

The Localization Strategies for Small and Medium-Sized Beauty Brands

Ning Zhao^{1,*}

¹Shanghai New Epoch Bilingual School, Shanghai, China

*Corresponding author:
zhaoning0105@outlook.com

Abstract:

With the development of cross-border e-commerce, the localization decision-making of small and medium-sized beauty brands from abroad has become a key to their market expansion. This article systematically reviews the research achievements in this field, dividing the localization development into three stages: early cross-border trial, lightweight localization driven by social media, and full-chain refined decision-making. The practical characteristics and research levels of each stage are different. Although the existing research is in line with industry characteristics, the operational details need to be further deepened. The existing literature at home and abroad has constructed a decision-making framework of “constraint - adaptation - implementation”, clarifying the core influencing factors such as resource constraints, cultural adaptation, and channel selection. The research finds that small and medium-sized beauty brands can formulate localization strategies from four dimensions: product, marketing communication, channel and content adaptation, and promotion activities. For example, they can optimize the ingredients and efficacy of products based on local resources and demands at the product end, integrate local cultural symbols at the marketing end, focus on high-penetration local platforms at the channel end, and bind to local festivals and scenarios at the promotion end. However, brand localization faces challenges such as resource constraints, weak market insight, low brand awareness, and supply chain and channel barriers. In the future, it can be deepened from aspects such as industry characteristic integration, strategy tool development, reverse perspective, and research on emerging channels to precisely guide practice.

Keywords: Overseas small and medium-sized beauty brands; localization decisions; cross-border e-commerce; cultural adaptation; full-chain strategies.

1. Introduction

In recent years, the rapid development of cross-border e-commerce platforms has broken down the geographical barriers of traditional international trade, providing low-cost and high-efficiency paths for cross-border trade of small and medium-sized beauty brands. Compared with large brands, small and medium-sized beauty brands have stood out in areas such as natural skin care and niche makeup by leveraging the flexibility of their product positioning and their insight into niche markets. However, in the face of challenges such as cultural differences, policy restrictions, and differences in consumption habits in target markets, the survival and expansion of brands largely depend on the effectiveness of localization strategies. Localization decisions are not only the core means for small and medium-sized beauty brands to address various differences with target markets, such as adjusting product packaging in the Middle East to meet local aesthetics or optimizing product ingredient formulas in accordance with EU regulations, but also the key to precisely targeting customers and reducing market disorder risks with limited resources.

The localization decision-making process of small and medium-sized cosmetics brands from abroad can be divided into three stages, each of which exhibits distinct practical characteristics and research levels. From 2015 until 2018, it was the “early cross-border trial stage”. Brands mostly relied on overseas shopping platforms such as Amazon to export standardized products through a light-asset model. The degree of localization was extremely low, and they only met basic compliance requirements by translating and packaging labels. During this period, logistics costs were high and cultural conflicts occurred frequently (such as fragrance types not being suitable for the local climate), resulting in extremely low consumer repeat purchase rates. Most studies focused on the extensive localization of retail enterprises, such as scholars pointing out that cultural distance is positively correlated with the depth of adaptation, but they did not cover the characteristics of the beauty industry. The overall research was at the level of observing phenomena [1].

From 2015 to 2019, the “social media-driven lightweight localization stage” was reached. Platforms such as Facebook and Instagram became low-cost marketing tools and channels for brands. Brands utilized UGC content (such as makeup trial videos and ingredient explanations) and local KOL collaborations to reduce trust barriers and began to attempt “cultural blending” (such as holiday-specific packaging, etc.). Relevant scholars have verified the value of social media in the dissemination of beauty products and systematically sorted out the changes in the dissemination logic of beauty e-commerce. The research shifted from macro strategies to channel and content compatibil-

ity, but it has not covered emerging marketing forms such as short videos and has insufficient consideration for the resource constraints of small and medium-sized brands [2, 3].

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2. Current Research Status in Domestic and Abroad

The existing studies on the localization decisions of cross-border small and medium-sized beauty brands have conducted multi-dimensional explorations, providing progressive theoretical and practical references for understanding the localization practices of cross-border small and medium-sized beauty brands. These studies mainly constructed a “constraint-adaptation-implementation” localization decision-making framework, and most of the studies approached it from different levels. The core contributions mainly consist of three layers: constructing the “constraint-adaptation-implementation” localization strategy framework, jointly building the core logic of cross-border small and medium-sized enterprises’ localization decisions.

First, at the cognitive constraint level, the research generally takes “limited resources of small and medium-sized enterprises” as a premise, revealing the underlying constraints of localized decision-making. Relevant scholars pointed out through case comparisons that small and medium-sized enterprises face dual limitations of funds and team size, making it difficult for them to replicate the “full-chain localization” model of large enterprises. They need to focus on key links based on the principle of “small but specialized” [4]. Further verification through questionnaire surveys confirmed that the primary obstacle in cross-border marketing of small and medium-sized enterprises is “high trust costs”, and cultural differences leading to cognitive biases will amplify this constraint. Therefore, localization should prioritize the issue of “trust

building” [5]. From the perspective of enterprise scale, it was found that enterprise scale is negatively correlated with the depth of localization. Small and medium-sized enterprises are more suitable for the “core difference point adaptation” strategy (such as only adjusting product labels or marketing content, rather than full-process transformation) [6].

Secondly, at the level of cultural adaptation, the research focuses on “how cultural differences affect the strength of localization strategies”, forming a closed loop from theory to practice. Based on Hofstede’s cultural dimension theory, markets with high uncertainty avoidance (such as East Asia) need to strengthen product safety endorsements (such as local certifications), while collectivist culture markets need to highlight “group identity” symbols (such as festival marketing) [7,8]. The sensitivity of different cultures to “compliance symbols” varies significantly (such as the Islamic culture market needs to emphasize “halal certification”, while the European and American markets pay more attention to “environmental labels”), and this also needs to be taken into account. Relevant scholars took the Southeast Asian market as an example, concretizing cultural adaptation as “capturing regional characteristic demands”, such as adjusting the “coolness” description of beauty products for tropical climates, or designing limited packaging in combination with local festivals, verifying the practical value of “cultural adaptation needs to be implemented at the consumption scene” [6, 9]. Thirdly, at the level of implementation paths, the study explored specific tools and channels for low-cost localization. Starting from the lightweight value of social media, small and medium-sized enterprises can utilize UGC content on platforms like Facebook and Instagram (such as user makeup trial videos, ingredient evaluations) to reduce the cost of trust, which is particularly suitable for the “visual marketing” characteristic of the beauty category [2]. Taking Xiaohongshu as an example, the UGC model can eliminate the “stranger feeling” of foreign brands through “real user experiences”, and the “skin type compatibility evaluations” generated by users are more persuasive than brand self-promotion; while taking Douyin as an example, the “fast pace and strong visual” characteristics of the short-video platform are suitable for “instant promotion” of beauty products, and by combining with local popular makeup styles (such as “Chinese style makeup” and “Korean-style pseudo-nude makeup”), the content can improve the conversion efficiency [10-12]. The cross-cultural research by relevant scholars further integrated and proposed the “cultural narrative adaptation” strategy - the European and American markets focus on “personalized efficacy” promotion, while the Asian markets focus on “group recognition” (such as “internet celebrities’ equivalents”), providing a direction for content localization [13].

3. Localization Strategies for Small and Medium-Sized Beauty Brands

3.1 Product Localization

At the product localization level, small and medium-sized beauty brands need to deeply adapt to local market demands in terms of ingredients, efficacy, formulation and packaging. Localization of ingredients can be achieved by leveraging local natural resources to create a differentiated advantage. For example, by combining local specialties such as Yunnan herbs and Xinjiang roses to develop product ingredients, it can effectively strengthen the “natural, regionally exclusive” label, achieving the goal of “small and medium-sized beauty brands achieving sustainable development by leveraging local resources”, which not only reduces supply chain costs but also aligns with consumers’ preference for natural ingredients [9, 13]. The localization of efficacy requires precise alignment with the local climate and skin characteristics. The matching degree between the efficacy of multinational enterprise products and local demands can directly affect the effectiveness of localization. Taking the analysis of the Asian market as an example, developing an oil-control formula for the humid and hot climate in the south, designing moisturizing products for the dry environment in the north, and optimizing mild formulas to adapt to the sensitive skin and thin stratum corneum of Asians can significantly enhance product user satisfaction [14]. The localization of dosage forms and packaging should take into account both the usage scenarios and cultural expression, which can make the product more culturally appealing beyond its functionality.

Taking the case of Western beauty brands entering China as an example, portable packaging and pressurized pump designs are more suitable for the commuting needs of local consumers. Moreover, incorporating regional cultural symbols such as intangible cultural heritage patterns and landscape concepts into the packaging can effectively reduce cultural barriers and enhance the cultural affinity of the product, thereby increasing consumers’ purchasing desire [15].

3.2 Marketing Communication Localization

The core of marketing communication localization lies in avoiding the mechanical assembly of cultural elements and achieving a deep integration of traditional aesthetics and brand concepts. Relevant scholars suggest that when exploring local cultural symbols, attention should be paid to “relevance”, for example, integrating the color schemes of “Hanfu” into the visual aspects of product promotion, and transforming ancient skincare wisdom into brand stories, which can not only convey cultural values but

also strengthen the brand's professional image [8]. At the same time, small and medium-sized beauty brands need to deeply understand the connotations of local culture and allow marketing communication to naturally integrate into the cognitive system of local consumers. When brands combine local cultural symbols with the core selling points of products, it is easier to enhance consumers' acceptance. However, if cultural differences are ignored, such as Western brands overly emphasizing "individualism" in their promotions, which conflicts with the "gentle care" skincare concept in the Asian market, it can easily lead to marketing "inadaptability" [16].

3.3 Channel and Content Adaptation

Firstly, the alignment of channels and content should be based on the characteristics of local platforms and user preferences, in order to maximize marketing effectiveness. In terms of media selection, taking the preferences of Chinese consumers as an example, the user reach rates of local high-penetration platforms such as Xiaohongshu, Douyin, and WeChat Video Channel are much higher than those of international platforms like Instagram, especially suitable for small and medium-sized brands with limited resources [10]. At the same time, small beauty brands should focus on operating 1-2 core local platforms, which is more conducive to achieving marketing breakthroughs compared to "casting a wide net on multiple platforms" [17]. Secondly, the content format should be in line with the local context. Expressing the content in a way that suits the local "grass seeding" culture makes it easier to evoke user empathy [2]. Forms such as short video tutorials and real-person tests are more in line with the local users' information reception habits. Dialect live broadcasts can further bridge the distance with consumers and reduce the cultural barriers caused by "translation language". [11] Thirdly, for Key Opinion Leaders/Key Opinion Customer (KOL/KOC) collaboration, it is advisable to choose local experts in specific fields. Local experts' recommendations are more likely to trigger users' purchase behavior, helping brands quickly enter the market [18]. Relevant scholars have pointed out that the cooperation cost of regional beauty bloggers and ordinary product reviewers is only 1/5 of that of top international KOLs, and their "local identity" can enhance consumer trust [4, 7].

3.4 Localization of Promotion Activities

Firstly, the localization of promotional activities requires a deep integration with local festival dates and consumption scenarios, and strengthening the perception of the brand as "down-to-earth". In terms of festival dates, for example, when targeting Chinese consumers, launching New Year gift boxes and Valentine's Day limited edition products can precisely meet consumers' holiday

shopping needs, while the student sets for the graduation season can focus on the young demographic and increase the conversion rate of promotions [12]. Secondly, the implementation of consumption scenarios should focus on the lower-tier markets. By integrating scenarios such as offline markets, community group buying, and campus activities, for instance, the "group buying" model in community group buying and the "trial experience" in campus activities, the threshold for consumers to try can be lowered, allowing the brand to be closer to the general consumers and at the same time accumulating an initial user base for the brand, laying the foundation for long-term development [8, 9].

4. Challenges of Localizing Small and Medium-Sized Beauty Brands

In the process of localization, small and medium-sized beauty brands are constrained by both their own resource endowments and the external market environment. They need to confront multi-dimensional and deep-seated challenges, which directly affect the implementation effect of the localization strategy and the construction of brand competitiveness. From the perspective of resource constraints, insufficient investment in research and development is the core bottleneck restricting brands from achieving in-depth localization of product development. Compared with large brands that have abundant funds and strong technical reserves, small and medium-sized brands generally face problems such as limited research and development budgets and a shortage of professional technical personnel [13]. The localization of products has extremely high requirements for research and development: at the component level, a large amount of cost is needed to investigate the extraction processes, safety, and efficacy of local characteristic natural resources such as Yunnan herbs and Xinjiang roses, and only the raw material selection and laboratory testing stages alone require funds several times that of regular products; at the efficacy level, oil control formulas need to be developed for the humid and hot climate in the south, and high-hydrating products need to be designed for the dry environment in the north. At the same time, the skin types of Asians, which are prone to sensitivity and have thin stratum corneum, need to be optimized with mild formulas. This requires repeated clinical tests and formula adjustments, further intensifying the research and development pressure. The limited research and development investment has led most small and medium-sized brands' product localization to remain at a "surface transformation" stage, making it difficult to form a truly differentiated competitive advantage that meets local needs. Weak market insight capabilities exacerbate the mismatch between products and local demands, becoming

a prominent obstacle in the localization process. Most brands lack a systematic market research mechanism, resulting in severely insufficient accuracy in capturing local market segmentation demands [14]. On one hand, they fail to deeply explore the differentiated demands of different age groups, such as ignoring the pursuit of “portable packaging + high appearance packaging” by the Z Generation, and the core demands of middle-aged groups for “gentle anti-aging + non-irritating” products. On the other hand, they do not adequately consider the changes in usage scenarios caused by regional climate differences. For instance, consumers in the south, due to the hot and humid weather, have a strong need for “Refreshing without causing acne” products, while consumers in the north, due to the dry environment, rely on “long-lasting moisture retention” efficacy. These research deviations directly lead to products failing to match the real needs of local users, not only reducing consumer satisfaction and repeat purchase rates, but also causing inventory accumulation and resource waste problems. Low brand recognition has caused small and medium-sized beauty brands to encounter a “volume dilemma” in their localized communication, making it difficult for them to break through the double pressure from international brands and local leading brands. International beauty brands, with their long-term accumulated global reputation and mature marketing systems, occupy a high position in consumers’ minds in the target market. Local leading brands, relying on their deep user base, complete channel networks, and localized brand image, further narrow the communication space for small and medium-sized brands [16]. Small and medium-sized brands are limited by marketing budgets and cannot, like international brands, carry out large-scale advertising campaigns, nor can they replicate the channel penetration strategies of local leading brands. Even if they adopt cultural adaptation strategies proposed by relevant experts, such as “integrating Hanfu color schemes and ancient herbal skincare wisdom”, due to limited dissemination scope and narrow target audience, they still cannot form widespread brand recognition and remain at the periphery of the market competition [5]. Supply chain and channel barriers further reduce the survival space of brands, becoming a significant obstacle to their localization implementation. On the supply chain side, when small and medium-sized brands collaborate with local high-quality suppliers, they often encounter high cooperation thresholds due to small order volumes and weak bargaining power. For instance, suppliers may have strict requirements for the minimum order quantity of raw materials and long payment cycles, making it difficult for brands to obtain high-quality local raw materials, which affects product quality and cost control [9]. On the channel side, the entry cost of offline channels is significantly higher than the affordability of small and medium-sized

brands. Whether it is the rental cost of venues required for participating in local markets, the cost of event planning, or the service fees and guarantees for entering community group-buying platforms, all these pose significant pressure on the brand’s capital chain; while the online channels have relatively lower thresholds, but the traffic costs continue to rise, further squeezing the profit space of the brand and severely restricting the full implementation of the localization strategy [7, 4].

5. Conclusion

In summary, the existing research has focused on the localization decisions of overseas small and medium-sized beauty brands, constructing a framework of “constraints = adaptation - implementation”, and identifying the three-stage evolution pattern of early exploration, social media-driven approach, and full-chain precisionization. It has also clarified the core values of cultural adaptation, trust building, and lightweight channels. However, there are still issues such as insufficient adaptation to industry-specificities, lack of details in strategy implementation, and lag in the reverse perspective and channel timeliness. The current research has established a basic analytical framework for the localization of overseas small and medium-sized beauty brands, revealing the localization logic under the constraints of limited resources for small and medium-sized enterprises. However, there are shortcomings such as insufficient adaptation to industry characteristics, lack of detailed plans for strategy implementation, imbalance in the reverse perspective, and insufficient research on emerging platform algorithms. Future research can be further developed in three aspects: integrating industry characteristics with local decision-making, establishing specialized frameworks for grades, colors, and efficacy claims; developing lightweight and scenario-based strategic tools; and collaborating on reverse localization and emerging channels. Research shortcuts can be achieved through cross-case comparisons and innovation in empirical tools, thereby promoting research to precisely guide practice.

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