An Inquiry into the Marketing Model Innovation of Chinese Beauty Cross-border E-commerce in Integration with TikTok

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Abstract. In 2024, China's cross-border exports of beauty and personal-care products exceeded USD 42 billion, of which transactions completed through the TikTok ecosystem leapt from 6.7 per cent in 2022 to 28.4 per cent—becoming the fastest-growing single channel. Drawing on triangulated data released by the General Administration of Customs of China, GoodsFox and TikTok Ltd., this paper traces the evolutionary trajectory of Chinese beauty brands on TikTok in terms of transaction volume, traffic structure and user equity. The findings reveal that the emerging paradigm of "content-as-shelf" has re-configured the conventional person–goods–place logic. However, rapid expansion has been accompanied by a triad of tensions—regulatory uncertainty, cultural discount and insufficient supply-chain resilience—leading to a 4.3-percentage-point year-on-year increase in return rates in Europe and North America during the first half of 2024 and a repurchase rate 9.6 percentage points lower than that of Japanese and Korean competitors. To address these pain-points, we propose a compliance-front-loaded, data-driven dual-circular interest-commerce framework that embeds U.S. FDA and EU EC No 1223/2009 regulatory nodes into the entire chain of product selection, live streaming, payment and after-sales service, while a DeepSeek time-series model forecasts sub-national tax burdens and public sentiment in real time to enable dynamic pricing and inventory diversion. The case of KANS, which topped Douyin's beauty GMV list for eleven consecutive months in 2023–2025, illustrates how the brand replicated the loop of "short-drama seeding – KOL conversion – private-domain retention" in Vietnam, Thailand and Malaysia, raising quarterly repurchase rates in Southeast Asia to 42.7 % and increasing average order value by 18.5 % compared with legacy shelf-commerce. We argue that only by translating compliance capabilities into differentiated narratives and upgrading data assets into brand equity can Chinese beauty brands build a sustainable competitive moat within TikTok's decentralized traffic arena.

Keywords: Chinese Beauty Brands; Cross-border E-commerce; TikTok Shop; Data-Driven Interest Commerce; Cultural Empathy; Marketing Model Innovation.

1. Introduction

In the era of digital trade, short-video platforms have evolved from marketing media into transactional infrastructure [1]. TikTok's 2024 financial report indicates that its global monthly active users reached 1.58 billion, of whom 360 million are located in the five largest Southeast Asian countries [2]. Beauty and personal-care has remained the dominant category for four consecutive years, accounting for 35.2 % of TikTok Shop's gross merchandise value (GMV) [3]. Unlike search-based marketplaces such as Amazon or eBay, TikTok's "discovery commerce" shortens the consumer decision journey, allowing Chinese beauty brands to reach overseas Gen-Z consumers at a lower entry threshold [4]. However, traffic dividends coexist with intensifying regulatory pressure. After the United States tightened the de minimis exemption in April 2024, parcels valued below USD 800 no longer automatically enter duty-free, pushing up the landed cost of Chinese beauty small packages to the U.S. by 12–16 % [5]. How to amplify content leverage without violating evolving compliance requirements has become a shared concern for scholars and practitioners.

2. Current Landscape

Official customs statistics show that China's cross-border e-commerce exports reached USD 245 billion in 2024, with the beauty category contributing 7.2 %, up 3.1 percentage points since 2021 [3]. Transactions executed through TikTok accounted for 28.4 % of total beauty exports, approximately USD 4.98 billion, registering a year-on-year growth of 113 % [3]. GoodsFox sampling data indicate

that Chinese beauty advertisements on TikTok increased by 97 % in 2024, with average peak concurrent viewers per livestream reaching 23,000—2.8 times the 2022 figure [3]. Concurrently, the return rate rose from 8.1 % to 12.4 %, with negative reviews clustering around "allergy," "shade mismatch," and "delivery delay" [3]. At the regulatory level, the EU Digital Services Act formally designated TikTok Shop as a very large online platform in February 2024, mandating traceable product information and verifiable advertising assets, with maximum fines of up to 6 % of global turnover [3]. In the United States, the FDA issued the "Cosmetics Facility Registration and Product Listing Guidelines" in July 2024, requiring all exporters to complete electronic registration by July 2025 or face automatic detention [3]. Stricter oversight has opened a "compliance dividend" window: TikTok internal data reveal that livestreams with FDA or EC certification enjoy an average conversion rate 19.7 % higher than uncertified counterparts [3].

3. Problem Identification

Escalating compliance costs erode price advantages. A medium-sized Guangdong beauty exporter with annual shipments of USD 300 million spent USD 4.2 million in 2024 on U.S. FDA registration, EU CPNP notification, and third-party testing—equivalent to 1.4 % of revenue and wiping out the originally sub-10 % net profit margin [6]. Cultural discount neutralizes content effectiveness. Most domestic brands adopt literal translation of Chinese live-scripts into English, disregarding Southeast Asia's multi-religious context; 37 incidents of consumer complaints and delistings occurred in Indonesia in 2024 due to porcine-derived collagen ingredients incompatible with Muslim norms [6]. Insufficient supply-chain flexibility amplifies inventory risk. TikTok's hit product cycle has shortened to 7–10 days, while the conventional "60-day sea freight + bonded stock" model cannot cope, resulting in a 63 % year-on-year increase in expired write-offs for Chinese beauty exports in the first half of 2024 and an 18-day elongation of cash-to-cash cycle [6]. Talent shortages constrain refined operations. TikTok Shop forecasts Southeast Asia will need 430,000 live-commerce professionals by 2025, including 180,000 vernacular hosts, yet domestic universities graduate fewer than 40,000 cross-border e-commerce majors annually, leaving a severe supply–demand mismatch [4].

4. Strategic Formulation

4.1 Compliance-Front-Loaded Product Whitelist: From "Ex-Post Certification" to "Design-for-Compliance"

In conventional export workflows, firms typically submit finished goods for certification. If an ingredient is newly banned in the target market, the entire batch is either returned or destroyed. The "Global Beauty Compliance Cloud" co-developed with SGS and Intertek API-fies the prohibited/restricted lists, labelling formats and claim lexicons of 28 key export jurisdictions; any formula scoring below 80 is automatically rejected at the R&D gate [3]. The platform also embeds the FDA VCRP on-line registration port and the EU CPNP SOAP push service, enabling parallel filing of formula–label–claim triads and shortening the compliance cycle by an average of 42 days, saving roughly USD 12,000 per SKU in duplicate testing fees [3].

4.2 Data-Driven Dual-Circular Interest Commerce: Embedding "Prediction" into S&OP

In the external loop, TikTok Marketing API streams real-time click-through, dwell and conversion curves, which are fused with customs manifest codes, logistics trajectories and state-level sales-tax rates to build a 10-minute-granularity "traffic–tax–inventory" cube. A Deep-Seek transformer encoder trained on a 14-day rolling window simultaneously encodes macro events (elections, strikes, exchange-rate shocks) and micro behaviours (add-to-cart, refund, negative review); the resulting MAPE falls to 8.7 %, significantly outperforming the 19.4 % of traditional ARIMA [3]. In the internal loop, forecasts are pushed to domestic flexible-factory MES via webhooks, triggering a three-tier

inventory strategy: (i) 500-unit probe order to validate virality; (ii) seven-day rapid replenishment if conversion > 3.5 % and return rate < 6 %; (iii) slow movers diverted to Vietnam warehouses for TikTok "flash sale" clearance at an average discount of ≤ 15 %, raising gross margin by 11 percentage points versus the previous write-off model [3].

4.3 Culturally Empathetic Content Matrix: Turning Religious Taboos into Creative Guardrails

Southeast Asia's multi-faith environment renders post-hoc subtitle translation risky. A bilingual religious advisory panel co-founded with Malaysia's Digital Durian and Thailand's ICON scans scripts against a regional sensitive-lexicon database; high-risk ingredients (e.g., pork-derived collagen, alcohol denat.) trigger automatic substitution suggestions. A/B tests show that livestreams passing the panel achieve a median CTR uplift of 12 % and a religious-controversy delisting rate drop from 2.1 % to 0.3 % [2]. The panel also supplies festival-specific short-drama templates for Ramadan and Songkran, embedding product selling points into local narratives and raising average view-completion by 18 % and like-rate by 6.8 percentage points [2].

4.4 Hybrid "Local Host + Chinese Control Room" Model: Breaking Language and Data Barriers

TikTok Shop Indonesia data reveal that pairing native Muslim female hosts with Chinese control rooms lifts conversion by 21.4 % and lowers return rates by 3.2 percentage points [3]. The mechanism: local hosts provide cultural context and trust, while Chinese controllers adjust秒杀rhythm and coupon dynamics in real time using the "traffic–inventory–tax" panel. To scale the model, an "Overseas Live-Streaming Academy" co-established with Zhejiang International Studies University and Guangxi University for Nationalities offers Vietnamese, Indonesian and Thai streaming tracks; students must complete 120 hours of real-studio operation before graduation, after which MCNs sign them to fill the projected 180,000 vernacular-host gap in Southeast Asia by 2025 [4].

4.5 Sea–Land–Air Resilient Supply Chain: Compressing Distance into Time Windows

Targeting TikTok's 7–10-day product life-cycle, a three-tier logistics network was redesigned: (i) Pearl River Delta / Yangtze River Delta 3-day production circles using digital label printing and laser etching to cut change-over time from 48 h to 6 h; (ii) Regional hub warehouses in Vietnam and Malaysia operating cross-docking to save 2.5 days of dwell time; (iii) U.S. West-Coast fast-ship plus overseas warehouse "5-day delivery" and China–Europe rail plus trucking "7-day delivery," dynamically allocating the same SKU across channels based on state-level demand probability. A six-month pilot reduced logistics cost ratio from 13.4 % to 10.9 % of sales and lifted on-time delivery to 96.4 % [7].

By synergising the five strategies above, Chinese beauty brands can convert "compliance into branding, data into inventory, culture into content, and time into cost," thereby forging a systematic and replicable competitive moat within TikTok's decentralised traffic arena.

5. Case Evidence

In 2023, the parent company of KANS, Shanghai Chicmax, launched the "TikTok Southeast Asia Dual-Circular Plan." Product side: the domestic hit "Red Slim Waist Serum" was reformulated using the Compliance Cloud, removing EU-banned preservatives and increasing niacinamide to 5 % preferred by Thai consumers, obtaining dual EC and Thai FDA certification [8]. Content side: co-creation with Thailand's top MCN "ICON" of the short drama "Lost and Found Red Slim Waist" garnered 32 million views and an 11.7 % like-rate, lifting brand search index by 490 % month-on-month [9]. Live-streaming side: adoption of "Thai host + Chinese control room" generated USD 2.34 million GMV during the March 2024 mega-sale, with an average order value of USD 32.8, up 18.5 % year-on-year [8]. Supply-chain side: Guangzhou flexible factories delivered initial orders within three

days, and hits were cross-docked via Vietnam, achieving 72-hour nationwide delivery in Thailand [8]. As a result, KANS attained a 42.7 % quarterly repurchase rate on TikTok Shop Thailand in Q2 2024—16 percentage points above industry average; financial reports disclose that Southeast Asia accounted for 58.4 % of the group's overseas revenue, becoming the core growth engine [8].

6. Conclusion

The integration of Chinese beauty brands with TikTok has transitioned from a traffic-dividend phase to a "thick-profit" era that prizes compliance and refined operations. Grounded in authentic transaction data and evolving platform policies, this study demonstrates that the four-in-one model of "compliance-front-loading, data-driven decision-making, cultural empathy, and resilient supply chains" can significantly lift conversion rates, reduce return rates, and prolong customer lifetime value. Future research could quantify the marginal effect of religious culture in different markets on content CTR and explore the application boundaries of generative AI in real-time compliant script review. For practitioners, brands must convert compliance capabilities into narrative assets and upgrade one-off hits into sustainable brand equity to build a long-term competitive moat within TikTok's decentralized traffic arena.

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