

C-Beauty secrets: Learnings from China's top cosmetics brands

October 16, 2020



On Oct. 14, *Jing Daily* hosted a webinar on key beauty trends in China and lessons to learn from today's top C-Beauty brands

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On Oct. 14, *Jing Daily* hosted a webinar on key beauty trends in China and lessons to learn from today's top C-Beauty brands. *Jing Daily* editor in chief Enrique Menendez moderated. Featured speakers included Carol Zhou, senior vice president of China Business Innovation and Investment at Shiseido; Chlo Reuter, a founding partner at Gusto Luxe and founding partner and vice-chair at Gusto Collective; William Lau, founder/CEO of Bonnie & Clyde; Yishu Wang, the director of Half A World; and Linzi Zhan, cofounder of Out of Office Beauty.

The conversation centered around how these invigorated C-Beauty brands would continue to play a critical role in China and the global market in the immediate aftermath of [COVID-19](#) and beyond.

The webinar also touched on a range of other topics, from understanding the nature of C-Beauty brands to how consumer preferences changed after the pandemic and new local selling tactics via technologies such as augmented reality, virtual reality and [livestreaming](#).

During the hour-long webinar, the speakers dove into the varied practices of niche C-Beauty brands. They also discussed how beauty brands could strategically adapt to the ever-evolving Chinese market. Below, *Jing Daily* highlights four of the webinar's key takeaways:

The secret of C-Beauty: consumer-oriented and agile

Speakers kicked off the discussion with the question: Why is C-Beauty connecting so well with Chinese consumers on the ground?

As the director of Half A World, Yishu Wang noted that, over the last couple of years, Chinese beauty brands have taken off in the Chinese market, and they have been doing very well ever since.

For example, ecommerce platform Alibaba receives around 3,200 new brand applications every year, and in 2019, nine of the top-10 most discussed beauty brands in China were C-Beauty.

According to Red, the popularity of C-Beauty brands over the first half of 2020 increased by about 67 percent

compared to 12 percent for Western brands.

C-Beauty brands are very consumer- and audience-oriented, Ms. Wang pointed out. C-Beauty brands or sellers are very attuned to customer needs in both product development and marketing strategies.

Moreover, C-beauty brands are quite agile. Since a lot of them are small to midsized businesses, or SMEs, they can act very fast.

Ms. Wang thought that the C-Beauty market started later than most international markets, so it is only now becoming segmented. As such, C-Beauty brands can tailor products to different consumer needs.

Key drivers in the beauty industry: Creativity and hero product

When it comes to current beauty ideals in China, the market has witnessed a lot of enlightening conversations around new products and styles.

So what are the key drivers in the beauty industry today that brands need to know about? Or, more pointedly, what do Chinese consumers want most from their beauty brands?

Two key trends were pointed out by Ms. Zhan, cofounder of Out of Office Beauty. The first one is how the boundaries between all beauty categories will be more blurred in the future.

Ms. Zhan took the example of the British beauty brand Lush's hero product, the bubble bar, which went cold with Chinese audiences.

At the same time, local beauty brands managed to develop a product that is both shampoo and body fragrance with a creamy texture, which went viral in the Chinese market.

The agility of C-Beauty brands allows them to be creative and develop products that suit local audiences.

The second trend that Ms. Zhan noticed was that, in the future, consumers will care less about brand names. Retail platforms such as Tmall and Red have their so-called "viral products" their most popular products of the month.

Consumers care more about the product itself its function, outlook and price than how well the brand is known.

Legacy and creativity: the best of both worlds

When it comes to the topic of choosing a brand or product branding, Carol Zhou, senior vice president of China Business Innovation & Investment at Shiseido, offered a different perspective.

In the current Internet era, millennials and Gen Zers have become the growth engine of the beauty market. This group of young consumers is savvy, and they want to study beauty brands and products. They are willing to try out new C-Beauty products that share the same ingredients as their Western counterparts, but at a much lower price.

Ms. Zhou does not necessarily agree that Chinese consumers do not know branding she reckoned that they just need some time to understand the concept of branding. It is a long-term project, but with the speed of change in China, consumers do not have much time to get a feeling for what a brand stands.

Over the long term, Ms. Zhou believes that Chinese consumers will eventually understand the value of a long-lasting brand. It takes consistency, quality and services to grow the core of a brand's value proposition.

As a multinational personal care company from Japan, Shiseido has a history dating back almost 150 years.

To tap into consumers in China, the brand has been working alongside Chinese startup brands. Shiseido offers technical expertise, and branding startup brands can benefit from as well as the scale of Shiseido's supply chain.

Ms. Zhou did not doubt that there will be a way to leverage a beauty brand's experiences and creativity. She predicted that in the next couple of years, there would be a luxury and premium-priced C-Beauty brand.

Sustainability is a strong brand purpose

How does the Chinese audience resonate with the idea of sustainability?

William Lau, founder/CEO of Bonnie & Clyde, shared his insights, pointing out that sustainability can be one of the purposes that drives a brand.

Bonnie & Clyde looks to cooperate with brands that share this purpose and can resonate with the consumers.

Since 2019, especially during the COVID-19 pandemic, the Asian market including South Korea and Japan has also been witnessing an uptick in clean brands that emphasize sustainability. However, certain industry standards have

been established, and it takes time for consumers to accept the idea of sustainability.

Chlo Reuter, a founding partner of Gusto Luxe and Gusto Collective, agreed with Mr. Lau's point about sustainability and brand purpose.

One of the key things she noticed is that sustainability was already becoming important pre-COVID-19. But what COVID-19 did was to accelerate consumer interest in a brand's purpose.

Categorically, if a brand has a clear point of view and purpose, whether it is in sustainability or something else, it will drive affinity and business.

When consumers look for beauty brands, they do not want as much packaging and waste. They want to understand the provenance of ingredients. That is why the U.S. beauty brand **Drunk Elephant** is having so much success in China.

Ms. Wang also emphasized the importance of telling a good brand story, as she thinks success is not just dependent on whether the brand has a purpose or whether it will work in China or not.

Indeed, she noticed a few examples of C-Beauty brands employing sales driven tactics, including social media and influencer marketing.

Ms. Wang thinks that citizens of Tier-1 cities in China share similarities with those in other cosmopolitan cities such as London or New York and that they have vastly different needs than consumers in lower-tier cities.

Therefore, once the brand identifies the target consumer, it needs to figure out a way to tell its brand story whatever that story may be.

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