano	Brand straniero
Economico		
Di tendenza		
Famoso		
Ideale		
Divertente		
Affidabile		
Sicuro		
Naturale		

11. Qual è il tuo brand preferito?

12. Solitamente su quali siti acquisti brand cosmetici stranieri?

☐Non uso gli e-commerce per comprare cosmetici

☐Amazon

☐Sephora

☐Asos

☐Douglas

☐Aliexpress

☐E-commerce monomarca (come maccosmetics.it, benefitcosmetics.com, maybelline.it, ecc)

☐E- commerce bio (come bioalchemilla.it, greenbeautyshop.it, ecco-verde.it, ecc)

☐Altro:

13. Quali canali usi per venire a conoscenza di brand e prodotti stranieri?

	Mai	Raramente	A volte	Spesso	Sempre
Negozi (supermercati, profumerie, ecc)					
Social network (Facebook, Instagram, Snapchat, ecc)					
E-commerce (Amazon, Sephora, ecc) Familiari e amici					
Televisione					
Riviste					
Attività promozionali					

14. Quali social media utilizzi per informarti sui prodotti cosmetici stranieri? *

	Mai	Raramente	A volte	Spesso	Sempre
Facebook					
Instagram					
Twitter					
Youtube					
Uso direttamente i siti e le app degli e-commerce					

15. Credi che il grado di influenza delle celebrità online sia forte o debole?

☐Forte

☐Debole

16. Pensi che il parere degli influencer possa effettivamente influire sulle tue scelte d'acquisto?

☐Sì

☐No

17. Quanto tempo passi sui social?

☐1-2 ore al giorno

☐2-4 ore al giorno

☐4-8 ore al giorno

☐Più di 8 ore al giorno

18. Tu sei:

☐Maschio

☐Femmina

19. Quanti anni hai?

20. In quale regione vivi?

☐Valle d'Aosta

☐Piemonte

☐Lombardia

☐Trentino Alto Adige

☐Friuli Venezia Giulia

☐Veneto

☐Liguria

☐Toscana

☐Emilia Romagna

☐Marche

☐Abruzzo

☐Toscana

☐Lazio

☐Umbria

☐Molise

☐Campania

☐Basilicata

☐Puglia

☐Calabria

☐Sicilia

☐Sardegna

21. La tua occupazione è:

☐Studente/ssa

☐Insegnante

☐Commerciante/artigiano/libero professionista

☐Impiegato/a

☐Operaio/a

☐Contadino/a

☐Casalinga

☐Pensionato/a

☐Altro:

22. Il tuo livello d'istruzione è:

☐Scuola media

☐Scuola superiore

☐Laurea

☐Laurea magistrale

☐Dottorato

☐Altro:

23. Sei mai stato all'estero:

☐Sì

☐No

24. Il tuo reddito è:

☐0 euro

☐0-5000 euro

☐5001-10000 euro

☐10001-15000 euro

☐15001-30000 euro

☐30001-60000 euro

☐Più di 60001 euro

☐Non so

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