

FRAGRANCE AND PERSONAL CARE

## China's flourishing makeup obsession gives Estée Lauder a boost

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*Estée Lauder is attracting millennial interest in China. Image credits: Shutterstock*

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Chinese millennials are Estée Lauder's new best friend. The beauty brand's first-quarter sales to March jumped 20 percent thanks to the spending power of China's beauty-obsessed youth and their love of tutorials on social media.

Cosmetics companies are eager to tap into China's potential, with the country's livestreaming social media sites teeming with bloggers showing viewers how to highlight their cheekbones and achieve perfect eyebrows.

The number of influential bloggers and the novelty of the makeup market to Chinese consumers create the perfect concoction for brands new to China compared to other markets where brand loyalty is higher, according to a recent [article](#) published by Bloomberg.

Adding to this already beneficial mix is the fact that the proportion of millennials driving Estée Lauder's sales in China is much higher than that of the global market, Fabrice Weber, Estée Lauder's Asia-Pacific president told Bloomberg in a recent interview.

Not only are there more of these 18- to 30-year-old consumers, but they tend to purchase Estée Lauder's higher-end lines such as Tom Ford, Jo Malone and La Mer.

This youth-driven purchasing frenzy has put China well in the lead as the fastest-growing market for Estée Lauder. Between 2012 and 2016, sales expanded at a rate of more than 55 percent, more than double that in the United States. Part of what is helping Estée Lauder gain ground is the shift away from a sole focus on skincare towards a growing interest in fragrances and makeup.

Makeup now accounts for more than 41 percent of Estée Lauder's revenue, with skincare falling just behind at 39.5 percent.

Mr. Weber said that, as a whole, this trend could push China's cosmetics market to catch up with Japan's, with retail sales expected to jump from \$4.3 billion to \$7.4 billion in the next four years.

L'Oreal still remains well ahead of Este Lauder in terms of market share in the premium cosmetics segment, with 21 percent compared to Este Lauder's 14 percent.

But Este Lauder has been beefing up its social media presence to gain ground, with marketing strategies focusing on China's outbound travelers.

The brand's latest campaign **combined WeChat with virtual reality**, beauty tutorials and an online-to-offline event at a LVMH-owned duty free retailer. Customers could virtually "try on" makeup using Este Lauder's application within WeChat that employs facial-recognition technology to give users a "going out" or "staying-in" look and shows them how certain Este Lauder products would look on them.

The brand then hosted pop-up counters at T Galleria by DFS duty-free stores, featuring the products highlighted in the campaign.

LOOKING AHEAD, it is likely that China's makeup lovers will not only see more tutorials, but more of these creative campaigns from Este Lauder and other beauty brands hoping for a piece of China's expanding market.

A **recent report from L2** shows that the cosmetics companies that are leading the pack are opting for interactive engagement on social media as opposed to more straightforward blog-style content.

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