

P&G bets on Douyin to support China recovery

Article

The news: Procter & Gamble is ramping up its investment in TikTok's sister app, Douyin, to help combat both subdued consumer sentiment and fierce competition in China.

How we got here: P&G is far from the only company turning to fast-growing ecommerce platforms like Douyin and **Kuaishou** to make up for sluggish demand in China.

Estée Lauder, **H&M**, and **Inditex's Zara** have also established a foothold on the platform to take advantage of Chinese shoppers' affinity for livestream commerce and to offset slowing growth from China's two largest ecommerce retailers, **Alibaba and JD.com**.

Is it working? For P&G, at least, those efforts are paying off: Its investments on Douyin enabled its **Pantene** brand to grow online share for more than a year, while its “portfolio is leading category growth” on the platform, P&G head of beauty **Alex Keith** said during the company’s investment day.

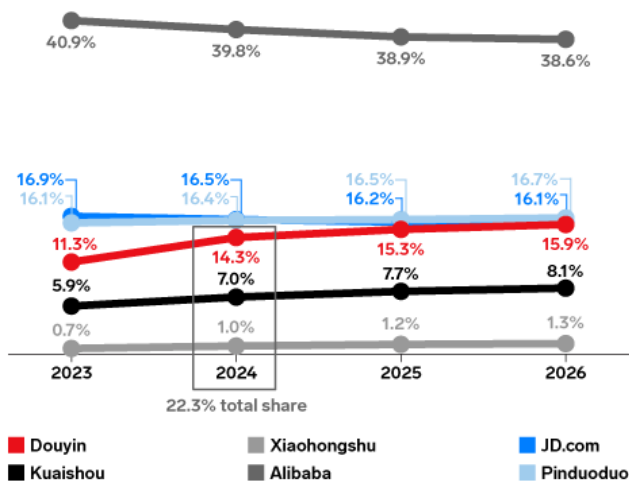
- P&G is spending more on influencer marketing and building virtual storefronts for **Olay** and other brands. That gives it more control over its brand messaging and more visibility on the platform.
- P&G is also taking advantage of price-conscious consumers’ propensity to use Douyin and other social platforms to comparison shop. The CPG company is offering discounts of as much as 30% off to livestream shoppers.

Our take: Brands embracing platforms like Douyin illustrates the competitive pressures facing Chinese ecommerce incumbents Alibaba and JD.com—as well as retailers like **Pinduoduo**.

With retail sales in the country remaining sluggish due to the property crisis, high youth unemployment, and growing concerns about the **impact of Trump tariffs on local manufacturing**, retailers need to seize every opportunity they can to get in front of Chinese shoppers.

Social Commerce Platforms in China Have Grown Their Market Share Quickly in Recent Years

% of retail ecommerce sales in China, by platform, 2023-2026



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales; excludes Hong Kong
 Source: EMARKETER Forecast, July 2024

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