

RESEARCH

## 17pc of personal care brands have mobile-optimized sites in China: L2

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By JOE MCCARTHY

Half of the mobile sites examined in L2's latest China report offer click-to-call customer service and a quarter provide one-click email for customer service.

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**Luxury Daily**

L2's Personal Care China report asserts that the fragmented digital landscape, big investments and the need for localized marketing has forced several personal care players to resign their efforts in China. For the brands committed to navigating the densely forested paths to consumers, L2 argues that digital is the clearest avenue available.

"One surprising finding is the sheer number of Personal Care brands that are making it harder for themselves in the China market through low-quality websites and scattershot ecommerce strategy, and by failing to jump onto important social commerce and social media trends," said Emma Li, lead researcher of the report, New York.

"For example, although WeChat is rapidly growing in popularity among many of China's most covetable consumers, only about half of the brands are active on WeChat, and many fail to adjust to the app's fast-changing landscape – for example, the way WeChat users were blocked from opening Taobao links last summer," she said.

**This study** quantifies the digital performance in China of 73 global and local brands

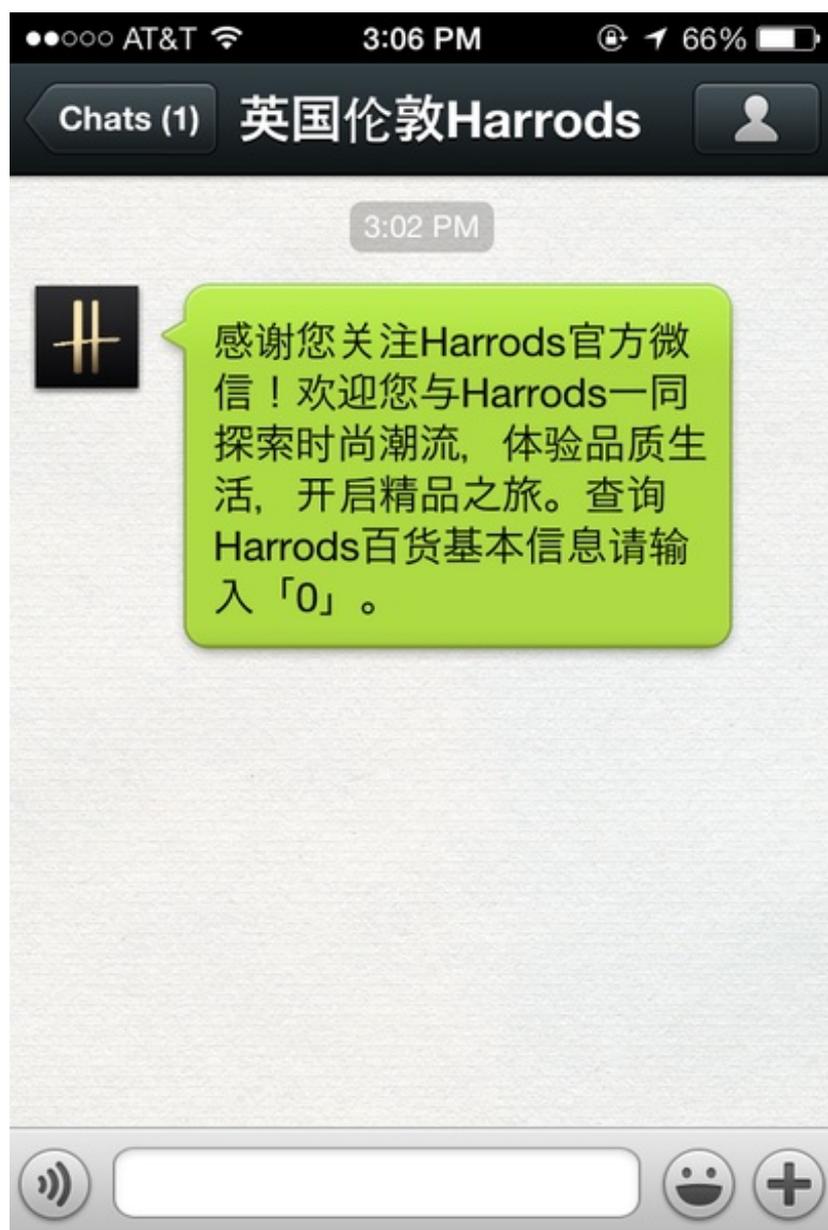
across six key Personal Care categories: bath and shower, mens grooming, oral care, hair care, tissue and hygiene and deodorant.

## Social lens

The report cites investments in Tmall as a viable alternative to the heavy investments required for a mobile-optimized ecommerce brand site or mobile app.

500 million users, 70,000 brands and 50,000 merchants on Tmall have made it a powerful choice for personal care brands, according to L2.

Combining a strong Tmall presence with flexible social presence such as WeChat has helped some brands garner consumer attention in a busy environment.



*WeChat used by Harrods*

QR codes available on the popular Taobao app can drive customers to Tmall branded shops.

However, only nine of the brands surveyed have enabled shops through QR codes on the app.

Forty-four percent of the brands studied use contests and samples on WeChat to attract consumers.

Although WeChat offers promise for reaching consumers, twice as many brands have a presence on Sina Weibo, and the ecommerce powerhouse Alibaba recently took a controlling stake in the social media platform. Now the 130 million Sina Weibo accounts are linked with Alibaba.



*Louis Vuitton on Sina Weibo*

Chinese consumers spend more time on social media than many other countries, including the United States and Japan, according to the study.

## Happenings

The research firm recently announced the top performers in its luxury digital IQ index.

Lancôme Paris, Kiehl's and L'Oréal Paris clinched the top three spots in L2 Think Tank's "Digital IQ Index: Beauty 2013" study as competition escalates on a variety of fronts.

Live video chat, loyalty, auto-replenish programs and a heightened focus on personalization are cited as trends that raise the entry barrier of sufficient participation, leaving brands inept at taking tactical cues in the cold. Although L'Oréal Group grabbed the top three finish, Estée Lauder has five brands in the top ten and the highest average digital IQ for its 11 brands at 119 (see story).

Also, L2 Think Tank won Luxury Daily's 2013 Researcher of the Year for its fast-growing report portfolio and rigorous research methods that empower luxury brands with blueprints for digital proficiency around the world.

L2 Think Tank won over first runner's-up Forrester Research and second runner's-up Wealth-X. These researchers provide insights that help brands assess high-end consumers, anticipate emerging trends in different marketplaces and master the platforms available for stoking sales (see story).

The latest study is another sign that L2 has a clear understanding of the many variables in global markets.

"Chinese Personal Care brands are going through digital growing pains, as they have traditionally been very heavily invested in traditional media and focused on penetration in lower tier cities," Ms. Li said.

"Local brands have failed to develop a clear digital strategy to build brand image and consumer loyalty, and heavily rely on episodic social media campaigns to create buzz, instead of long-term and recyclable investment on ongoing conversations with local consumers," she said.

Final take

*Joe McCarthy, editorial assistant on Luxury Daily, New York*

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