Proceedings of ICFTBA 2026 Symposium: Strategic Management & Business Analytics: Data-Driven Performance Models
DOI: 10.54254/2754-1169/2026.LD38984

A Study of L'Oréal's Product Marketing Strategies in the Context of Livestream E-Commerce —A Case Study of the Chinese Market

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Abstract. Livestream e-commerce has become a major sales channel in China, converting real-time content engagement into immediate purchases. Existing research mainly takes a consumer psychology perspective and pays little attention to how multinational brands design their marketing mix within livestreaming, leaving theoretical, empirical, and contextual gaps. This study examines L'Oréal, China's largest beauty group, to understand how it enhances perceived product value, balances promotional pricing with a premium brand image, builds an omnichannel platform system, and converts engagement into sales. Using a single-case study design, it draws on consumer purchase behaviour theory and the 4Ps marketing mix framework to analyse a corpus of company disclosures, trade press reports, regulatory documents, and academic literature published between 2021 and 2026. The data are examined using directed content analysis. The findings show that livestreaming compresses trust-building mechanisms (perceived value, perceived risk, and situational triggers such as scarcity and social proof) into a single real-time, multiplatform event across product, price, place, and promotion. Four structural problems arise from the tension between brand control and platform decentralisation: pricing governance, KOL dependency, data fragmentation, and tightening regulation. The study recommends claim-verification protocols, AI-driven personalisation, uniform minimum-price governance, a unified customer data platform, and brand-owned livestreaming. It also recasts the 4Ps as a diagnostic lens, though its reliance on secondary data and a single-case design limits generalisability.

Keywords: Livestream e-commerce, 4Ps marketing mix, L'Oréal, Consumer purchase behaviour

1. Introduction

Livestream e-commerce has become a major marketing platform in China with the growth of digital technology and social media. Livestream marketing promotes sales through real-time video, engagement, and embedded transactions with brands, KOLs, platforms, and customers.

Existing research on livestream commerce has mainly adopted a consumer psychology perspective. It has examined how livestreaming reduces product uncertainty and builds trust, and

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DOI: 10.54254/2754-1169/2026.LD38984

how price concessions, interaction, and trust jointly shape purchase intention [1, 2]. However, this literature rarely applies established marketing frameworks to analyze how multinational brands strategically design their marketing mix within livestreaming.

This study addresses that gap by examining L'Oréal's product marketing strategy in China under the livestream business model. It is guided by four research questions: (1) How does livestream content shape perceived product value? (2) How does the brand balance promotional pricing with a premium brand image? (3) How does it build an omnichannel system across platforms? (4) How does it convert content engagement into sales? The study also aims to identify problems in the current approach and to propose corresponding recommendations. It seeks to contribute theoretically by applying the 4Ps framework to livestream commerce, and practically by informing risk management and the long-term development of brands operating in this setting. It also considers emerging trends such as AI-driven livestreaming and brand-owned streaming models.

Accordingly, the study is designed to examine how L'Oréal uses its marketing mix within China's platform and regulatory environment. L'Oréal was chosen as a revelatory case because of its strong e-commerce focus in China [3, 4], its extensive multi-brand portfolio [5], and the 2021 pricing controversy [6], although a single case limits generalisability.

The dataset covers 2021-2026 and includes L'Oréal disclosures, trade press, industry and regulatory analysis, and academic and legal literature. The data are drawn from secondary sources; no primary data were collected. Sources were analyzed through directed content analysis and coded according to the 4Ps, with overlapping evidence retained across categories. The 4Ps analysis is complemented by consumer purchase behaviour theory.

2. Livestream commerce, the 4Ps, and L'Oréal in China

2.1. Consumer psychology in livestream commerce

Existing studies on livestream commerce largely focus on consumer psychology, showing real-time product viewing reduces uncertainty and builds trust [1]. In China, price concessions, viewer interaction, and perceived trust significantly influence purchase intention [2]. However, this literature mostly analyses the livestream rather than how brands strategically integrate livestreaming.

2.2. Channel integration and competitive pressure in Chinese e-commerce

Marketing management relies on the 4Ps framework—product, price, place, and promotion, but its relevance to digital marketing is questioned. Constantinides claims that e-marketing blurs traditional boundaries because "place" goes beyond physical distribution and "promotion" involves real-time customer interaction [7]. Slower growth on traditional platforms such as Tmall relative to Douyin points to the need for more integrated platform strategies in China's e-commerce sector [8]. These sources indicate that livestreaming reconfigures the 4Ps, but this has not been empirically tested within a single brand's livestream strategy.

2.3. L'Oréal's digital strategy and risk in Chinese market

WeChat, Tmall, livestreaming, and a multi-brand portfolio strategy are highlighted by Daxue Consulting [9], while trade press reports rapid Douyin GMV growth and its tiered KOL model [8]. Research on the historically weak regulation of brand–KOL partnerships [10] and the 2021 pricing conflict between livestreamers and L'Oréal's Tmall store raised concerns about third-party pricing

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control [6]. The China approach of L'Oréal emphasises localised consumer data without tackling streaming commerce [11].

These sources discuss digitalisation, KOL risk, and consumer insight without integrating them into a marketing-mix study.

3. L'Oréal's livestream marketing environment and current status

3.1. Overview of L'Oréal

For nearly two decades, L'Oréal Group has been the top beauty group in mainland China, its second-largest global market [5]. L'Oréal Paris, Lancôme, Kiehl's, and L'Oréal Men Expert are among the group's mass-market, premium, and luxury brands, allowing it to target diverse consumer profiles. Online sales made approximately 62% of the company's annual revenue in China, and it ranked top on Tmall, JD, and Douyin during the 2023 "Double 11" shopping event [5]. This significant e-commerce weighting and the group's multi-brand, multi-tier portfolio underpin its substantial livestream marketing.

3.2. Development of L'Oréal's livestreaming marketing in China

L'Oréal's expansion in China, one of its most digitally sophisticated regions, relies on livestream commerce. After entering Douyin's e-commerce ecosystem in 2021, L'Oréal's GMV hit 238 million RMB in the first half of 2022 and doubled within a year, making it Douyin's top-selling beauty brand with GMV over 1 billion RMB by mid-2023 [8]. This scale was maintained by partnering with 800–1,500 Douyin creators monthly, from mega-influencers to smaller key opinion consumers [8]. Beyond Douyin, L'Oréal uses influencer-led campaigns and data-driven targeting to turn engagement into sales across platforms [12].

Growth has been uneven: a 2021 pricing gap between celebrity-hosted livestreams (Li Jiaqi, Viya) and L'Oréal's Tmall flagship-store stream generated consumer complaints and sparked the industry's pivot toward store-owned livestreaming [6].

3.3. L'Oréal's livestream marketing business model

L'Oréal China uses two forms. Celebrity/KOL-led livestreaming uses top streamers' big, trust-based audiences to increase awareness and volume, but commissions are substantial and pricing-control problems appear [6]. Store-owned livestreaming through brand flagship stores on Tmall and other platforms lowers commission dependence, allows L'Oréal to manage pricing and build long-term customer relationships [6]. L'Oréal uses paid traffic and platform data tools to turn influencer-generated content into direct sales in both forms, reflecting the integration of content and commerce in China's e-commerce market [12].

4. Product marketing strategies under L'Oréal's livestream business model

Livestream marketing has reconstructed 4Ps implementation. Product attributes must be displayed, not just described; pricing decisions become transparent and comparable in simultaneous broadcasts; place is integrated into a single screen while still requiring coordination across multiple platforms; and promotion is measured by instant, traceable conversion rather than reach. Consumer purchase behaviour theory holds that perceived value, perceived risk, and situational triggers such as scarcity

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and social proof influence purchase intention. This section explains what L'Oréal does in each of the 4Ps and why these actions succeed.

4.1. Product strategy: enhancing perceived value through content

Livestreaming lets L'Oréal employ product demos and real-time engagement to lower perceived risk, the biggest barrier to online beauty product purchases. L'Oréal uses a diversified KOL strategy that includes creators with category-specific expertise, particularly in skincare, to reduce perceived risk more effectively than celebrity fame alone in high-involvement categories [8]. L'Oréal's digitalisation of retail and marketing in China, including WeChat, Tmall, and livestreaming, expands risk-reducing, high-touch interaction beyond a single broadcast [9]. Livestreaming product strategy is more about continued perceived-risk-reduction than product explanation, and perceived value rises as uncertainty decreases.

4.2. Price strategy: balance promotion and premium positioning

Live e-commerce is structurally promotional: flash pricing, bundled gifts, and festival-only sets all rely on scarcity—that is, time-limited or quantity-limited offers that increase urgency and, according to purchase-behaviour theory, purchase intention. However, L'Oréal's high-end brands such as Lancôme and YSL Beauté depend on price stability; uncontrolled scarcity techniques therefore risk compromising their premium positioning. L'Oréal manages this tension by selectively applying scarcity: celebrity-hosted streams use deep, flash-style discounting during major shopping festivals to create short-term urgency without attaching it to the brand's storefront, while brand-directed store livestreams maintain listing prices and use bundled sales to create a milder, less price-corrosive scarcity trigger. When this control is lost, as in 2021 when livestreamer's price undercut L'Oréal's Tmall flagship price, consumer backlash reflects not just a pricing error but a breakdown in the brand's perceived value. Price consistency is an implicit signal of trustworthiness [6]. Since then, L'Oréal has prioritised brand-set pricing to maintain confidence [6].

4.3. Channel strategy: building an omnichannel livestream system

Livestreaming is part of L'Oréal's data-driven multiplatform channel strategy. L'Oréal maintained a Tmall/Taobao livestream channel for 17 hours per day during Singles' Day, accumulating 392 broadcast hours and over 10.34 million orders, while also running influencer campaigns on Weibo, WeChat, and Xiaohongshu [13]. The sustained visibility and consistent influencer activity across multiple platforms signal to consumers that a product is widely trusted and in-demand, reinforcing purchase intention independent of any broadcast's content. WeChat supports client relationship management through Mini Programs like YSL, which captures first-party consumer data using a Xiaohongshu-inspired tagging and rating system [9]. Instead of using a single mechanism, L'Oréal can deliver the right trust signal (demonstration-based risk reduction, social proof, or personalised retention) at the right stage of the consumer's purchase journey using Douyin and Tmall for transaction and discovery, WeChat for retention and data, and Xiaohongshu and Weibo for pre-sale recommendation [9, 13].

4.4. Promotion strategy: converting content engagement into sales

L'Oréal's promotional mechanisms reduce the gap between attention and transaction, operationalising the pathway from perceived value to purchase intention in consumer behaviour

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theory by allowing consumers to buy immediately after value is communicated. L'Oréal Paris sold almost $2.7 million during a two-hour Tmall live-shopping event [14]. The YSL WeChat Mini Program rewards users with membership points for posting product reviews and photos, turning buyers into social proof for future viewers, who perceive risk lower when seeing peer-generated (rather than brand-generated) evidence [9]. Livestream-driven purchases build trust signals—reviews, user content, repeat engagement that lower perceived risk and support perceived value for future customers, converting a promotional event into a compounding process.

5. Problems and recommendations for L'Oréal's livestream product marketing strategy

5.1. Existing problems

The four problems identified here share a common root: each reflects the same underlying tension between L'Oréal's need for centralised brand control over pricing, reputation, data, and compliance and the decentralised, multi-platform nature of the livestream ecosystem it relies on for reach.

First, pricing governance across formats remains imperfect. While L'Oréal has shifted toward store-owned livestreaming since 2021 to ensure price consistency, livestreamers still retain some pricing authority, so the possibility of price differences has not been completely eliminated [6].

Second, dependence on top-tier KOLs increases costs and reputational risk. Commission-driven celebrity livestreaming is essential for reach and volume, but it ties brand reputation to the behaviour and reliability of specific influencers; any scandal, contract conflict, or platform removal of a prominent streamer can hurt sales and consumer confidence with little direct remedy [10].

Third, the multiplatform funnel is conceptually integrated, but its implementation remains incomplete. Tmall, Douyin, WeChat, and Xiaohongshu are separate data ecosystems with little interoperability, so L'Oréal can't create a cohesive view of a consumer's journey across platforms, which limits the accuracy of retargeting and personalisation in its omnichannel model [9, 15].

Fourth, and most lately, regulations have tightened. China's State Administration for Market Regulation and the Cyberspace Administration of China jointly released the Supervision and Management Measures for Live Streaming E-commerce in January 2025, effective February 1, 2026. The Measures bring livestream selling under the Advertising Law, strengthen content requirements, ban the promotion of specific product categories, and extend liability to derivative content such as uploaded videos [16].

5.2. Product strategy optimization

To increase perceived value while fulfilling tighter content-compliance standards, L'Oréal should formalize claim-verification protocols for KOLs and in-house e-advisors, ensuring all on-stream product claims are pre-approved and substantiated in accordance with Advertising Law duties [16]. Investing in artificial intelligence-driven personalised services - such as integrating AR virtual try-on and AI skin diagnostic tools into live streaming and live shopping experiences - can enhance product display effects and personalised consumer interaction, thus creating consumer value sources beyond simple price promotions [17-19].

5.3. Price and promotion strategy optimization

L'Oréal should adopt a uniform minimum-price governance approach that is consistent across celebrity-hosted, agency-run, and store-owned livestreams, addressing the loophole that resulted in

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the 2021 pricing dispute [6]. For prestige brands, promotion should continue to shift from direct price reductions to value-added service mechanisms such as bundled sales, loyalty points and limited gifts. These methods can create a sense of urgency without significantly reducing the listed price, thereby not only maintaining the brand's premium positioning but also activating the crucial scarcity and social proof triggers in live shopping behaviour.

5.4. Channel strategy optimization

To address data fragmentation, L'Oréal should prioritise establishing a stronger internal customer data platform (CDP) to consolidate behavioral signals from Tmall, Douyin, and WeChat Mini Programs [9]. The risk of dependence on external livestreaming ecosystems including KOLs reflects that L'Oréal should continue investing in owned and brand-led livestreaming channels to reduce the effects of platform policies and strengthen direct consumer relationships [6, 20].

Together, these four problems show that L'Oréal's exposure is a structural consequence of scaling a brand-controlled strategy across a channel that is, by design, run by third parties, split across incompatible platforms, and increasingly shaped by external regulation rather than internal policy.

6. Conclusion

This study used the 4Ps and consumer purchase behaviour theory to analyse L'Oréal's livestream commerce product marketing strategy in China. Livestreaming does not introduce new marketing tools; rather, it compresses the trust-building mechanisms of perceived value, perceived risk, and situational triggers into a single real-time, multi-platform event. Product demonstration reduces risk instead of just describing features; price control protects premium positioning's trust signal; channel choice determines which trust mechanism reaches a consumer at which stage of their journey; and promotion closes the loop by turning each purchase into evidence that lowers risk for the next buyer. The reason of pricing dispute in 2021 is one of these mechanisms was allowed to operate outside the brand's control.

Beyond L'Oréal, this case demonstrates that consumer-behaviour theory should be used to interpret the 4Ps rather than to replace them in livestream commerce. A typical 4Ps audit would list pricing tiers, platform mix, and influencer partnerships without addressing their efficacy or fragility. The framework is diagnostic rather than descriptive because it predicts that any brand losing control over a single P (like L'Oréal did over price in 2021) will suffer damage to perceived value because livestreaming's real-time, comparable format makes such inconsistencies immediately visible to consumers. The study's main theoretical contribution is integrating the 4Ps with purchase-behaviour theory to help multinational brands predict where their livestream strategies will be most vulnerable, especially as China's regulatory environment tightens from February 2026 [16].

Because the study used secondary data and was single-case, these assertions need to be validated against other brands and sectors before being generalised. Future platform-level data or brand interviews might test this risk/value/trigger 4Ps reading beyond L'Oréal and apply it to emerging domains such as AI-driven virtual streaming and brand-owned livestreaming.

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