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Overcoming Barriers: Market Entry Strategies of European Fashion Brands in China

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Abstract

The Chinese market is one of the world's most complex and digitally advanced markets, offering many attractive opportunities, as well as difficult challenges for international fashion brands. This thesis compares how five of the largest European fashion brands (Zara, Louis Vuitton, Burberry, Mango, and Dolce & Gabbana) approach market entry, digital and cultural adaptation, and competition in China. This thesis examined how these brands navigate regulatory, political, digital and cultural barriers, using a multiple-case approach and analyzing them guided by the Uppsala model, the OLI paradigm, Hofstede's cultural dimensions, and platformization theory. Rather than looking at market entry as a one-time event, this thesis follows a process-based perspective where market entry is treated as an ongoing, adaptive journey that includes digital expansion, innovative strategic approach, and continuous re-establishing of position in China's complex market networks. Findings show that long-term success in China depends on genuine digital engagement and sincere cultural adaptation. Overlooking these important elements often leads to backlash, lost market relevance, and withdrawal. By expanding the definition of market entry, and tracing how digital strategy and local adaptation work together in practice, this thesis brings new clarity to the role of platformization in shaping brand outcomes, offering a fresh perspective that bridges classic internationalization theory with today's digital realities.

Zusammenfassung

Der chinesische Markt zählt zu den weltweit komplexesten und digital am weitesten entwickelten Märkten und bietet internationalen Modemarken gleichermaßen attraktive Chancen wie anspruchsvolle Herausforderungen. Diese Arbeit vergleicht, wie fünf der größten europäischen Modemarken (Zara, Louis Vuitton, Burberry, Mango und Dolce&Gabbana) ihren Markteintritt, ihre digitale und kulturelle Anpassung sowie den Wettbewerb in China gestalten. Mithilfe eines Multiple-Case-Ansatzes wird untersucht, wie diese Marken regulatorische, politische, digitale und kulturelle Hürden überwinden; dabei dienen das Uppsala-Modell, das OLI-Paradigma, Hofstedes Kulturdimensionen und die Plattformisierungstheorie als analytische Leitlinien. Anstatt den Markteintritt als einmaliges Ereignis zu betrachten, verfolgt die Arbeit eine prozessorientierte Perspektive, in der der Eintritt als fortlaufende, adaptive Entwicklung verstanden wird, die digitale Expansion, innovative Strategien und die kontinuierliche Repositionierung innerhalb der komplexen chinesischen Marktnetzwerke umfasst. Die Ergebnisse zeigen, dass langfristiger Erfolg in China von echter digitaler Interaktion und aufrichtigem kulturellem Anpassungsvermögen abhängt; werden diese Elemente vernachlässigt, führt dies häufig zu Gegenreaktionen, Relevanzverlust und Marktrückzug. Durch die Erweiterung des Markteintrittsbegriffs und die Nachzeichnung des Zusammenspiels von Digitalstrategie und lokaler Anpassung schafft diese Arbeit neue Klarheit über die Rolle der Plattformisierung für Markenergebnisse und bietet eine frische Perspektive, die klassische Internationalisierungstheorien mit den digitalen Realitäten der Gegenwart verbindet.

1 Introduction

One advertising mistake almost ruined decades of success of the Italian luxury brand Dolce&Gabbana in China. This resulted in digital boycotts, dropping sales, and removal from the largest e-commerce platforms. Meanwhile, other European fashion brands (e.g. Louis Vuitton and Zara) have managed to not just survive, but also to thrive in the exact same fast-moving market. The question poses itself: What is it exactly that separates failure from success in China's dynamic fashion world?

The Chinese market is nowadays one of the world's most dynamic, competitive, and digitally advanced markets. For European fashion brands, entry into China is very different from the expansion closer to home markets, as it requires finding one's way in an environment where cultural particularities, regulatory complexities, and digital transformation meet at a surprising speed. Many globally leading fashion brands have made serious mistakes in their China strategy, which signals that traditional global strategies are often not sufficient here. This reveals a critical gap that needs to be addressed in order to understand not just what the market barriers are, but more importantly, how these barriers can be overcome.

Unlike conventional studies that simply identify obstacles, this thesis is concerned with answering the how: How do leading European fashion brands, Zara, Mango, Louis Vuitton, Burberry, and Dolce&Gabbana, navigate and adapt to China's unique challenges? In particular, what role do China's digital platforms and fast-evolving consumer culture play in separating those who win from those who withdraw? Culture is an essential part of the fashion industry, and achieving success in this segment means not losing your brand's identity while simultaneously adapting to the needs and expectations of local consumers. In the Chinese market, this important balance is increasingly and interestingly complicated by digital environment that is constantly evolving, where platforms like WeChat, Douyin (TikTok), and Xiaohongshu (RedNote), that are analyzed in this thesis, play an essential role in consumer engagement. Considering this, foreign brands must reassess their usual strategies to be able to be at the same wavelength with digitally involved and culturally specific Chinese consumers.

This research addresses an urgent gap that needs to be filled in academic literature, but also for practical business strategy. It explores not only the main cultural, regulatory (political), and digital barriers, but also the different processes that serve successful brands in adapting their strategies. By observing concrete examples of both failure and success, and with analysis of the real-world experience of European brands that are in process of adaptation, this research aims to move beyond the typical *best practices* toward action-oriented, highly useful insights.

This thesis pursues three main objectives: analyzing the defining characteristics and evolving barriers of the Chinese fashion market; assessing the market entry and adaptation strategies of selected European brands in the context of these barriers; and examining the influence of digital platforms and cultural adaptation on both market entry and ongoing brand survival.

It is important to note that market entry is not treated as a single event, but as an ongoing, adaptation process that requires continual learning, digital engagement, and cultural localization (Johanson & Vahlne, 2009). The research applies a qualitative, multiple-case study approach, using the academic literature, industry and consultancy reports, and the digital footprint left by brands on some of China's most influential platforms.

The aim is to answer the following research question: How do European fashion brands overcome market entry barriers in China through strategic adaptation, with a focus on digital platforms and cultural localization?

By gathering the established theoretical frameworks, real-market experience by brand, and lastly, cross-case analysis, this thesis aims to contribute not only to international business literature, but also to the critical need for insights of brands navigating China's unpredictable, yet high-opportunity, market.

2 Overview of the Chinese Fashion Market

The Chinese fashion market is one of the fastest changing markets when it comes to the fashion industry. With its economic growth, rising middle class, and very digitally active consumers, China has transformed from a known low-cost manufacturing go-to to a real leading fashion consumer market (McKinsey & Business of Fashion, 2023). The preferences of Chinese consumers are subject to a continuous change, as they are being influenced by Chinese digital platforms, social media, as well as a mix of local and global trends. This has had a visible impact on the strategies of international fashion brands in China (Jing Daily, 2023).

This chapter will provide an overview of the Chinese fashion market, examining its role within the global fashion industry, its historical evolution, and the key characteristics that define consumer behavior and digital influence. It will also reveal market entry barriers faced by foreign fashion brands in China, with the focus on the challenges and complexities of navigating this market.

2.1 Global Fashion Industry and China's Role

The global fashion industry is a multi-trillion-dollar market characterized by rapid innovation, dynamic trends, and a highly competitive landscape (McKinsey & Company, 2024). It is well known that this industry is traditionally dominated by brands from Western *fashion capitals* like Paris, Milan, and New York. However, there has been an interesting change within the fashion industry development in the emerging markets, and especially in China. "After years of impressive growth, China's economy is now worth $18 trillion and its apparel market is the second largest in the world" (McKinsey & Company, 2024, p. 27). Today, China is not only the world's largest producer of fashion goods as it used to be, but also one of the fastest growing consumer markets.

2.1.1 China as a Powerhouse for Fashion Consumption

China's economic growth and swift urbanization have led to a large increase in net income of Chinese citizens, which increased consumer spending on fashion and luxury goods: it is projected that China will account for nearly 40% of global luxury sales in 2025 (McKinsey & Company, 2023). Chinese consumers are known for their preference for premium and luxury brands, as well as fast-changing trends, and they are very active in digital shopping, as they are influenced by social media, live streaming, and digital influencers.

The Chinese fashion market is very segmented, with younger generations such as Gen Z (born between 1997 and 2010) and millennials (born between 1981 and 1996) (McKinsey, 2024) influencing the fashion trends. These consumer groups are especially interested in global fashion trends that they see on digital platforms, but they are also appreciative of local adaption, which makes it tricky for brands to adapt. As a result of this, international brands are increasingly adapting their strategies to meet the preferences and expectations of Chinese consumers (McKinsey & Company & Business of Fashion, 2023).

2.1.2 Shift from Manufacturing Hub to Fashion Innovator

China was known for decades as the *manufacturing factory of the world* due to its cheap manufacturing opportunities. However, in recent years, it has evolved into a leading fashion innovator and consumer market. This transformation from a manufacturing hub to a fashion-relevant market can be traced back to government initiatives for supporting fashion and similar industries, the rise of Chinese designers, and increased consumer demand for more localized designs (McKinsey & Company & Business of Fashion, 2023).

China's important new role can also be seen in its digital environment. Platforms such as WeChat, Douyin (TikTok), and Xiaohongshu (RedNote) influence global fashion industry development with digital marketing, live streaming, and social commerce. Because of this, international fashion brands rely on these platforms to push them through their entry or establishment in China, which confirms China's influence on global fashion trends (Jing Daily, 2023).

2.1.3 Strategic Importance for Global Fashion Brands

China's strategic importance in the global fashion industry cannot be emphasized enough. For many European fashion brands, China represents one of the markets with the most growth potential (McKinsey & Company and Business of Fashion, 2023). Leading brands such as Zara, Mango, Louis Vuitton, Burberry, and Dolce&Gabbana, that will be researched within this thesis, have expanded their presence in China by implementing culturally and locally considerate marketing strategies, a lot of digital engagement, and innovative experiences in offline retail. Understanding local consumer behavior and preferences, cultural particularities, and the digital environment in China is essential for achieving and maintaining a competitive advantage and consistent growth in this market (Bain & Company, 2024).

China contributes significantly to the growth of the global fashion sector. One recent analysis revealed that Chinese consumers (domestic and those buying from abroad), could account for around 40 percent of worldwide luxury spending by 2030 (Bain & Company, 2024). The Chinese clothing market is expected to contribute nearly half of global clothing sales between 2024 and 2030, caused by rising upper-middle-class incomes, Gen Z fashion awareness, and duty-free retail zones (McKinsey & Company, 2024).

2.2 Evolution of the Chinese Fashion Market

China's fashion market has throughout the years developed through different phases. For the purposes of this thesis, the evolution of the Chinese fashion market will be explained in four phases, each of which redefined in their own way how brands compete in China.

Phase one is known as China's manufacturing & early retail expansion (from late 1980s to mid-2010s) (Enterprise & Society, 2023). "Export was the driving force of the fast expansion of the Chinese apparel industry in the 1980s and 1990s" (Zhang & Donzé, 2023). However, after the WTO accession in 2001, international brands saw an opportunity in cheap production and developing middle class in China, which made them *invade* the market by exploiting joint ventures and franchise deals (Moore & Birtwistle, 2004). Some of the top fast-fashion brands such as Zara (2006) and H&M (2007) showed the ability to constantly bring new clothing lines to the market, which was appealing to their urban consumers who were highly interested in new global trends (Lopez, C. and Fan, Y., 2009).

Phase two was the phase of the mall boom and rise of omnichannel retailing (2015-2019). China experienced a dramatic rise in the construction of shopping centers, a trend commonly described as *the mall boom*; by 2018, China accounted for the largest share of new retail space globally, and Chinese cities were dominating the top rankings for shopping center development (Retail News Asia, 2018). This expansion was, naturally, very attractive to the foreign fashion brands. Luxury brands switched from operating through their franchise partners to wholly-owned flagships, as this meant they could protect their pricing power and strengthen the brand storytelling (Bai, McColl & Moore, 2017). At the same time, WeChat mini programs became an important way for brands to manage customer relationships, which was an important part of building the foundation for today's social media-driven shopping in China (Jing Daily, 2019).

Phase three, covering the years 2020 to 2022, marked a revolution in livestreaming and social commerce, completely transforming how fashion brands connect with Chinese consumers. COVID-19 restrictions in 2020 changed the market and accelerated livestream retail evolution: *Douyin*, the Chinese TikTok made by the same company, reported that its fashion gross-merchandise value (GMV) grew more than 600% between 2020 and 2022 (ByteDance Data Insights, 2023). Tmall Luxury Pavilion reported triple-digit growth in livestream sessions during Singles' Day 2022, with Dior, Prada and Burberry hosting "see-now, buy-now" shows (Alibaba Luxury Division, 2023). Consumer engagement shifted toward short videos and content made by influencers and key opinion leaders in China (so called KOLs).

Since 2023, the Chinese fashion market has entered a fourth phase marked by a "China-first" approach to innovation and a growing focus on sustainability. Although the Guochao *国潮* (rising nationalism) trend started to emerge in 2018, it has gotten significant importance since 2023, as it was clear around this time that not only domestic but also international brands intensified their "China-first" strategies (Daxue Consulting, 2023).

Guochao, literally translated from Chinese as national trend or national wave, is one of the main characteristics of this phase. *Guochao* is a growing trend among Chinese consumers, especially younger ones, to turn to Chinese brands that offer traditional cultural elements together with modern design, sending a message of national pride, as well as diminishing the dominance of Western brands (Daxue Consulting, 2023). *Guochao* and Gen Z's growing focus on sustainability are noticeably reshaping consumer demand in China. Chinese domestic labels such as Shein and Anta use a perfect mix of blending patriotism-orientated themes and storytelling with recycled materials, pushing foreign brands to create more sustainable, China-exclusive collections (Bain & Company, 2023). Government policy supports this change: China's 14th Five-Year Plan, issued by the MIIT (Ministry of Industry and Information Technology), requires the textile industry to reduce its carbon emissions by 18% by 2025 (MIIT, 2023). Brands are now even testing AI (artificial intelligence) sizing tools on Douyin, trying out virtual fashion shows in the metaverse on Taobao Life, and launching their first NFTs (Non-Fungible Tokens) on Xiaohongshu (ItsArtLaw, 2023), often in China first before using these innovations in any other countries. This speaks volumes about China's role as a testing ground for new ideas in fashion, technology, and supply chains (McKinsey & Company, 2024).

2.3 Key Characteristics of the Chinese Fashion Market

It is worth noting three features that distinguish China's fashion market from other major markets. First, the Chinese market is huge and it is constantly expanding; it is already the world's second-largest market for clothing, and it is expected to generate nearly half of global fashion growth by 2030 (McKinsey & Company, 2024). Second, shopping, just like anything else nowadays in China, is deeply digital, in ways that are still mostly unknown to the Western consumers. Chinese e-commerce, social media, live streaming and online payments together form a single system that shapes every single stage of the consumer journey and experience (ByteDance Data Insights, 2023). Third, as already mentioned in the previous chapters, the Chinese market is highly *glocal*: domestic brands quickly adjust to global trends, while foreign brands must include local culture into their strategies if they want to stay competitive and get a chance to connect with the consumers. Considering these features, it is essential to understand consumer behavior in China and how this behavior is influenced by digital platforms.

2.3.1 Consumer Behavior

Chinese fashion consumers who belong to the so-called Millennials and Gen Z generations, are curious about new trends, digitally native and experienced. Unlike the generations before them that identified luxury with large and well-known logos, younger consumers need more storytelling, authenticity, and social media validation before making a decision to purchase (Chevalier & Lu, 2020). Gen Z shoppers buy fashion items more often, but at lower prices: a McKinsey survey found they make about 20% more purchases each month than their global peers, however, they pay less for each item, showing their *see-now, buy-now* mindset (McKinsey & Business of Fashion, 2023). Social validation and recommendations are also important to them: around 70% of urban Gen Z in China claimed that they would not purchase an item from a new brand without a credible influencer (KOL) or peer recommendation (Chan & Zakkour, 2014).

The rise of the upper-middle class in China has been contributing to increased sales of premium products, but it is important to notice that lower-tier cities, "defined as all cities outside the top 15 largest and wealthiest (tier 1 and 2)" in China (McKinsey & Company, 2020) now contribute over half of Tmall's annual apparel sales (Liang & Chen, 2022). This is a reminder that *status consumption* is no longer limited to first-tier cities of Beijing, Shanghai, Guangzhou, and Shenzhen (Liang & Chen, 2022). Sustainability is also an important topic, as it is becoming a must for consumers: 55% of surveyed Gen Z shoppers say they are willing to and already pay more for recycled fabrics or carbon-neutral collections (ByteDance Data Insights, 2023).

2.3.2 Influence of Key Digital Platforms

China has a system of powerful platforms that are present in every segment of life, each with specific features and consumer groups.

WeChat functions as a multi-modal app, as it combines texting, social networking, e-commerce, and even payments (TMO Group, 2023). Brands can have their official accounts on WeChat, run Mini-Program online stores (small, integrated part of the app within WeChat that let users shop or interact with brands without leaving the WeChat platform), provide customer service, and target marketing at followers (Daxue Consulting, 2024). Therefore, WeChat is an essential app for customer relationship management and for building long-term consumer loyalty.

Tmall, operated by Alibaba, is the leading B2C e-commerce platform for fast-fashion, as well as luxury brands (21CloudBox, n.d.). It offers more advanced digital stores than WeChat, including full logistics, analytics for brands, and different marketing tools that help brands reach a larger number of Chinese consumers (Boston Consulting Group & Tmall, 2021).

Xiaohongshu (Little Red Book, or recently renamed to RedNote) is essentially a social media platform, but e-commerce has become a big part of it, with focus on honest and authentic user reviews and recommendations, influencer (KOL) content, and inspiring lifestyles. RedNote is especially popular among young, trend-focused urban women, as "70% of RedNote's user base is female while 30% is male, and 50% of its users were born after 1995." (Econsultancy, 2025).

Douyin (the original Chinese version of TikTok) is the leading app for the short-video and live streaming market (WalktheChat, 2024). This kind of promotion leads to viral product launches, real-time shopping during live streaming, and interactive campaigns, with a highly engaged, mostly Gen Z (born between 1997 and 2010) and millennials (born between 1981 and 1996) (McKinsey, 2024) user base.

An app that is also worth mentioning, although it is not connected to direct sales as the others, is Weibo, which is a Chinese microblogging and social sharing platform where brands get the chance to monitor public sentiment, manage crisis communications, and interact with KOLs (Key Opinion Leaders) and the wider audiences of consumers (Jing Daily, 2021).

Western platforms such as Instagram, Facebook, Pinterest, or YouTube are banned in China, and therefore play absolutely no role for Chinese consumers (Business Insider, 2019), which directly forces foreign brands to engage on Chinese digital platforms with no other options. It comes as a natural conclusion that Chinese largest tech companies and platforms are in control of the Chinese market, which on one hand offers advantages, but on the other hand poses significant challenges and risks for foreign brands entering the market.

2.4 Classical Market Entry and Barriers for Foreign Fashion Brands

Despite China's very large number of consumers and high potential, international fashion brands encounter a lot of different interconnected difficulties when entering this market: regulatory complexity, cultural divergence, digital platform dependence, and strong competition. Traditionally, foreign brands have used classical market entry modes in China, such as foreign direct investment and franchising. However, these approaches are increasingly complemented or even replaced by digital entry strategies, which will be discussed in detail in later chapters.

2.4.1 Classical Market-Entry Modes of Fashion Brands in China

Before examining the specific barriers foreign fashion brands encounter when entering China, it is also important to understand the classical market-entry methods that were typically chosen before digital platforms took over. For the purposes of understanding the specific circumstances of the brands that will be studied in this thesis, it is important to reflect on the concepts of foreign direct investment (FDI) and franchising, as they were used by the brands that will be discussed. As every other market entry mode, each of these two offers specific advantages, as well as challenges, and they have an influence on how brands form their strategies and deal with obstacles.

Foreign direct investment (FDI) involves establishing wholly owned subsidiaries or entering joint ventures in the target market. “FDI does not involve any change in ownership; in other words, the power to control decision making over the use of the transferred resources remains in the hands of the investing entity” (Dunning & Lundan, 2008). This means that this entry method provides maximum operational and managerial control, while also exposing firms directly to the local market, allowing them to gain firsthand knowledge and experience (Dunning & Lundan, 2008). For example, Zara and Louis Vuitton have used this exact approach for the Chinese market, which allowed them to manage their brand image and all operations. However, while FDI does provide absolute control, at the same time, it is connected to large resource commitment, and also exposes firms to local regulatory risks and difficulties due to the lack of market knowledge (Johanson & Vahlne, 2009).

Franchising is another common mode in the fashion industry, especially fitting for companies trying to achieve faster growth, but with lower capital risk than in FDI. In franchising, a firm (the franchisor) enters into a contractual agreement with another party (the franchisee) and grants them the right to use the firm's name, trademark, and their unique “business methods for an agreed period of time in exchange for royalty” (Czinkota & Ronkainen, 2013). Mango’s early expansion in China is an example of this strategy; this is exactly what enabled Mango quick growth at the beginning of their China journey. However, although less initial capital is involved, and companies may grow quickly this way, franchising often leads to reduced direct oversight, and there are risks to brand image and consistency, as well as customer experience (Doherty, 2007).

These classical modes form only one aspect of market participation; later chapters will also address how entry strategies continue to develop in response to changing regulatory, cultural, and digital conditions.

2.4.2 Regulatory Complexity and Compliance Risk

China's apparel industry is shaped not only by complex regulatory requirements, but also by political sensitivities that can quickly affect everything, including market access. For example, the Xinjiang cotton issue, which turned into a supply chain origin controversy in 2021 is a good example of this. A lot of brands faced backlash after distancing themselves from materials coming from Xinjiang region in China, due to forced labor concerns. This has resulted in criticism by the government, boycotts directly by consumers, and removal from leading e-commerce platforms (Hu, 2023). Non-compliance with regulatory requirements or misreading politically sensitive topics can trigger targeted regulatory measures, lead to reputational damage, and even market exclusion (EU SME Centre, 2023). Furthermore, the geopolitical developments and emerging tariffs (European Commission, 2025) also increase the risks of high-capital entry modes like wholly owned flagship stores and large retail networks, and make low-commitment, digital-first strategies sound much more appealing. Cross-border sales on Tmall Global, WeChat Mini-Program online shops run by the brand directly, and short-term platform partnerships can be scaled back quickly if trade conditions get worse.

2.4.3 Cultural Sensitivity and Reputational Vulnerability

Cultural symbols, "lucky" color combinations connected to Chinese cultural tradition, and festival-related visuals are highly important to Chinese consumers. This is ideally utilized by brands, as successful implementation of this can lead to biggest jumps in revenue in a year (e.g. around Chinese New Year with online shopping festivals that can be compared to Black Friday Sale in the Western countries). Not adapting these cultural elements can lead to decline in revenue, but even worse is misinterpreted and failed cultural adaptation, which can trigger online backlash and greatly damage brands' reputation. The 2018 Dolce&Gabbana controversy that will be discussed in detail later, remains a cautionary example for this. Another confirmation of this danger is that "a survey of 1,200 Chinese Gen Z consumers revealed that 62% would consider boycotting a foreign brand if they perceived it to misalign with Chinese cultural values" (Liu, He & Li 2022, p. 118).

2.4.4 Digital Platform Dependence and Cost Pressures

Access to Chinese consumers requires using multiple digitally integrated platforms (e.g. WeChat), e-commerce platforms (e.g. Tmall), and short-video platforms (e.g. Douyin). Each platform uses its own private algorithm for showing content, forcing the brands to pay for visibility and give up their consumer data to the platform operators (Bain & Company, 2023). On top of that, live-stream platforms can take as much as 30% of sales revenue, which can limit the overall profitability of new entrants (ByteDance Data Insights, 2024).

2.4.5 Intensified Domestic Competition

Local Chinese labels have evolved from unknown manufacturers into fast-adapting, trend-focused competitors of international brands. In 2023, Chinese brands like Shein, Peacebird, and Li-Ning each introduced over 5,000 new Stock Keeping Units (SKUs), while Western fast-fashion chains averaged less than 2,000 (McKinsey & Company, 2024). Their extremely fast product cycles, culturally appropriate storytelling, and patriotic *Guochao* positioning continually create deeper connections with the consumers, raise consumer expectations in general, and leave foreign brands in conditions where it is difficult for them to adapt. These challenges intensify the need for European fashion brands to implement more flexible business models, prioritize digital and cultural localization, and ensure full regulatory compliance long before entering the Chinese market.

3 Theoretical Frameworks

The analysis in this thesis is grounded in four major theoretical frameworks that provide structure for examining how European fashion brands approach the Chinese market. Each framework addresses a different but interconnected dimension of internationalization, cultural adaptation, and digital transformation. The following sections briefly summarize the core concepts and relevance of each theory for this study.

3.1 Uppsala Internationalization Model

The Uppsala Internationalization Model was initially established by Johanson and Vahlne in 1977 and later revised, expanded and modernized in accordance with the developments in international business practices (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009). It is one of the best-known frameworks for explaining the internationalization of the firms, more specifically, how firms enter and expand in foreign markets. The model was developed to address the empirical observations that firms tend to internationalize gradually, starting the development in markets closer to the home market, preferably with low-commitment entry modes, and only afterwards using more resource-intensive operations and expanding further to markets that are more distant to the home market. Fundamentally, the Uppsala model is dynamic and process-oriented. It states that internationalization is driven by experiential learning and building commitment within foreign markets, with the logic that through gaining knowledge that is specific for a certain market, firms gradually increase their resource commitments (Johanson & Vahlne, 1977). This process is not always a straight path without any changes, in fact, it is characterized by ongoing adaptations to new challenges based on newly emerged information and opportunities.

In their revision "The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership", Johanson & Vahlne (2009) are arguing that internationalization should be examined as a relationship-driven, continuous process that is deeply embedded in business networks. In relation to this, they also emphasize that "the distinction between entry and expansion in the foreign market is less relevant, given the network context of the revised model" (Johanson & Vahlne, 2009, p. 1423). The process of market entry itself is no longer limited to the initial step of entering a market, but now includes a continuous effort to strengthen and adapt the firm's position within business networks. As Axelsson and Johanson (1992, as cited in Johanson & Vahlne, 2009) argue, "foreign market entry should not be studied as a decision about modes of entry, but should instead be studied as a position-building process in a foreign market network." In the context of this thesis, this view provides a crucial theoretical framework for analyzing how European fashion brands are approaching the Chinese market, not as one event that followed after the initial decision upon first entry, but as an ongoing process of adaptation and network building. The revised model allows a different understanding and justifies an expanded definition of market entry where activities such as digital platform entry, renewed commitment, or strategic adaptation can all be considered part of the expanded, process-based definition. In the context of China's rapidly evolving digital market, this process-oriented view is particularly applicable: digital expansion, platform partnerships, and new forms of consumer engagement are not only post-entry strategies, but the ongoing acts of establishing and reestablishing market presence.

For the purposes of this study, this expanded definition of market entry is directly used for coding of the empirical material, ensuring that digital and adaptive strategies are systematically analyzed as essential elements of the internationalization process.

3.2 OLI (Eclectic) Paradigm

The next important theoretical model relevant for the thesis is the OLI paradigm or the eclectic paradigm. This paradigm was first mentioned by John Dunning in the 1970s, This is also one of the best known and most influential frameworks related to understanding internationalization. First proposed by John H. Dunning in the 1970s (Dunning 1988), and was later restated and extended in 1988 in his most commonly read and cited article. This framework explains why firms engage in foreign direct investment (FDI) and how they choose their modes of international expansion (Dunning, 1988). The OLI paradigm states that a firm's decision to engage in foreign direct investment (FDI) depends on the simultaneous presence of three sets of advantages: ownership-specific (O), location-specific (L), and internalization (I). Ownership advantages are related to firm-specific assets such as patents, technology, or skills; location advantages are related to the attractiveness of a foreign country, and internalization advantages relate to the benefits of conducting activities to reduce transaction costs or protect proprietary knowledge (Dunning, 1988).

The OLI paradigm was revised twenty years later in 2008 by Dunning and Lundan. This revision focuses on the newly emerging characteristics of internationalization, and incorporates the global networks, formal and informal institutions, and knowledge-based assets (Dunning & Lundan, 2008). These additions have made the paradigm more fitting and adaptable to contemporary internationalization, tackling the issues such as institutional quality, digitalization, and global value chains (Dunning & Lundan, 2008).

Due to its wide scope and the fact it is still relevant today, the OLI paradigm provides a fitting theoretical foundation for this thesis. In accordance with the extended definition of market entry adopted in the revised Uppsala model, the OLI paradigm will be used to analyze why and how European fashion brands choose their entry strategies into the Chinese market, and it will include both initial entry and subsequent adaptations such as digital expansion, enabling a systematic assessment of firm-specific capabilities, local market conditions, and strategic decisions related to international expansion (Dunning, 1988; Dunning & Lundan, 2008; Johanson & Vahlne, 2009).

3.3 Hofstede's Cultural Distance

Cultural differences are one of the main things that needs to be considered when involved in international business. These differences influence even the smallest business decisions, including the entry modes and the steering of foreign operations. Hofstede's model is one of the most commonly used frameworks for comparing countries based on cultural dimensions (Hofstede, Hofstede & Minkov, 2010). The model defines culture as a "collective phenomenon" and "the collective programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, Hofstede & Minkov, 2010), and identifies six core dimensions for better understanding of these differences.

These six dimensions consist of: power distance (focuses on the inequality and hierarchical order acceptance degree within a society), individualism vs. collectivism (examines whether people's self-perception is more defined by "I" or "We", if it is more individualistic or collectivistic), masculinity vs. femininity (deals with the emphasis on ego and achievement vs. emphasis on relationship with others and quality of life), uncertainty avoidance (examines how comfortable a certain culture is with uncertainty), long term orientation vs. short term orientation (prioritizing future-focused values such as perseverance vs. prioritizing traditions and fulfilling currently established social obligations), indulgence vs. restraint (focuses on the extent to which people in a society act on their impulse and enjoy life vs. suppressing these impulses because of the strict social norms) (Hofstede, Hofstede & Minkov, 2010).

The idea of cultural distance, the difference between countries based on these six dimensions, is one of the central ideas in international business research. Naturally, higher cultural distance can signal larger and more difficult challenges faced by MNEs, making adaptation, communication, and local responsiveness more complex (Hofstede, Hofstede & Minkov, 2010).

Hofstede's dimensions represent a very important theoretical framework for this thesis and for analyzing the cultural challenges that European fashion brands encounter in the Chinese market. Cultural differences between European countries and China tend to be large across multiple dimensions. These differences do not only influence the decisions related to the initial entry step, but also push the brands for the continuous adaptation in brand positioning and marketing strategies. By examining the strategic success of brands based on cultural adaptation, this study aims to explain why localization and adaptation are absolutely essential for succeeding in the Chinese market, as well as how European brands can use culturally calculated strategies, such as activities on digital platforms adjusted to local values, to bridge this distance.

3.4 Platformization Theory

Digital platforms have developed rapidly in recent years, and they have already completely changed the markets and the way of interaction between consumers, brands, and institutions. They are not simply technical tools anymore, but they now play a crucial role by influencing the market environment and the interactions, and contributing to economic, as well as social transformations (Van Dijck et al., 2018). An "online platform" can be described as "a programmable digital architecture designed to organize interactions between users—not just end users but also corporate entities and public bodies" (Van Dijck, et al., 2018, p. 4). Van Dijck et al. (2018) state that platformization is more than just technological adoption as some other researches previously claimed. They "define it as the transformation of an industry where connective platform operators and their underpinning logic intervene in societal arrangements" (Van Dijck et al., 2018, p. 20). In relation to this thesis, this definition can be used to emphasize how European fashion brands in the Chinese market must adapt to not only new digital technologies but also completely new logic of navigating the market, rules of the Chinese market, and relationships imposed by Chinese platforms. Platformization in this case obliges brands to adapt and sometimes even reinvent their strategies and their business models in order to remain competitive and relevant in a highly platform-driven market environment.

From an economic perspective, Rochet and Tirole (2003) talk about platforms as "two-sided markets," in which the platform brings together two specific groups of users who both benefit from each other by participating. As they claim, "a market with network externalities is a two-sided market if platforms can effectively cross-subsidize between different categories of end users that are parties to a transaction" (Rochet & Tirole, 2003, p. 1017). This means that platforms act as a place that connects two groups. Cross-subsidizing simply means that the platform is mostly providing incentives (subsidies) to one group (e.g. WeChat is free for consumers/potential buyers), while charging the other group (in contrast, WeChat Mini Programs are not free for brands). The value of the platform naturally increases as more users join, regardless of the group, because this leads to the creation of network effects and can lead to ruling the market.

For European fashion brands in China this thesis is examining, this two-sided (or multi-sided) logic is highly relevant. Success on platforms like Douyin or WeChat requires brands to actively and constantly engage not just with the consumers who are their target customers, but also with those who control the platform, influencers (KOLs in China), and potentially other partners as well. Brands must continuously try to grasp and understand how their own participation and engagement with the others help initially attract and then also keep users on both sides of the certain platform, which ideally improves sales, visibility for the other users, and consequently lead to their success in the market. Furthermore, the fact that platforms control data, visibility, and access to other consumers, especially in China, means that brands must consider in advance how much control they are willing to lose and compare this to the actual benefits they receive from being present on a certain platform.

Therefore, the platformization theory, including both the socio-digital insights (Van Dijck et al., 2018) and the economic reasoning of two-sided (multi-sided) markets (Rochet & Tirole, 2003), represents an important framework for analyzing how European fashion brands enter and compete in the Chinese digital market. It explains why adapting to platform-driven business models, strategies, and networks is not just an option but an absolute necessity for succeeding in China’s rapidly evolving platform society.

4 Methodology

This chapter explains the methodological approach taken in this thesis. It introduces the philosophical stance, explains the research design and sampling strategy, and describes the full process for data collection, coding, and analysis. Together, these sections provide a transparent explanation of how the research was conducted and how evidence was systematically gathered and evaluated.

4.1 Research Philosophy and Overall Strategy

This research takes an interpretivist perspective, focusing on how fashion brands make sense of and adapt to the Chinese market based on their specific experiences and context (Bryman, 2021). Within this perspective, a qualitative multiple-case study design is used to gain an in-depth understanding of how different European fashion brands respond to China's regulatory, cultural, and digital environment (Yin, 2017). Examining multiple cases is appropriate for this research because single-case designs risk idiosyncratic findings, whereas multiple cases enable broader theoretical insights through replication logic and cross-case comparison (Eisenhardt, 1989). Multiple-case sampling makes one more confident about the theory that one is working on, because predictable patterns can be seen across multiple cases in which it has worked out or has not worked out (Miles, Huberman & Saldaña, 2020), which is exactly what is necessary for the validity of this research.

4.2 Case Selection, Unit of Analysis, and Research Propositions

Before going into detail about the sampling logic, it is necessary to clarify what makes a case and why case diversity matters for this research. Based on Yin's (2017) definition, each case is bounded at the brand level, that is, the strategic actions, digital initiatives and performance outcomes of individual European fashion brands operating in mainland China. Treating the brand as the primary unit of analysis enables consistent comparison across firms that differ in market segment (luxury vs. fast fashion), but nevertheless face the exact same barriers and challenges. By deliberately selecting cases that vary in entry mode, continuing entry strategies, and subsequent success or failure, the research can test whether the theoretical ideas and propositions are provable and relevant in different, sometimes contrasting conditions.

Considering this, it can be said that this research adopts a primarily explanatory case study design, as it aims to examine how and why different strategies led to different outcomes across five European fashion brands in China. At the same time, it includes exploratory elements, as it aims to gather new insights into effective market-entry and survival strategies in an increasingly fast evolving digital and cultural environment (Yin, 2017). Comparing five brands that differ in entry mode, strategies and outcome is what enables this research to evaluate whether certain patterns are consistent across cases, as well as to deepen and refine existing theory.

4.2.1 Sampling Logic

As for the samples, a maximum-variation purposive sampling strategy was employed (Patton, 2015). Five European fashion brands were selected because, together, they cover a spectrum of entry modes, product positions and performance outcomes, allowing theory to be tested under contrasting conditions (see Table 1).

Table 1. Market Entry Modes, Brand Tiers, and Outcomes for Selected European Fashion Brands in China

Brand	Entry Modes	Brand Tier	Outcome in China
Zara	Physical flagship stores (FDI), then early and rapid digital expansion (Tmall, WeChat, Douyin)	Fast fashion	Steady long-term success; strong digital transition; physical footprint reduced, but online sales and engagement remain high
Mango	Franchising (quick expanding network), followed by almost complete retreat offline (closing stores), then digital re-entry (Tmall, WeChat Mini-Program)	Accessible premium	Early success and rapid expansion; major store closures from 2013; now a digital-only presence with very limited impact and no relevance in China
Louis Vuitton	Wholly owned flagship stores (FDI), immediate digital engagement (WeChat Mini-Program, Douyin, RedNote)	Luxury	Sustained growth; cultural alignment and digital leadership; strong ongoing relevance both offline and online
Burberry	FDI (flagships), then innovative digital expansion (Tencent-powered social retail, WeChat, Douyin, RedNote)	Luxury heritage	Digital innovation leader, mixed with periods of political backlash; strong brand image, continued experimentation in digital engagement
Dolce&Gabbana	Flagship boutiques (FDI), limited and late digital adaptation (Douyin, RedNote, no WeChat Mini-Program)	Luxury	Severe reputational failure after digital and cultural missteps; loss of market presence and relevance

Source: Author's own compilation based on case analysis.

4.2.2 Case Boundary

Each case study examines the period from the brand's official entry into the Chinese market up to July 2025. Although the individual activities and campaigns are taken into account and are part of the research, the analysis as a whole focuses on the overall strategy at the brand level. This approach ensures that all cases are evaluated on a consistent and comparable basis.

4.3 Data Sources and Collection Process

The following chapter details how the data for this thesis were gathered and organized. It outlines the types of used sources, the procedures used to collect and archive the data, and the logic guiding the selection and coding of material for analysis.

4.3.1 Overview of Data Sources

Data for this thesis were collected from four main categories. First, academic literature was used to establish the theoretical framework and provide historical background on internationalization, cultural adaptation, and platformization theory. Second, industry and consultancy reports provided data on market size, growth rates, and platform statistics. Third, direct corporate evidence of market activity, including annual reports and evidence from brands' official digital platform accounts, was used to explain each brand's strategic actions and digital initiatives in China. These primary sources were particularly important for building the case narratives and cross-case analysis in Chapters five and six.

Finally, the news media provided up-to-date information about scandals, digital campaigns, and strategic partnerships. These sources were crucial for documenting important events such as boycotts, digital platform removals, and responses to crises like the Xinjiang controversy or lockdowns during the pandemic.

4.3.2 Collection Procedure

A systematic search was conducted across academic and business databases using key terms such as "brand name + China market entry," "brand name + digital strategy in China," "brand name + e-commerce," "brand name + localization". Sources in English or Chinese from market entry to July 2025 were included if they directly addressed the relevant topics. Documents were coded in Excel with case IDs for traceability (Yin, 2017). Relevant posts from official brand accounts on Chinese digital platforms were collected and analyzed for localization and engagement strategies analysis. In total, 62 unique data sources were analyzed, from which a larger number of excerpts were coded for the within-case and cross-case analysis.

4.3.3 Research Propositions

Guided by the Uppsala internationalization model, the Eclectic (OLI) paradigm, Hofstede's cultural-distance framework and platformization theory, four propositions steer evidence collection and coding:

- **P1 Digital immersion:** Digital immersion on local platforms correlates with a smoother, more adaptive market entry process, supporting brand growth and acceptance on the Chinese market beyond the initial offline launch.
- **P2 Cultural relevance:** Brands that adapt their product design and communications to align with Chinese consumers' values and needs, and embed locally resonant symbols in their campaigns, receive more positive consumer responses and avoid nationalistic backlash.
- **P3 Low-commitment platform entry:** Utilizing partner-hosted digital storefronts and pilot-scale online campaigns enables brands to test products and strategies in the Chinese market before making capital-intensive investments.
- **P4 Cultural misalignment backlash:** Digital communications that clash with Chinese cultural or political norms trigger public criticism, boycotts, or platform delisting, resulting in commercial setbacks.

These propositions are implemented through the analytic codes listed in Table 2 (chapter 3.4.1), serving as the basis for the within-case narratives (chapter 5) and cross-case pattern matching (chapter 6.2).

4.4 Coding Scheme and Data-Analysis Procedure

Building on the 62 data sources, the analysis followed a two-cycle coding framework (Miles, Huberman and Saldaña, 2020) and Yin's (2017) pattern-matching logic to test propositions across the five case brands (Zara, Mango, Louis Vuitton, Burberry, and Dolce&Gabbana).

4.4.1 Developing the Codebook

Codes were derived deductively from the four theoretical propositions and refined inductively during pilot coding. Table 2 shows the core codes used throughout the study.

Table 2. Analytic Codes Used for Brand Case Analysis

Pattern Code	Label	Definition / When to Apply
ENTRY_FDI	FDI Entry	Brand entered China via FDI before digital entry
FRANCHISE_ENTRY	Franchise Entry	Brand entered China via franchising agreements as initial mode before digital entry
DIGITAL_PLATFORM_ENGAGEMENT	Digital Platform Engagement	Engagement on local digital platforms (WeChat, Douyin, RedNote) to build awareness and connect with the consumers
CULTURAL_ALIGNMENT	Cultural Alignment	Use of culturally familiar symbols, colors, festival cues, or China-exclusive content in brand activities; Product adjustment based on consumer expectations and needs
DIG_MISALIGN	Digital Misalignment	Digital communications missteps (e.g., culturally or politically insensitive posts, consumer backlash)
PILOT_PARTNER	Piloting Partnerships	Partnering with platforms (Tmall, WeChat) to test or pre-sell before full launch
REG_RISK	Regulatory Risk	Mentions of regulatory barriers (GB/T testing, import-licence delays, data-localization rules, COVID-19 complications)
STRAT_SUCCESS	Strategic Success	Evidence of market success: high sales, strong engagement, positive media, or brand growth
STRAT_FAILURE	Strategic Failure	Evidence of failure: boycotts, delisting, low sales, store closures

Source: Compiled by the author, based on the developed coding scheme and drawing on the approach outlined by Saldaña (2021).

Strategic Success and Strategic failure are codes that function as dependent variables, enabling the study to relate strategic actions (e.g. digital platform engagement, partnership pilots) and contextual factors (e.g. cultural alignment, regional risk) to concrete performance results. Following Yin's (2017) analytic generalization logic, cross-case pattern matching examines whether specific code combinations consistently co-occur with positive or negative outcomes.

For first-cycle coding, descriptive coding was used to assign a brief phrase or label to each excerpt (whether quoted or paraphrased), summarizing the core topic or action in the data. This approach follows Saldaña's (2021) recommendations for descriptive coding in qualitative research.

Social media excerpts from official brand accounts were also coded using the codebook. Both the textual content and the visual components were analyzed. Codes were applied according to established definitions to ensure consistency and enable comparison across platform activities and time periods.

4.4.2 Coding process

1. *Pilot coding*: About 20% of documents were coded, code definitions revised, and a detailed codebook memo created.
2. *Full coding*: The remaining documents were then coded and the findings were documented in Excel for frequency tables.
3. *Consistency check*: To assess intra-coder reliability, 10 randomly selected documents out of the total 62 were coded about a month after starting coding; the agreement rate was about 95%, which exceeds the 80% benchmark for qualitative stability (Miles, Huberman & Saldaña, 2020). Discrepancies were resolved and the codebook definitively frozen.

4.4.3 Within-case Analysis and Cross-case Pattern Matching

For each brand, the coded excerpts were developed into a case narrative, covering the timeline, entry modes, cultural adaptation efforts, challenges, and digital platform strategies. To go beyond single-case insights, a brand-by-code matrix was constructed, enabling systematic cross-case comparisons. This enabled the identification of common patterns and differences across the brands, revealing not only similarities, where brands responded similarly to the same challenges, but also significant differences and unusual cases. These cross-case patterns served for testing the main theoretical propositions of the thesis and for refining the conceptual framework considering real-world strategic choices and outcomes. The findings of this comparative analysis, along with their connections to the theoretical frameworks are presented in detail in chapter six.

5 European Fashion Brands in China: Case Narratives

This chapter presents detailed case narratives for each of the five European fashion brands studied: Zara, Mango, Louis Vuitton, Burberry, and Dolce&Gabbana. Each case follows the brand's entry path, strategic adaptations, digital engagement, and significant challenges in the Chinese market. The aim is to provide an understanding of how different strategies have played out in practice, demonstrating both the successes and setbacks that shaped each brand's journey.

5.1 Zara: Digital Transformation and Agile Operations

Zara's expansion and nearly twenty-year journey in China offers a good example of how European fashion brands can navigate digital transformation, platform strategy, and cultural adaptation in a highly competitive and rapidly evolving market.

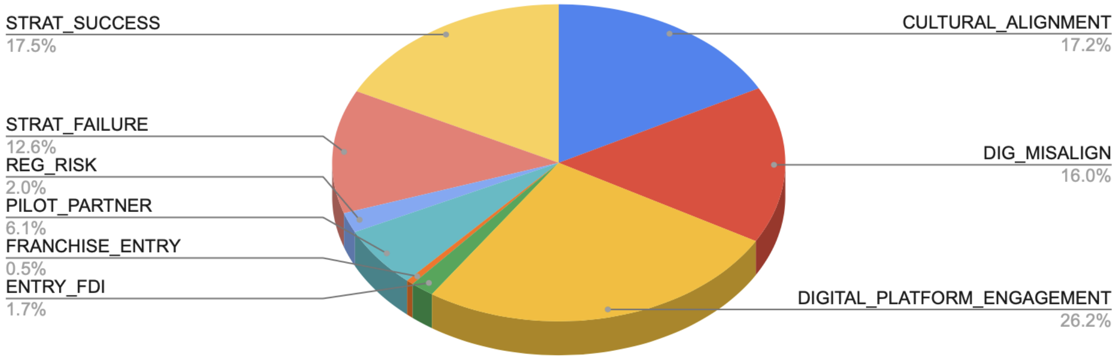
5.1.1 Digital-First Advantage and Platform Strategy

Zara's path in China is an example of a strong digital-first focus, with the brand leveraging e-commerce and digital platforms from the early stages of platform online shopping. After opening its first Shanghai flagship store in 2006, almost twenty years ago, Zara quickly adopted local e-commerce platforms as they grew more popular, launching sales on Taobao in 2012 and opening a Tmall online flagship store in 2014 (Inditex Annual Report 2014). This resembles the location and internalization advantages described in Dunning's OLI paradigm; Zara used its brand and fast-fashion know-how (ownership advantage) while internalizing digital operations in a market where digital channels were starting to provide better consumer access (Dunning 1988).

From the perspective of the Uppsala internationalization model, Zara's digital moves show a wise, step-by-step approach, as the brand first partnered with platforms like Taobao and Tmall to try out low-commitment online stores, which allowed it to gather market-specific digital platform knowledge, and only then increased resource commitment by expanding to WeChat Channels and RedNote (based on the logic of Johanson & Vahlne, 2009). This approach focuses on organizational learning and agility and therefore aligns with the main Uppsala principles.

Coding evidence supports this elaboration (see Figure 1).

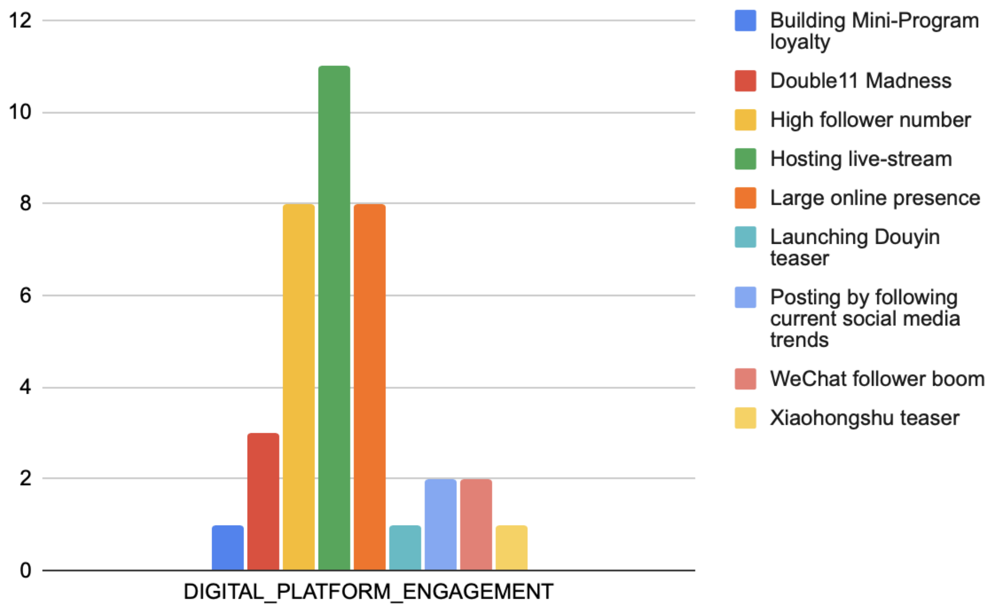
Figure 1. Zara: Pattern code distribution



Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

Figure 1 shows that "Digital Platform Engagement" is the largest pattern code, accounting for 26.2% of total code distribution. Figure 2 shows the most frequent first-cycle codes within this pattern code, all demonstrating that platform activity is Zara's strategic priority.

Figure 2. First-cycle code composition within Zara's "Digital Platform Engagement" pattern

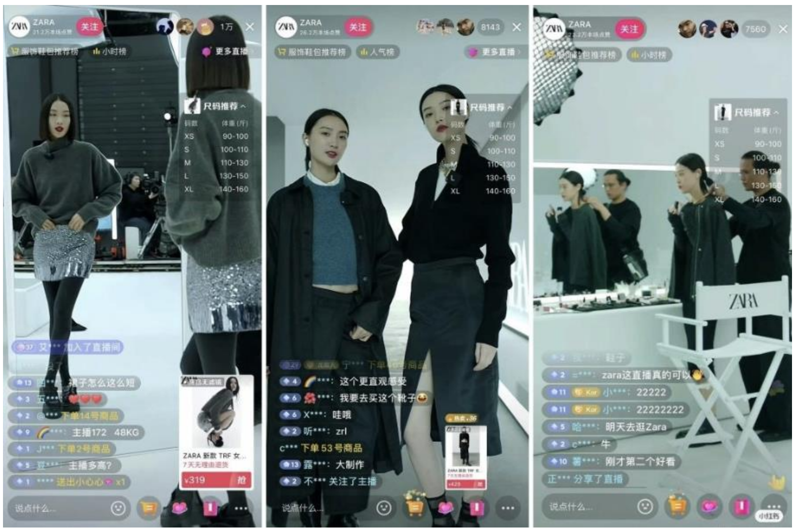


Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

Zara’s use of Tmall, Douyin, and other Chinese platforms can be connected to multi-sided platform theory (Rochet & Tirole 2003), as these platforms connect brands, consumers, and service providers in a network-like system, which strengthens the network effects and ensures better market access. As van Dijck et al. (2018) note in the platformization theory, these platforms act as intermediaries that shape great opportunities, but also challenges for brands’ strategy in China.

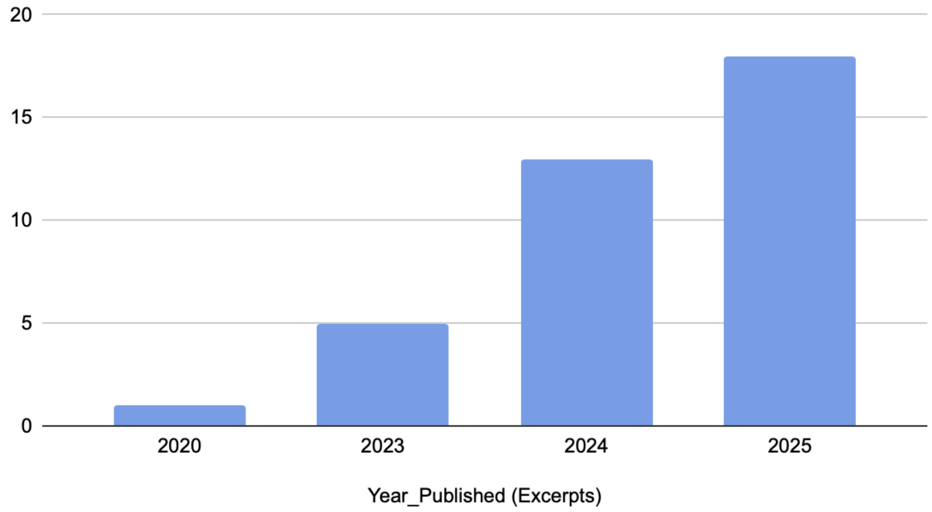
Zara’s digital strategy today extends beyond typical e-commerce. On Douyin, Zara’s weekly livestreams reached up to two million viewers per session in 2024 (Dao Insights 2024), which proves a high level of knowledge and strengthens the use of local digital platforms to reduce Hofstede’s “cultural distance” and connect with consumers in culturally aware and appropriate ways (Hofstede et al. 2010). Figures 3 and 4 illustrate this, showing an example of Douyin livestream campaign and a year-over-year rise in codes associated with digital platform engagement.

Figure 3. Zara’s Douyin livestream interface, example from 2024



Source: “Zara China’s New Concept: Livestream Shopping data,” Jing Daily, 2024.

Figure 4. Year-on-year rise in Zara's "Digital Platform Engagement" pattern code



Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

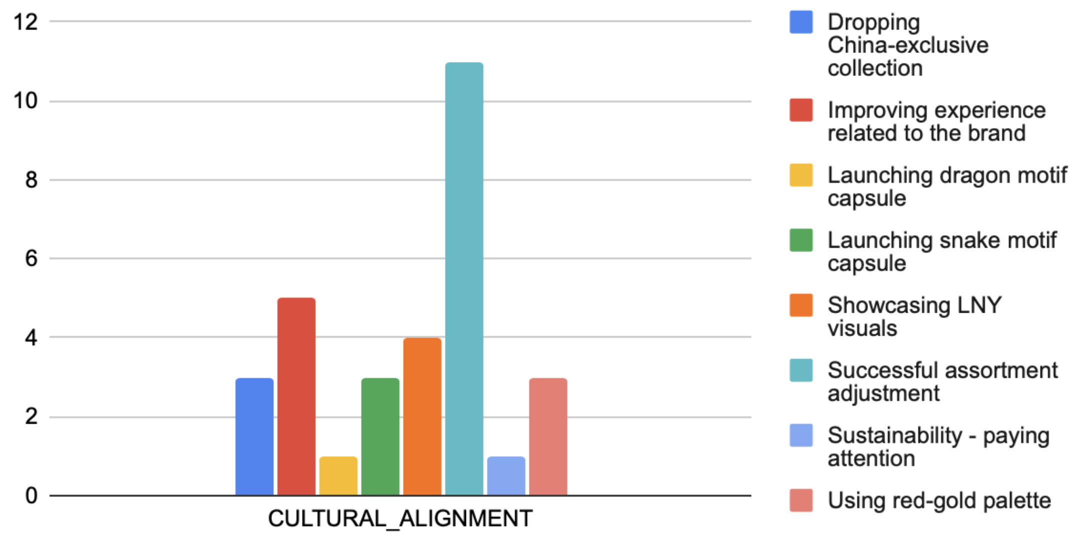
These livestreams leveraged Douyin's multi-sided nature well, with consumers, influencers (KOLs), models, and Zara being able to interact with each other in real time, showing the importance of adapting the brand engagement to platform-specific dynamics (Rochet & Tirole 2003; van Dijck et al. 2018). Contrary to this, Zara's engagement on Xiaohongshu (RedNote) was not always sufficient. This platform also provides large opportunities for two-way connection (brands and consumers), however, Zara's posts here were sometimes missing the localised touch that is nowadays preferred by younger consumers. Coding shows that "Low interaction with consumers" and "Missing connecting opportunities" (first-cycle codes) were continuously present on RedNote prior to 2022, which proves that Zara did not only need presence, but also active, locally adjusted engagement strategies.

Analysis of code frequencies over time shows a significant increase in "Achieving online sales growth" and "Hosting Douyin live-stream" after 2021, proving Zara's shift from a physical-expansion strategy (a "location advantage" per OLI) toward a hybrid and increasingly digital-focused model. In alignment with platformization theory, Zara's recent adoption of real-time catwalk livestreams on Douyin shows how new digital tools create opportunities and innovative ways to engage multi-sided audiences (van Dijck et al. 2018).

5.1.2 Cultural Fit: Product, Partnership, and Localization

The long-term survival of Zara in China is closely linked to its ability to achieve and maintain cultural fit, which is a key aspect in both Hofstede's dimensions and Dunning's location considerations. 17.2% of Zara's coded excerpts falls under the pattern code "Cultural Alignment" (see Figure 1). The most common first-cycle code here is "Successful assortment adjustment" (2006-2025), which covers size difference in comparison to consumers in other countries, fabric quality, and consumer lifestyle considerations (e.g. young urban working consumers).

Figure 5. First-cycle code composition within Zara's "Cultural Alignment" pattern



Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

This move shows awareness of local preferences and a reduction in "cultural distance" (Hofstede et al., 2010). Localization was further deepened by marketing campaigns that made explicit use of culturally relevant visuals, such as red and gold colors around Chinese New Year, zodiac motifs, and major festival events (see Figure 5). These decisions, in line with Hofstede's concept of collectivism and long-term orientation, signaled respect for local values and built trust (Hofstede et al., 2010). Zara's recent collaborations with textile artist Lin Fanglu and indie streetwear label AO YES (coded "Working with local artists or designers") demonstrate a location advantage (Dunning, 1988) and align with strategic learning as seen in the Uppsala model. By leveraging local possibilities, Zara aligned with the Guochao national pride movement, strengthening the connection and resonance with young Chinese consumers.

Analysis of Zara's WeChat Index for the period from July 2, 2024 until July 1 2025 shows that the majority of digital engagement came from WeChat Channels (视频号), which accounted for 55.46% of total interactions. Official articles on Zara's WeChat account (公众号) contributed 23.53%, while WeChat Search by consumers (搜一搜) comprised 17.65%. Additionally, there were web pages (2.67%), live broadcasts on WeChat, either from Zara directly or other consumers selling Zara's products (0.37%), and other less relevant sources (0.32%).

Figure 6. Zara's WeChat Index and Engagement Distribution by Channel (July 2024–July 2025)

Source: WeChat Index, 2 July 2025.

These data were derived directly from WeChat Index analytics (see Figure 6) which show the combined metrics of search queries, content shares, and user interactions associated with the Zara brand on the WeChat platform. Engagement peaks are visible during with some of the largest Chinese online shopping festivals, and as a result of successful cultural adapting (Hofstede et al., 2010), particularly on Double11 (Singles' Day), which happens every year on November 11, and the 618 Shopping Festival happening on June 18, highlighting the critical role of leveraging multi-sided digital platforms to engage consumers (van Dijck et al., 2018) and boosting brand visibility with the right timing.

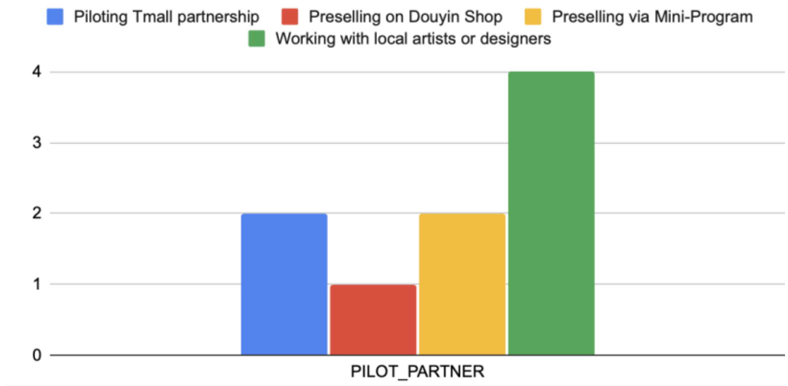
Despite these successes, quality complaints and sustainability issues surface in "Assortment gap" and "Experiencing quality issue" codes. In Hofstede's (2010) terms, this emphasizes the risk of underestimating the impact of "uncertainty avoidance" and "power distance" on consumer responses, as Chinese consumers expect not only localization but also genuine and constant engagement. When Zara's products were seen as less competitive compared to the local brands, this weakened its ownership advantage and its ability to reduce "cultural distance" (Dunning, 1988; Hofstede et al., 2010).

It can be concluded that there is a clear correlation between culturally resonant campaigns and higher engagement metrics, supporting proposition two that states that campaigns embedding locally meaningful symbols, festival cues, and adapting to local consumers' values tend to receive more positive responses and face less risk of nationalistic backlash. These findings also highlight the relevance of Hofstede's cultural dimensions framework for understanding international branding success in China.

5.1.3 Partnerships and Entry-Mode Evolution

Only one excerpt confirms Zara's initial FDI storefront entry in 2006, but multiple excerpts fall under "Piloting Partnerships" related to digital platforms (Tmall, Douyin Shop, and WeChat Mini-Program).

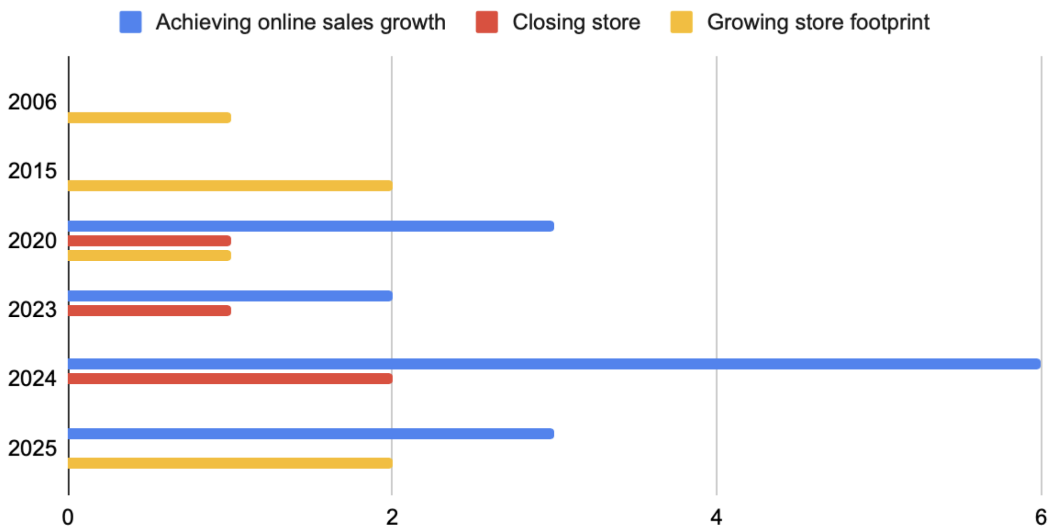
Figure 7. First-cycle code composition within Zara's "Piloting Partnerships" pattern



Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

Zara also worked on partnering with local artists, which is evident in Figure 7. Seeing these digital activities confirms Yin's replication logic: after the initial flagship move, Zara used a low-commitment "learn-and-scale" template across multiple platforms. From an OLI perspective, Zara began by running its own stores, but eventually relied on Chinese two-sided platforms to attract consumers, giving up complete control in return for fast, big-scale exposure to consumers. By launching first on Taobao (2012) and Tmall (2014), and later piloting campaigns via WeChat Mini-Programs for example, Zara followed a "test and learn" strategy, gathering market data and knowledge and refining its strategy, while simultaneously maintaining flexibility. The platformization theory provides further insight in this, as one could state that Zara's initial digital partnerships enabled the brand to leverage the ready-made, multi-user systems, which lowered the entry barriers on digital platforms and distributed risk across the network (Rochet & Tirole, 2003). These platforms functioned as low-commitment digital learning practice, enabling Zara to gradually build knowledge, adapt supply chains, and invest further after their confidence in success grew. The dynamic shown in Figure 8, shifting code prevalence at some point from "Growing store footprint" to "Closing stores" and simultaneously "Achieving online sales growth", demonstrates how Zara's commitment deepened in response to positive digital-market feedback.

Figure 8. Year-by-year incidence of the first-cycle codes "Achieving online sales growth," "Closing stores" and "Growing store footprint" in Zara's China data (2006–2025)



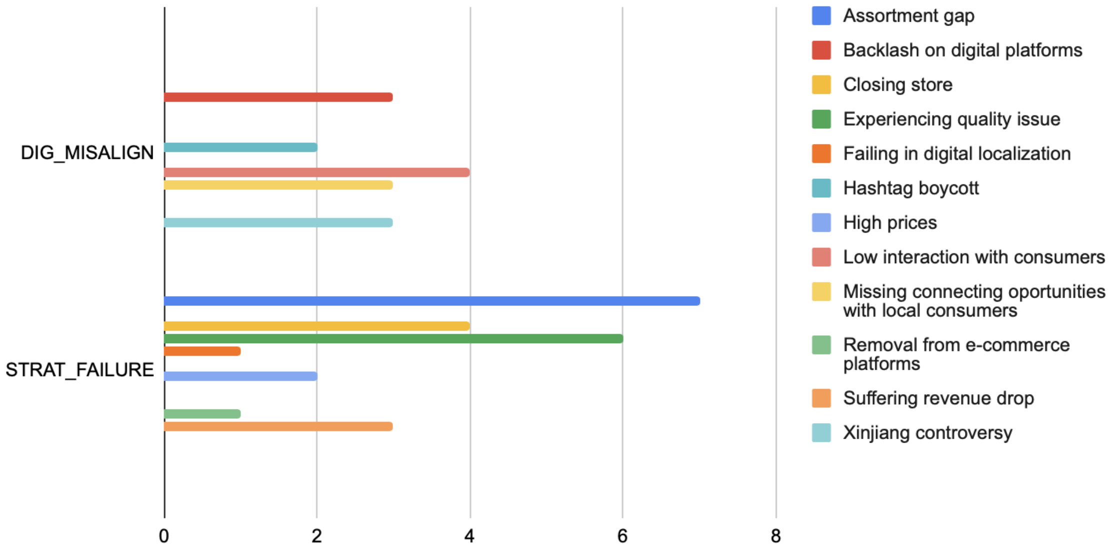
Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

Zara's increasing reliance on platform-based interactions reflects the growing infrastructural role of digital platforms in the Chinese retail landscape (van Dijck et al., 2018).

5.1.4 Misalignment and Backlash

While Zara's China strategy shows many successes, its history also reveals significant risks when cultural, digital, or political misalignment occurs. Almost one fourth of all Zara's excerpts with the outcome code of "Strategic failure" also carry "Digital Misalignment" code (see Figure 9). The Xinjiang controversy is the clearest example of this: Zara's digital removal of a public statement on forced labor resulted in online boycotts by consumers, being cancelled on major platforms, and a drop in revenue (Hu, 2023).

Figure 9. First-cycle code composition within Zara's "Digital Misalignment" and "Strategic Failure" patterns



Source: Author's own visualization based on first- and second-cycle coding of Zara case data.

This case proves that even well-designed partnership models cannot protect the brand if cultural and political signs and developments are misread, especially not in a country like China, where platforms have to conform to the state rules and expectations (Van Dijck et al., 2018). This also aligns with both Hofstede's and Dunning's frameworks: a misreading of cultural and political context (high "uncertainty avoidance") can erase ownership and location advantages quite literally overnight (Hofstede et al., 2010; Dunning, 1988). The Uppsala model is highly relevant here: it warns that knowledge gaps and lack of local network relationships can lead to unexpected shocks during internationalization (Johanson & Vahlne, 2009). Zara's slower or insufficient digital response during moments of crisis left the brand vulnerable to fast-moving consumer backlash (as visualized in Figure 9). This risk is intensified in a platformized environment, where negative sentiment can quickly spread across interconnected consumer groups due to the echoing effects of multi-sided platforms (Rochet & Tirole, 2003; van Dijck et al., 2018).

5.1.5 Synthesis: Lessons from Zara's China Experience

Zara's path in China shows how European fashion brands can and should actively adapt to the market. Turning from offline stores to digital platforms, and Zara's willingness to experiment with new digital strategies, show how necessary digital transformation in China is. This is clear in the coding evidence: Zara's strategic focus shifted from expanding physically through stores to committed activities on digital platforms like Tmall, Douyin, and WeChat, where it built a strong connection with Chinese consumers.

Zara's case can be connected to all four theoretical frameworks: the Uppsala model with the gradual, learning-focused expansion; OLI with balancing between ownership and adapting to China's digital environment (even giving up control in exchange for better consumer access); and Hofstede's dimension with the continuous efforts to reduce cultural distance (e.g. with product adjustments and local collaborations). Platformization theory is especially important here, as Zara's success is traceable when the brand focused on digital platforms, seeing them as complex systems. The data shows that digital engagement and cultural adaption result in positive outcomes, but also that mistakes, like the Xinjiang incident, can lead to backlash and exclusion almost overnight.

In short, Zara's China story is not just about being fast or global, it's about learning, adjusting, and staying connected, both digitally and culturally. The case confirms that the theories applied in this thesis, Uppsala, OLI, Hofstede, and platformization, aren't just abstract models, but real tools for making sense of what works and what doesn't for foreign brands competing in China.

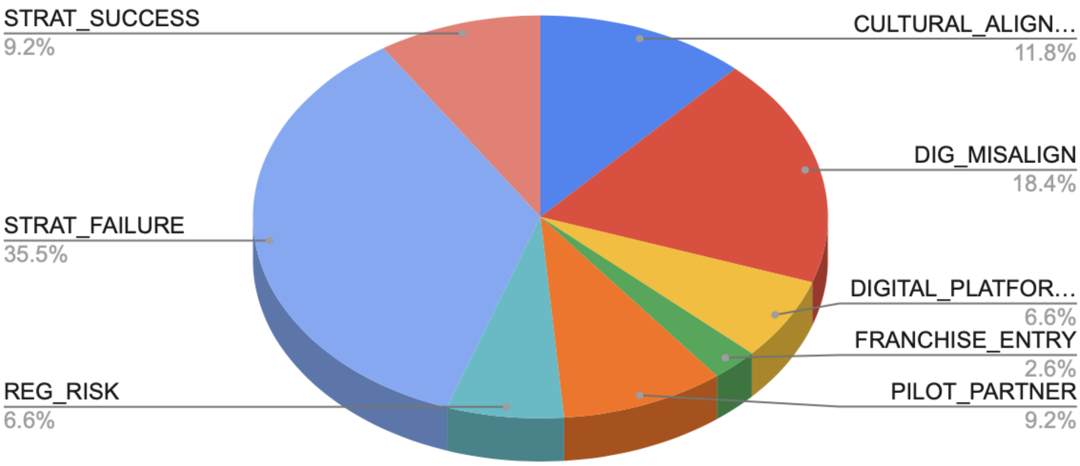
5.2 Mango: Early Franchising, Digital Attempt, and Loss of Presence

The evolution of Mango's activities in China can be divided into several phases, each characterized by different strategic priorities and challenges. In the following sections, these phases are examined in detail, beginning with Mango's initial market entry through franchising and quick expansion.

5.2.1 Initial Market Entry: Franchising and Expansion

Mango, which is also a Spanish fast fashion brand, entered the Chinese market in 2002, quickly creating a whole network of franchised stores. Mango's initial entry mode is a perfect example of partnership-based internationalization (Uppsala model; Johanson & Vahlne, 2009), with local franchisees mitigating operational risk and providing access to the best locations in first-tier and second-tier cities (Baidu Baike, 2024). Coding revealed two dominant pattern codes: “Strategic Failure” and “Digital Misalignment” (see Figure 10).

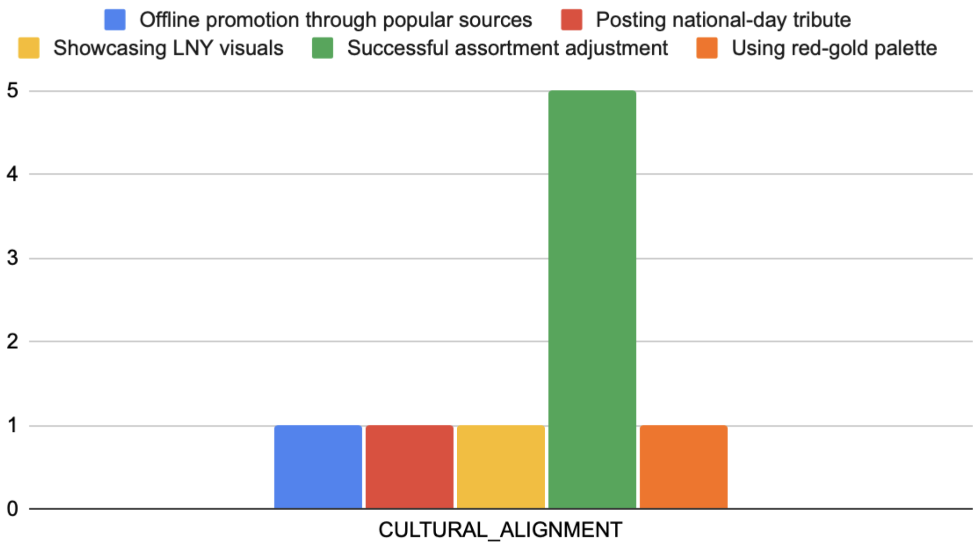
Figure 10. Mango: Pattern code distribution



Source: Author’s own visualization based on first- and second-cycle coding of Mango case data.

According to industry sources, Mango’s expansion was fast; by 2013, the brand had its peak with over 200 stores all over China, which made it one of the largest Western fast fashion brands in China at that time (Nandu, 2024). The franchising entry strategy enabled Mango minimizing capital investment and leveraging location advantages (Dunning, 1988) by using already established local operators, consistent with both the OLI paradigm and the gradual, learning-oriented approach of the Uppsala model. Since it could leverage the local knowledge it had an access to, Mango targeted urban working women in China aged 18–35 and tailored its assortment as a “mid/high-end affordable,” positioning itself between luxury and lower-cost brands (Baidu Baike, 2024). Local preferences were in general carefully considered by the brand, as it also launched the MANGO KIDS line, and designed stores and marketing campaigns around national holidays and Chinese consumer expectations and needs. The company also upgraded its supply chain speed to match China’s demand for constant product updates, delivering new collections every two weeks. Coding related “Cultural Alignment” (see Figure 11) shows “Successful assortment adjustment” and “Using red-and-gold palette” as initial bridges across cultural distance. Supply-chain data show new collections delivered every week (Baidu Baike, 2024), which shows an effort to meet Chinese consumers’ need for constant innovation.

Figure 11. First-cycle code composition within Mango's "Cultural Alignment" pattern



Source: Author's own visualization based on first- and second-cycle coding of Mango case data.

These steps are clear examples of cultural adaptation and location-specific learning (Hofstede et al., 2010; Dunning, 1988).

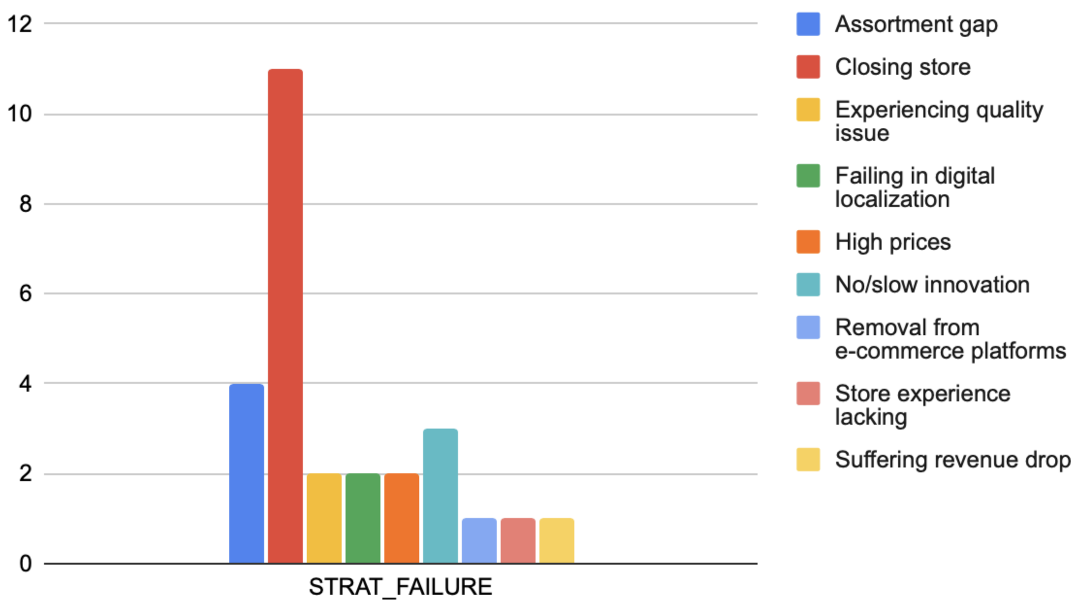
5.2.2 Peak, Decline, and Strategic Withdrawal

Unfortunately, Mango's path in China unexpectedly changed around 2013. From 2013 to 2015, the brand experienced sudden store closures, with its presence in China dropping from over 200 stores to just 61 in two years. Three factors that influenced Mango's "Strategic Failure" excerpts are important to mention:

1. Competition, due to the rise of domestic fast fashion brands and aggressive expansion by global competitors like Zara (considering Zara's timeline) intensified the fight between the brands in China. Local brands adapted very quickly to Chinese consumer preferences with their innovation strategies and ways of communicating (Nandu, 2024). This and the rising *Guochao* nationalism made Mango struggle to adjust at the expected pace.

2. Quality, pricing, and innovation fails, due to insufficient product innovation, a slow reaction to trends, and quality control issues as reasons for Mango's declining appeal, especially among younger, Gen Z consumers (Nandu, 2024).
3. Lack of meaningful offline experience, after shopping malls all over China became noticeably dominated by local brands. Mango's offline stores failed to deliver the valuable in-store experience that Chinese consumers increasingly demanded, especially after the pandemic accelerated a shift toward online shopping (Nandu, 2024). By 2023, Mango had closed all but one store in China (in Yantai) and had withdrawn from the Chinese physical retail market (Nandu, 2024).

Figure 12. First-cycle code composition within Mango's "Strategic Failure" pattern



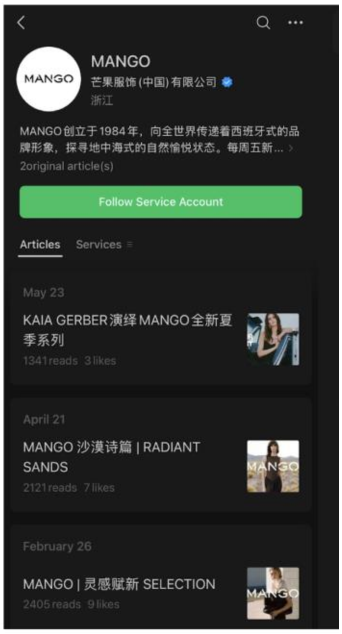
Source: Author's own visualization based on first- and second-cycle coding of Mango case data.

These failures show an inability to keep Hofstede's collectivist, long-term-oriented consumers' engagement, or to sustain OLI ownership and location advantages as the market developed towards a new direction.

5.2.3 Online Experimentation

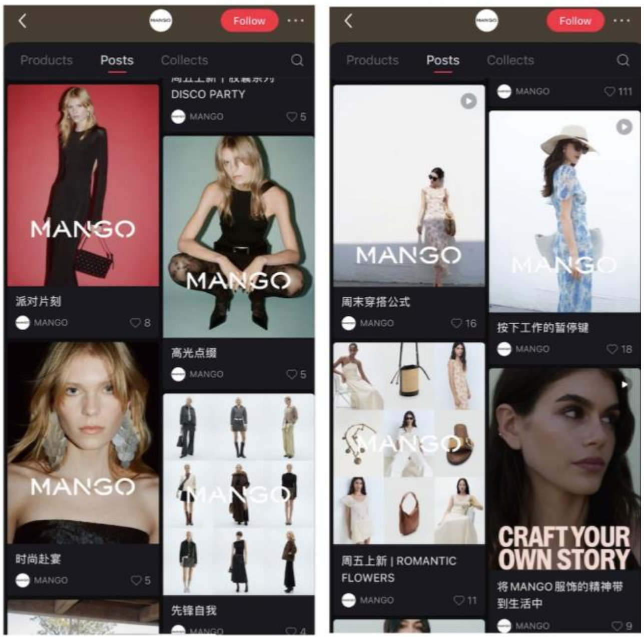
As offline expansion stopped, Mango tried to reposition itself through digital channels, (a move that aligns with platformization theory), which is a proof of how digital platforms restructure markets and rule the access to consumers (van Dijck et al., 2018). In 2019, Mango partnered with Hangzhou Jingzhi Clothing to accelerate expansion via local knowledge and compliance (Nandu, 2024). By 2021, Mango suspended all new offline openings and instead moved its resources on e-commerce, launching a flagship store on Tmall, an official JD store, and later experimenting with a WeChat Mini-Program (STCN, 2023). Mango's digital shift, however, was inconsistent and ultimately unsuccessful. The official Mango WeChat account posted very rarely, with only three articles in 2024, and similarly, Mango never managed to develop an important presence on RedNote, as low consumer engagement is noticeable upon visiting Mango's official account (see Figures 13 and 14).

Figure 13. Mango's official WeChat Account articles published in 2025



Source: Mango's WeChat account, July 2025.

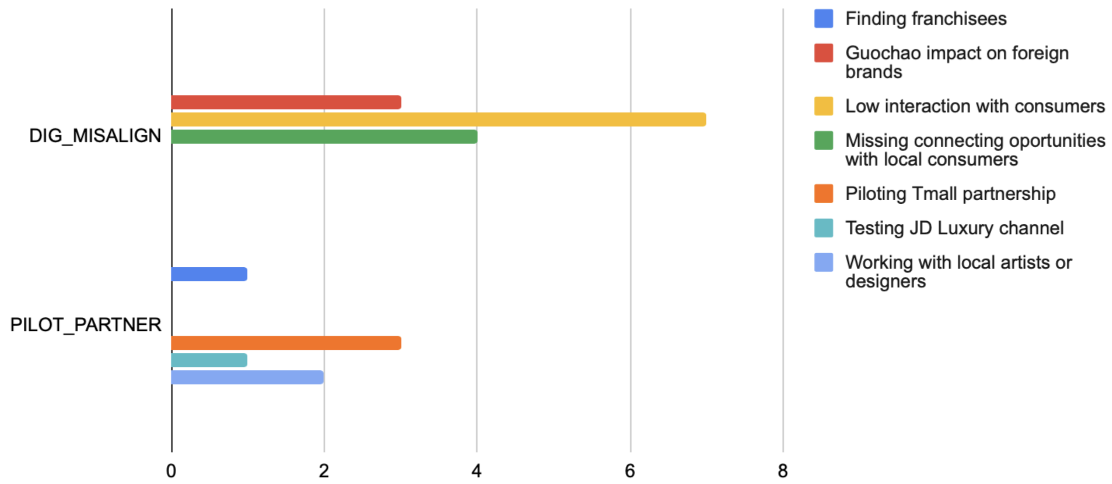
Figure 14. Mango's RedNote account posts in 2025



Source: Mango's official RedNote account, July 2025.

As seen during the coding, low interaction with consumers and a lack of dedicated digital engagement completely weakened Mango's brand relationships, which limited the effectiveness and success of its digital strategy. Figure 15 shows "Digital Misalignment" codes (low interaction, missing connecting opportunities) and "Piloting Partnerships" (Tmall, JD, working with local artists), and shows Mango's mistake of not having many relevant follow-up engagement campaigns or much engagement with consumers.

Figure 15. First-cycle code composition within Mango's "Digital Misalignment" and "Piloting Partnerships"



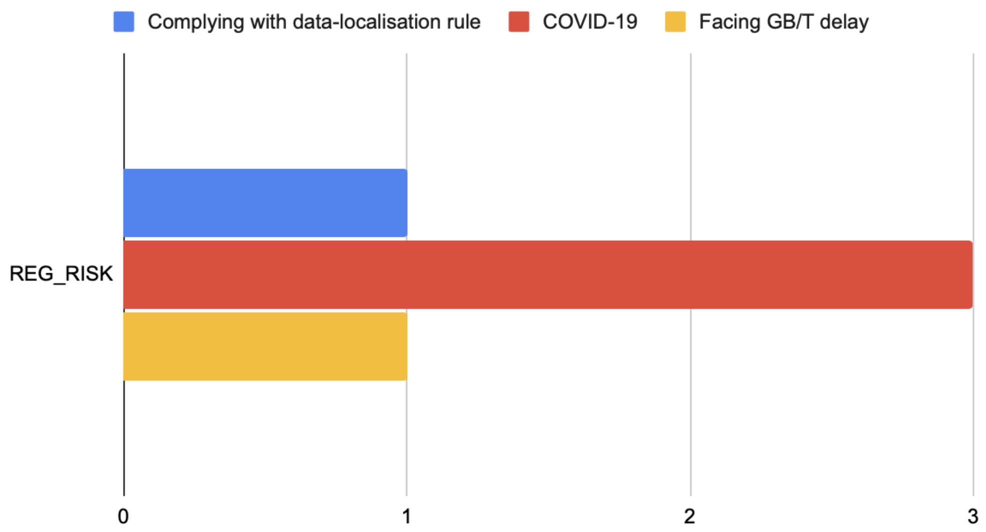
Source: Author's own visualization based on first- and second-cycle coding of Mango case data.

This digital misalignment is especially interesting because platformization and multi-sided platform theories both highlight how important it is for brands to run localized, frequent, and interactive digital campaigns in order to build trust and loyalty (van Dijck et al., 2018; Rochet & Tirole, 2003), particularly within China's highly connected platform landscape. Mango's example shows how simply being present on key platforms is insufficient without constant, targeted, culturally adjusted interaction with consumers.

5.2.4 Strategic Exit: Regulatory Risk and Cultural Misfit

Mango's withdrawal from China was not just the result of competitive and localization pressure, but also regulatory risk and regulatory barriers. The COVID-19 pandemic sped up Mango's decision to close its offline stores, with lockdowns, supply chain complications, and over-inventory ruining Mango's profitability (Nandu, 2024) (see Figure 16).

Figure 16. First-cycle code composition within Mango's "Regulatory Risk" pattern



Source: Author's own visualization based on first- and second-cycle coding of Mango case data.

At the same time, the *Guochao* movement (national pride) gave additional advantage to local brands, making it harder for international brands to maintain their relevance and connection with the consumers (see Figure 16). Mango's CEO explicitly said they are not going to prioritize China as a market from 2023, emphasizing that Mango would not focus on the Chinese market for at least three years, and would instead invest more in the US and India (STCN, 2023). Considering all the developments discovered during coding, this move looks like a carefully thought-through exit. This aligns with the Uppsala model, where a progressive commitment can be reversed when market learning shows negative signals. It also highlights failing to retain location and cultural fit advantages (Dunning, 1988; Hofstede et al., 2010).

5.2.5 Lessons from Mango: Theoretical Insights and Market Realities

Mango's story is a clear proof of how dangerous it is to rely on early success in China without spotting the need for constant cultural and digital adaptation. This can be connected to the Uppsala and OLI models, as it is obvious that quick entry without continuous learning isn't enough. It is also very clear that just being present on digital platforms is not enough; the brands must actually use them to engage and connect with consumers, following the main points of platformization theory, which Mango failed to do. Hofstede's framework is also relevant, as it can be used to explain why Mango's lack of real cultural understanding and alignment left it struggling as local trends and expectations changed.

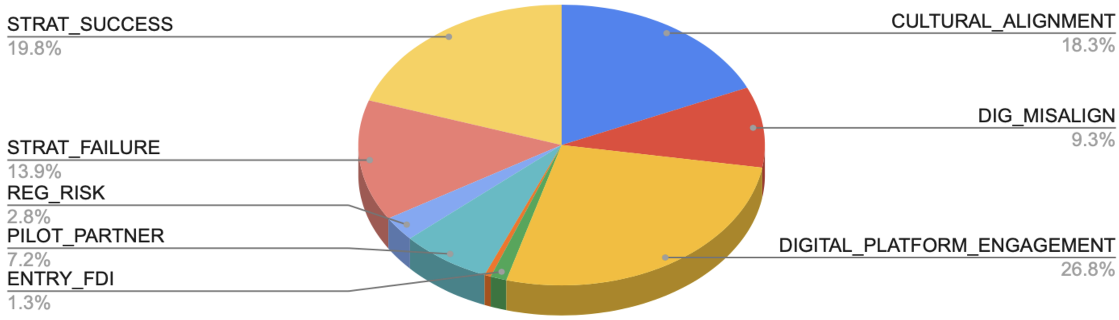
It can be concluded from Mango's story that digital and cultural adaptation requires continuous efforts. Without a serious commitment to understanding the local needs and digital platforms, even the brands that are already well established can lose their seemingly strong and stable position in China.

5.3 Louis Vuitton: Luxury, Exclusivity and Localization

After taking a look at two fast fashion brands, this section will examine how Louis Vuitton (LV). LV is an interesting and important case, because it is not only one of the first, but also one of the most enduring European luxury brands in China. The brand entered the Chinese market in 1992, opening its first flagship in Beijing's Palace Hotel (Lu & Chevalier, 2009). Over the next thirty years, LV reinvented its status as a symbol of Western luxury over and over again, mastering the difficult balance between globally exclusive and locally adapted.

Coding analysis for Louis Vuitton revealed a much more diversified strategic profile than observed for Zara or Mango. As shown in Figure 17, the largest shares of codes belong to Digital Platform Engagement (26.8%), Strategic Success (19.8%), and Cultural Alignment (18.3%).

Figure 17. Louis Vuitton: Pattern code distribution



Source: Author's own visualization based on first- and second-cycle coding of Louis Vuitton case data.

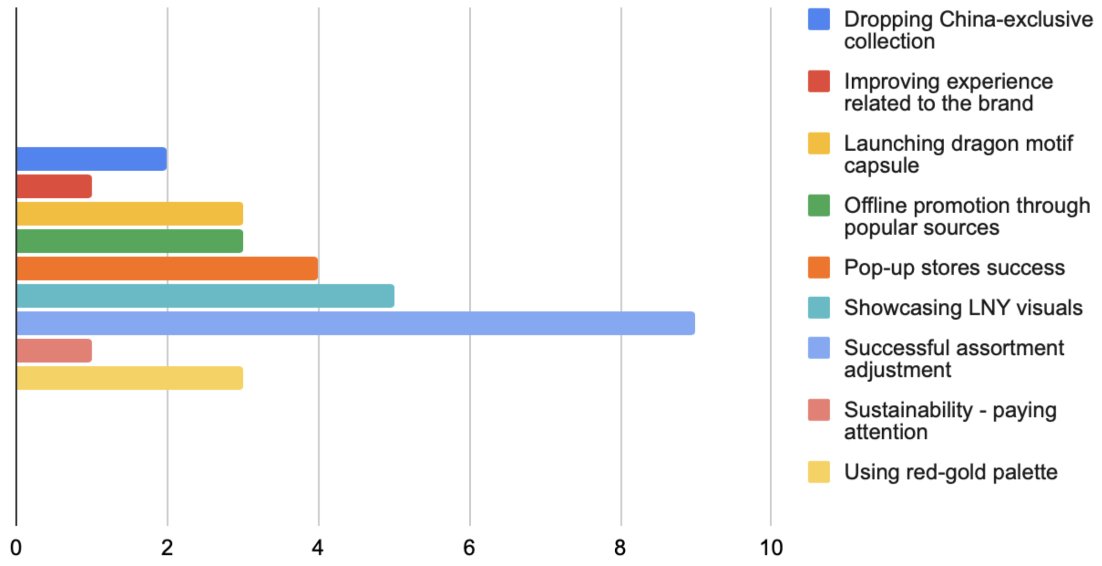
5.3.1 Initial Market Entry: FDI and Controlled Expansion

Louis Vuitton's initial market entry into China required a large investment. Its first flagship opened in Beijing in 1992 was the most typical case of expansion by a wholly owned subsidiary, aligning with the Uppsala model and Dunning's OLI paradigm, maximizing both ownership and internalization advantages. By utilizing this approach, the brand kept complete control over its operations, and they even sent local staff to Paris for training, to be able to ensure that every segment of the store experience kept its global promise (Luxury China, 2009). Louis Vuitton did not experience a rapid growth and store openings like Mango did with its franchisees, but it expanded only selectively to other locations, as exclusivity and special in-store experience were always its highest priorities. This gradual approach built a very strong foundation for this brand's lasting connection with Chinese consumers, and it made the later entry adaptations much easier.

5.3.2 Building Brand Image Through Cultural Alignment and Local Adaptation

LV's success in China is a result of its continuous effort for cultural alignment and the active localization of all segments of its business (products, marketing, and storytelling, especially on digital platforms). 18.3% of all coded excerpts for LV showed the "Cultural Alignment" pattern, as visualized in Figure 17. From the earliest years, LV introduced exclusive collections for China, including Lunar New Year collections, zodiac-motif accessories, as well as limited editions with red and gold, New Year, colors (Jing Daily, 2024). Not only this, LV also actively had collaborations with Chinese KOLs (influencers), celebrities, artists, and designers (Daxue Consulting, 2023). Coding shows high use of "Successful assortment adjustment," "Showcasing LNY visuals," "Using red-gold palette," and "Working with local artists or designers," all of which show LV's sensitivity to local values and festivals in China.

Figure 18. First-cycle code composition within Louis Vuitton's "Cultural Alignment" pattern



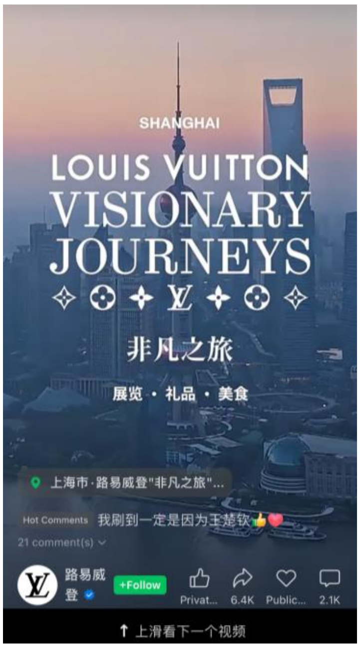
Source: Author's own visualization based on first- and second-cycle coding of Louis Vuitton case data.

These adaptations show LV's understanding of Chinese collectivism and long-term orientation (Hofstede, 2010), supporting the cultural-fit effect described in proposition 2.

5.3.3 Digital Leadership and Platform Engagement

Unlike many Western luxury brands, Louis Vuitton quickly recognized the development and relevance of digital platforms and brands' engagement in China. Digital Platform Engagement emerges as the largest single pattern in the coding, with 26.8% and serves as a proof of LV's constant investment in digital strategy. The brand entered the digital world in China with the launch of its official Chinese website in 1997 (Lu & Chevalier, 2009), and later a WeChat Mini-Program as the initial step on the WeChat platform, after which it showed diverse activities and implementations on WeChat, Douyin, RedNote, and Weibo (Daxue Consulting, 2023). LV's digital campaigns can be found in live streaming, hashtag challenges, and collaborations with Chinese KOLs, often putting focus on very visual campaign promotion (e.g. like LV “Visionary Journeys”) (see Figure 20).

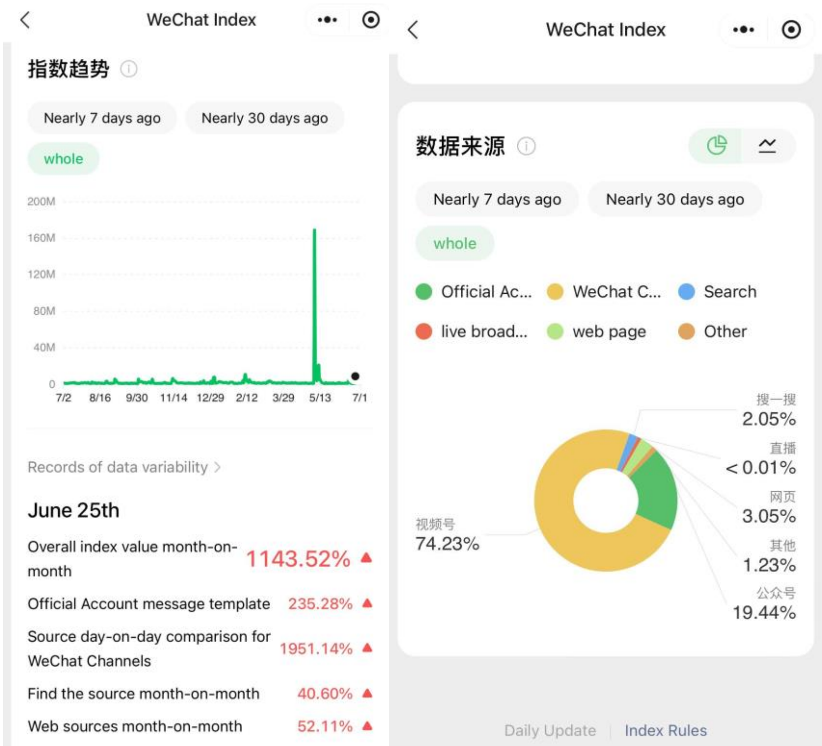
Figure 19. Louis Vuitton “Visionary Journeys” Campaign Promotion on WeChat, 2025



Source: Screenshot taken by author from Louis Vuitton official WeChat video post.

Another interesting observation is the brand’s WeChat Index that shows the background of Louis Vuitton’s digital engagement on WeChat for 2024/25 (see Figures 21 and 22). The brand achieved an enormous jump in its WeChat Index in June 2025, with overall engagement rising by more than 1,100% month-on-month. The channel breakdown in Figure 22 shows that the large majority of this engagement came from WeChat Channels (short videos), which accounted for over 74% of total activities, followed by Official Account articles at 19%. This data is a proof of how interesting video content and official communication are central to Louis Vuitton’s digital success in China, and serves as an example for other brands that aim to achieve similar results.

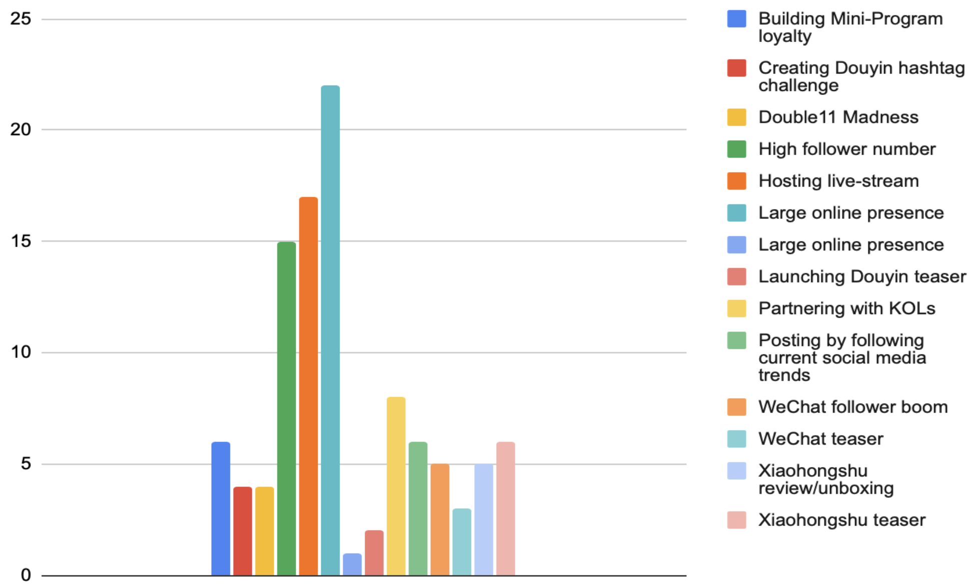
Figure 20. Louis Vuitton's WeChat Index and Engagement Distribution by Channel (July 2024–July 2025)



Source: WeChat Index, 2 July 2025.

The most frequent first-cycle codes within the "Digital Platform Engagement" pattern code ("High follower number," "Large online presence," and "Hosting livestream") demonstrate that LV's digital-first strategy was not only about being present on the platforms, but about achieving real, measurable interactions with consumers.

Figure 21. First-cycle code composition within Louis Vuitton's "Digital Platform Engagement" pattern



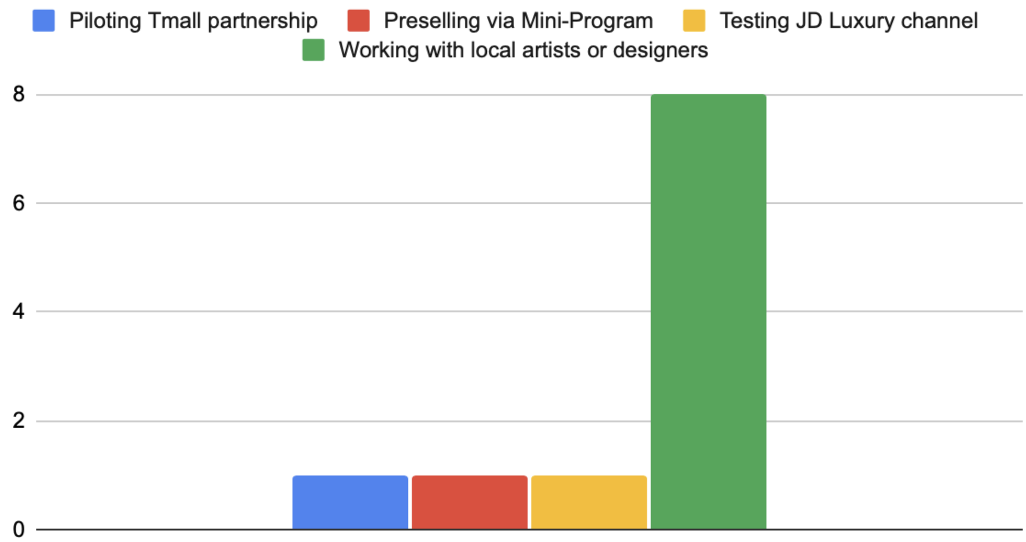
Source: Author's own visualization based on first- and second-cycle coding of Louis Vuitton case data.

LV's approach and the findings support proposition 1 stating that digital immersion on local platforms supports brand growth and acceptance on the Chinese market beyond the initial offline launch. It also aligns with the platformization theory, since it is clear that successful branding in China nowadays depends on excelling at both logic and the pace of digital consumer interaction (van Dijck et al., 2018; Rochet & Tirole, 2003).

5.3.4 Partnership Pilots and the Evolution of Market Channels

Although LV has prioritized control at the beginning of its China journey, it has also actively tested different types of partnership. This was seen in coded excerpts belonging to "Piloting Partnerships" pattern code, as many collaborations with Chinese artists, KOLs, and platforms were documented (Daxue Consulting, 2023). Especially worth mentioning is LV's careful entry onto platforms like Tmall and JD.com between 2020 and 2023, something that LV feared for a long time because of a possible change in brand image and exclusivity, but it eventually accepted it to be able to reach larger number of digital-native Chinese consumers (Daxue Consulting, 2023). The coding also reflects the importance of working with local artists and designers, which provides specific local learning opportunities.

Figure 22. First-cycle code composition within Louis Vuitton's "Piloting Partnerships" pattern



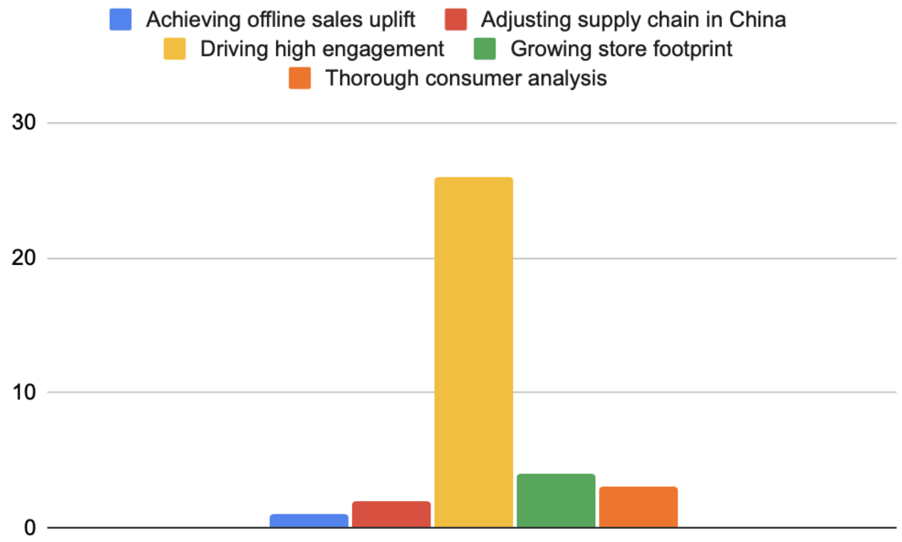
Source: Author's own visualization based on first- and second-cycle coding of Louis Vuitton case data.

By having selective partnerships and continuously gathering new market knowledge, LV managed to stay locally relevant without compromising its brand integrity, which aligns with the Uppsala model's emphasis on continuous learning.

5.3.5 Strategic Success, Regulatory Risk, and Failures

The coding for LV offers a detailed insight into how this brand has navigated both strategic success as well as some setbacks in China. "Strategic Success" pattern code, at 36 excerpts, is mostly seen in driving high customer engagement online, but also in growing store footprint, which combines online and offline success.

Figure 23. First-cycle code composition within Louis Vuitton's "Strategic Success" pattern



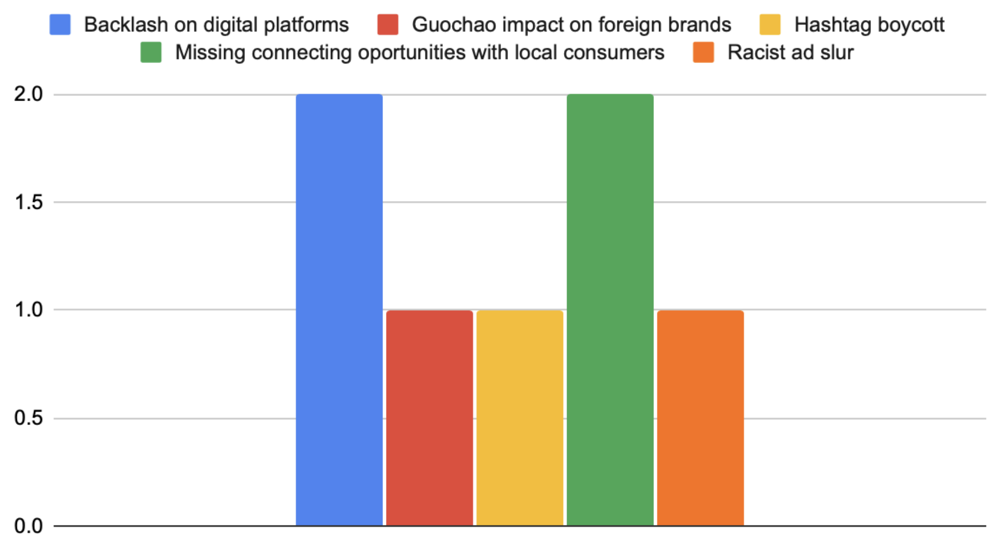
Source: Author's own visualization based on first- and second-cycle coding of Louis Vuitton case data.

LV has managed to keep its brand image related to luxury and exclusivity. It has been using multi-sided platforms and having millions of interactions with consumers, and at the same time consistently having offline sales rises during large festivals and campaign periods (Daxue Consulting, 2023). These achievements reflect the success of LV's digital entry and development, and culturally aligned model.

"Regulatory Risk", that did not emerge often during coding, revolved around LV's high profile as a luxury brand and its anti-counterfeiting efforts and reputation management campaigns (Daxue Consulting, 2023), which reminds one of luxury brands' need to constantly defend ownership and location advantages. It is worth noting that fast fashion brands like Zara and Mango have less concerns in this regard, since their products are not seen as luxury that not everyone can afford, unlike LV where this is the case.

"Strategic Failure" is rare in the LV data, with only three coded excerpts: two referencing high prices in 2009, and one in 2023. This indicates that while LV occasionally faces criticism, like the issue of Chinese consumers who rather shop for LV products abroad to avoid higher prices in China (Daxue Consulting, 2023), it has mostly avoided larger issues with its brand positioning and strategic approaches in China. However, just like most of the Western brands, LV has also encountered digital backlashes ("Digital Misalignment" as a pattern code) related to cultural insensitivity, or more specifically, *Westernization* during an event in China, which was not appreciated by Chinese consumers (Jing Daily, 2011), as shown in Figure 24.

Figure 24. First-cycle code composition within Louis Vuitton's "Digital Misalignment" pattern



Source: Author's own visualization based on first- and second-cycle coding of Louis Vuitton case data.

5.3.6 Lessons for Luxury Brands on Louis Vuitton's Example

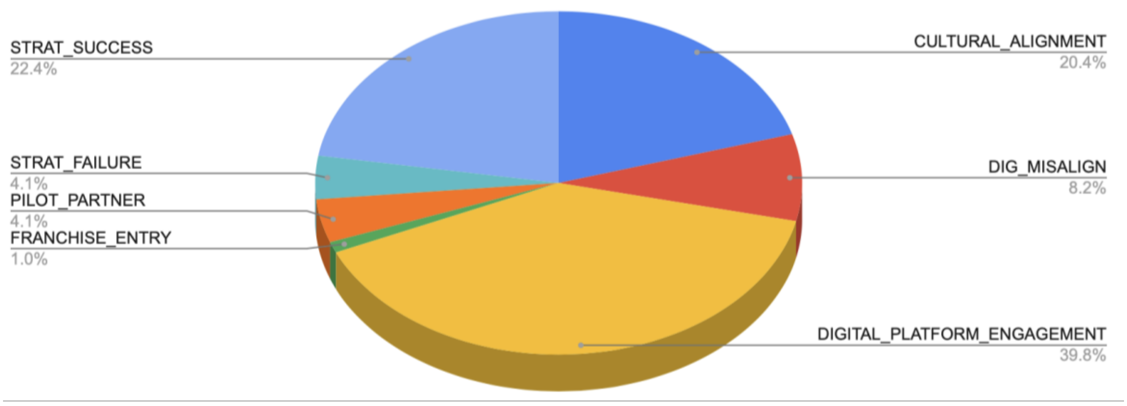
Louis Vuitton's path in China shows the need for blending global image with local distinctions, keeping the balance between exclusivity and wide engagement, as well as staying cautious when it comes to regulatory risks and threats to brand's reputation. This brand case confirms all four theoretical frameworks used for this thesis: Uppsala's gradual commitment and market learning (seen in both slow FDI expansion and digital entry and growth), OLI's balance of control and adaptation, Hofstede's cultural distance as a guideline for constant adjustment to the market, and platformization theory's emphasis on the fact that mastering digital platforms is essential in modern market entry and survival on the market. Moreover, Louis Vuitton's coding profile reveals a luxury brand that has been able to discover new paths and thrive on the Chinese market by daring to look beyond stationary exclusivity, and immersing itself in China's complex social, digital, and cultural environment, while simultaneously almost without fail considering this market's dangers of unexpected changes and quick consumer backlash.

5.4 Burberry: Leveraging Digital Innovation and Heritage

As the fourth major case in this thesis, Burberry represents an example of bridging the digital flexibility of fast fashion brands and the exclusivity of luxury brands. Its journey in China started with franchising in the early 1990s (HuffPost, 2011), however, at some point, Burberry became a digital leader, ultimately having to deal with the risks of reputational damage in a politically governed environment mediated through digital platforms.

Coding for Burberry shows three leading pattern codes: digital platform engagement, strategic success and cultural alignment.

Figure 25. Burberry: Pattern code distribution



Source: Author's own visualization based on first- and second-cycle coding of Burberry case data.

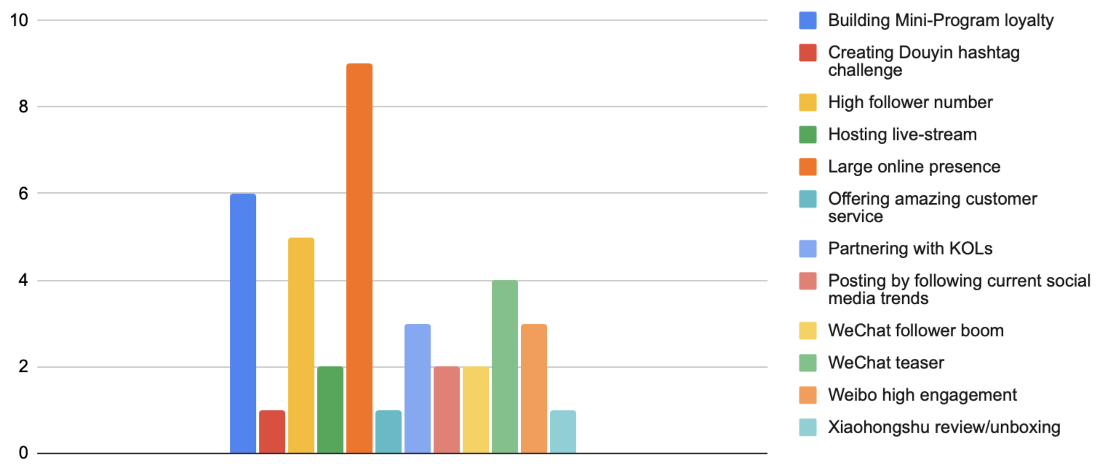
This shows that Burberry is very dedicated to utilizing digital platforms and understanding cultural distinctions. Nevertheless, Burberry has also had its share of digital misalignment and risk (see chapter 5.4.4).

5.4.1 From Franchising to Digital Platform Leadership

Burberry's China entry can be traced to the early 1990s via franchising, when the brand partnered with Kwok Hang Holdings (HuffPost, 2011). This meant low-commitment and mitigating risk for Burberry, the approach that aligns with the Uppsala model's logic of gradual commitment (Johanson & Vahlne, 2009) and Dunning's (1988) OLI paradigm, allowing the brand to quickly expand its physical presence without having the full risk of ownership. The brand's expansion on the Chinese market was steady, as Burberry already had over fifty stores in mainland China by 2010, showing both a fast growth and a smart strategic use of franchising entry mode.

However, Burberry did not stop with physical entry. It became known as a digital innovator in China, as it started using digital platforms much earlier than many of its competitors (HuffPost, 2011). In 2011, Burberry became one of the first luxury brands to stream its fashion shows on Chinese social media, and consistently invested in "real-time engagement" on platforms like WeChat as well (HuffPost, 2011). These moves are seen in the coding by frequent occurrences of "Large online presence", "Hosting live-stream", and "Building Mini-Program loyalty" within the Digital Platform Engagement pattern (see Figure 26).

Figure 26. First-cycle code composition within Burberry's "Digital Platform Engagement" pattern



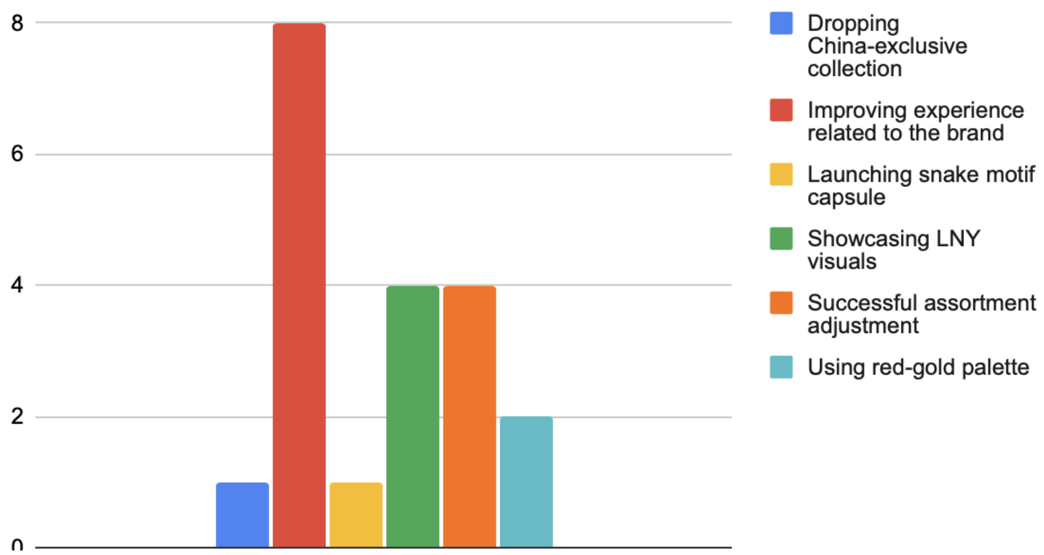
Source: Author's own visualization based on first- and second-cycle coding of Burberry case data, July 2025.

Burberry's digital entry did not only differentiate it from other legacy luxury brands, but it also positively influenced the brand awareness and connection to the consumers, supporting proposition 1 (Digital immersion) and the platformization framework (van Dijck et al., 2018). By utilizing these strategies and following Chinese social media trends, Burberry showed a detailed understanding of the platform logic and the need to be present where Chinese consumers actually engage with the brands.

5.4.2 Cultural Alignment and Local Adaptation

Nearly one fifth of Burberry's coded samples (20.4%) proves the effort in "Cultural Alignment", which shows the brand's ability to adapt both product and communication to local preferences, needs, and values. From "Showcasing LNY visuals" to "Successful assortment adjustment" and "Using red-gold palette", Burberry's actions always reflect Chinese cultural symbols and consideration of Chinese consumers' needs, particularly during key moments like Chinese New Year (see Figure 27).

Figure 27. First-cycle code composition within Burberry's "Cultural Alignment" pattern



Source: Author's own visualization based on first- and second-cycle coding of Burberry case data.

Burberry's emphasis on "Improving experience related to the brand" (HuffPost, 2011) is a good example of how brands can build trust by bringing creativity with the local and culturally resonant touch to the market. One example of this is Burberry's innovative "social retail" store in Shenzhen that it launched in 2020 by partnering with Tencent (Dezeen, 2020), where the space of the store would change on consumers' smartphones as they would point their camera to a certain part of the room.

Figure 28. Burberry & Tencent Social Retail Store in Shenzhen

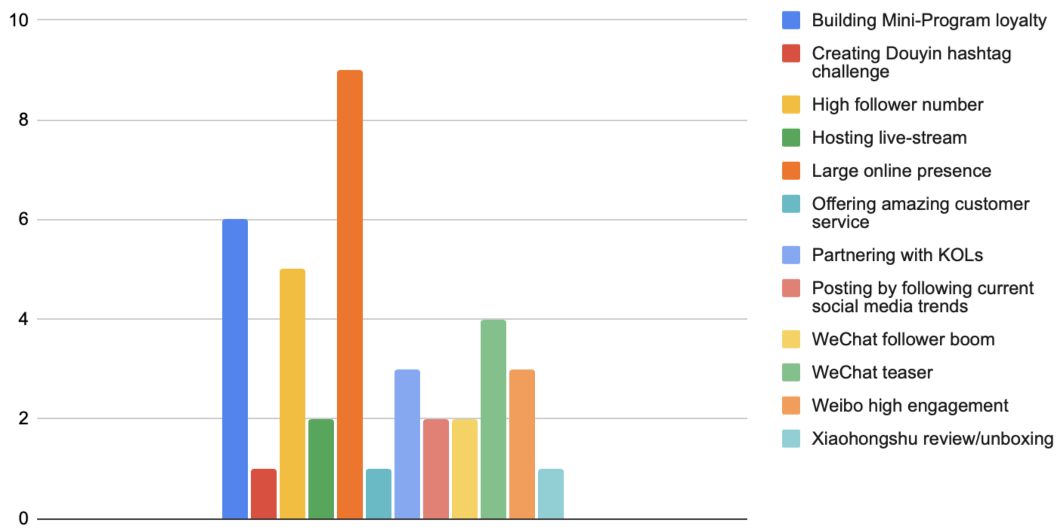
Source: "Burberry and Tencent join hands to open first 'social retail store' in Shenzhen," The Straits Times (2020).

This combined digital, in-person, and social experiences attracts experience-craving Chinese millennial and Gen Z consumers who are always craving new experiences. These strategies go hand in hand with Hofstede's framework, as they reduce cultural distance and exploit collectivist, long-term-oriented consumer preferences.

5.4.3 Digital Platform Leadership and Social Retail Experiments

The most significant feature of Burberry's China journey is certainly its leader-like use of digital and social retail platforms. Almost 40% of all Burberry excerpts are coded under "Digital Platform Engagement," by far the highest share among the brands in this study. The brand's early adoption of live streaming, continuous posting of WeChat Official Account articles, and integration of digital features into physical stores made it known as a real "digital pioneer" (The Straits Times, 2020).

Figure 29. First-cycle code composition within Burberry's "Digital Platform Engagement" pattern



Source: Author's own visualization based on first- and second-cycle coding of Burberry case data.

This can also be confirmed by examining the WeChat analytics data (see Figures 29 and 30). In June 2025, Burberry's WeChat Index showed 299% month-on-month, and the large consumer engagement jumps are noticeable around Chinese New Year and Valentine's Day. Engagement was mostly gathered on WeChat Channels which accounts for 65.6% of all activities, but Burberry's WeChat Official Account posts also contributed to it at 25.4%.

Figure 30. Burberry's WeChat Index and Engagement Distribution by Channel (July 2024–July 2025)

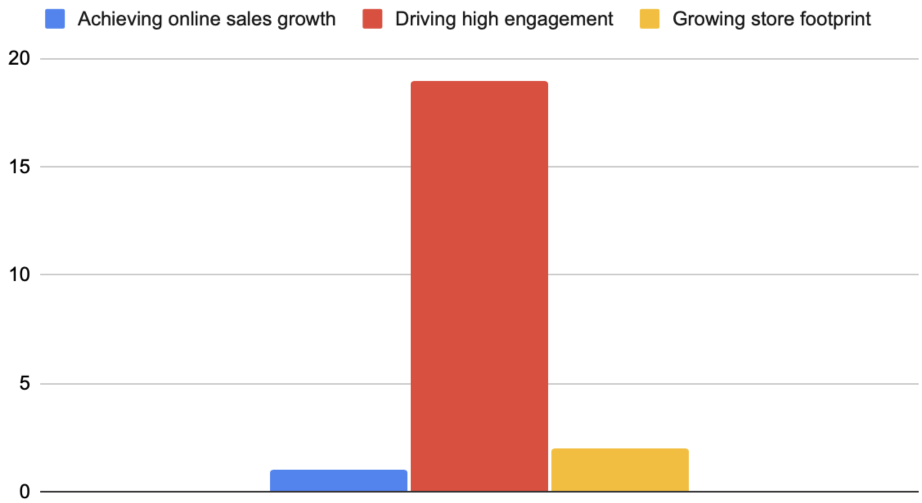
Source: WeChat Index, 2 July 2025.

Burberry's Douyin and RedNote official accounts also clearly prove this digital focus, as Douyin shows 524,000 followers and 5.7 million total likes by users, with frequent use of livestreams, influencer (KOL) collaborations, and trending hashtags. The focus on RedNote is put on lifestyle content, product promotions, and partnerships with local celebrities. These actions are a motivating move for two-way engagement (brand and consumers), and the more of such actions the brand performs, the more visibility and engagement it gets, which is a main goal of brands actively trying to attract the attention of consumers on Chinese social media.

5.4.4 Strategic Success and Risk of Digital Backlash

A great share of Burberry's pattern code distribution (22.4%) captures **"Strategic success,"** with "Driving high engagement" (online, as well as offline) being the most influential first-cycle code.

Figure 31. First-cycle code composition within Burberry's "Strategic Success" pattern

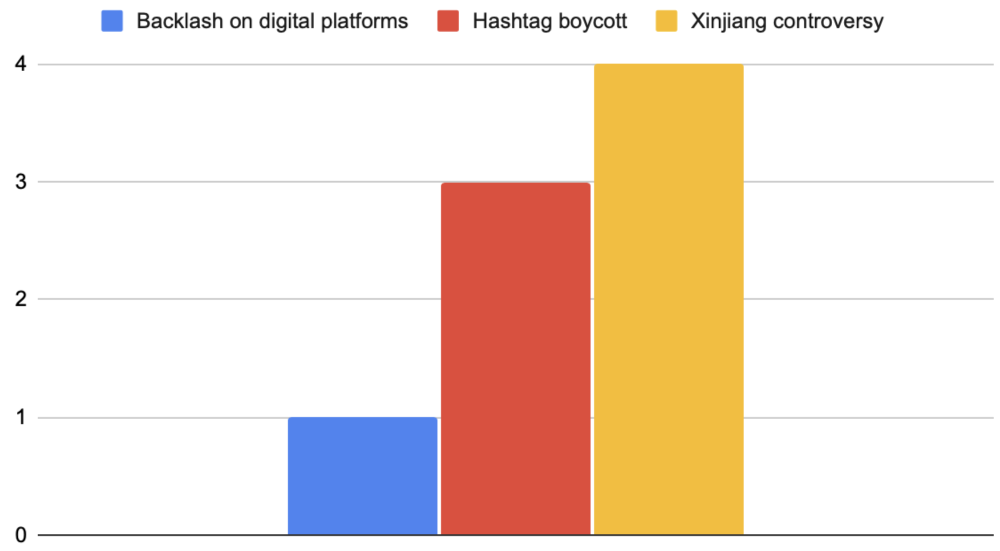


Source: Author's own visualization based on first- and second-cycle coding of Burberry case data.

The combination of digital and cultural adaptation examined in the previous chapters contributed to brand image strength and consumer loyalty, confirming both the platformization and Hofstede frameworks, as well as propositions 1 and 2.

Nevertheless, Burberry's case also discovers the risks faced by foreign brands trying to survive China's politicized digital environment. In 2021, Burberry also belonged to brands facing huge backlash over public comments about labor conditions in Xinjiang (Economic Times, 2021). The coding shows eight occurrences of "Digital Misalignment" (8.2% of total pattern code share), with first-cycle codes "Xinjiang controversy," "Hashtag boycott," and "Backlash on digital platforms" (see Figure 32). In this case, all codes are related to the Xinjiang incident. This backlash resulted in celebrity ambassadors terminating contracts, Burberry being removed from the popular "Honor of Kings" video game, and its flagship being delisted from Tmall (Economic Times, 2021).

Figure 32. First-cycle code composition within Burberry's "Digital Misalignment" pattern



Source: Author's own visualization based on first- and second-cycle coding of Burberry case data.

Strategic failures were coded only four times, out of which two were related to quality and high prices, and the other two were connected to the above examined moments of political misalignment and digital boycott, reinforcing proposition 4 (cultural misalignment backlash).

Delisting from platforms (e.g., Tmall) is an additional proof of the government's deep involvement in all spheres of life and business in China, and shows how quickly everything can change in the Chinese market if brands are not cautious at all times.

5.4.5 Lessons from Burberry: Innovation, Localization, and the Politics of Platformization

The Burberry case shows the opportunities and dangers of digital activities in a platform-driven market such as China. The brand's early adoption of digital platforms and engagement, continuous adaptation to local culture, values and expectations, and strategic use of innovative social retail have positioned it as an innovator and digital leader, and maintained its growth in China even despite rising intense competition.

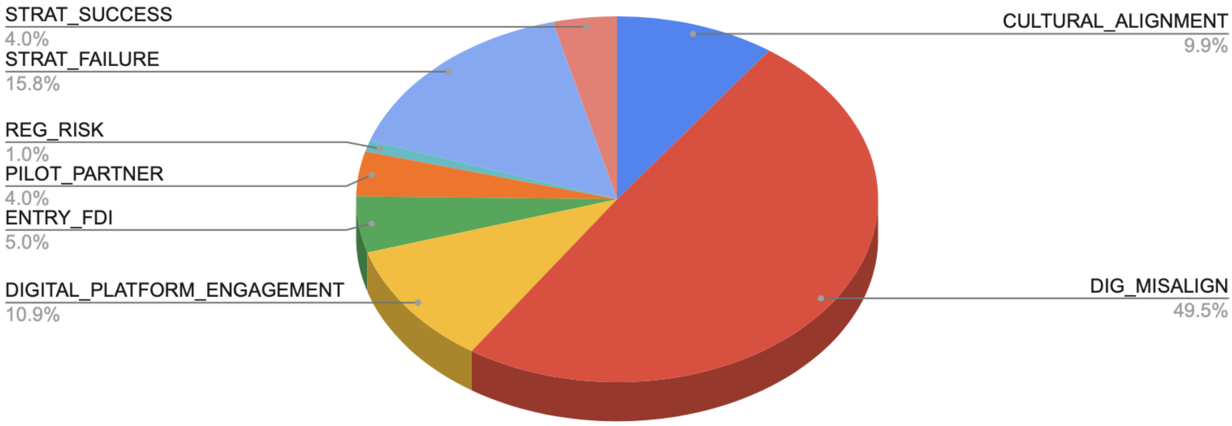
Burberry's experience in China demonstrates the practical relevance of all four theoretical frameworks that are guiding this thesis. The Uppsala internationalization model is evident in Burberry's evolution from franchising and very selective (location-wise) store openings to much deeper market commitment and ultimately strong digital engagement. Burberry's moves show a gradual, careful, and knowledge-driven expansion, supported by constant learning through digital platforms. The OLI paradigm is validated in Burberry's (mentioned in previous Burberry chapters) ability to balance global brand control (ownership advantage) with local partnerships and digital platform adaptations (location and internalization advantages). The best example for this is the innovative partnership with Tencent enabling social retail initiatives in Shenzhen. Hofstede's cultural distance framework can be observed in Burberry's extensive use of culturally resonant campaigns, such as Lunar New Year collections, special collections only for the Chinese market, and collaborations with local artists, which can aid brands in bridging the cultural gaps and improve consumer trust. Finally, platformization theory is supported by Burberry's deep engagement and integration on Chinese digital platforms (WeChat, Douyin, RedNote), where it has leveraged multi-sided digital interactions for engagement and sales (Rochet & Tirole, 2003; van Dijck et al., 2018), but has also encountered reputational risks when cultural or political misalignments occurred.

Burberry's experience is a great example of how unstable success is for foreign brands in China with the country's highly interconnected and politically dependent and sensitive market. Even the most established, seemingly perfect digital strategies can be brought into question when facing public backlash or misalignment with local expectations and the rising *Guochao* national movement. As the coding for Burberry showed, successes and failures are difficult to observe separately from the digital engagement and the politics of platformization.

5.5 Dolce&Gabbana: Crisis, Cultural Missteps, and Brand Collapse

Dolce&Gabbana (D&G) serves as the most dramatic case of failed localization and reputational collapse out of the five brands examined in this thesis. Unlike Zara, Mango, or Louis Vuitton, whose stories included at least partial recovery from misalignments or successful digital adaptation, D&G's story in China is shadowed by digital and cultural misalignment, which almost resulted in complete market exit. A coding analysis shows that the great majority of coded excerpts falls under the “Digital Misalignment” (49.5%) and “Strategic Failure” (15.8%) patterns (see Figure 33).

Figure 33. Dolce&Gabbana: Pattern code distribution



Source: Author’s own visualization based on first- and second-cycle coding of Dolce&Gabbana case data.

5.5.1 Initial Entry: Direct Investment and Early Growth

D&G’s initial China entry in 2005 was a typical luxury brand path with wholly owned flagship stores in urban centers with good locations offering high visibility, maximizing ownership and internalization advantages according to the OLI paradigm. D&G chose Hangzhou, Shanghai, and Beijing as its first cities, as it took advantage of regulatory openings for foreign brands after the WTO accession (WWD, 2005). The company has followed a policy of strong vertical integration, which meant keeping direct control over both production and distribution to ensure brand consistency and quality (Lu & Chevalier, 2009). In the early stages (before the 2018 incident), coding showed codes like “Growing store footprint” and “Thorough consumer analysis”, which resulted in successful outcomes.

5.5.2 Catastrophic Digital Misalignment: The 2018 Crisis

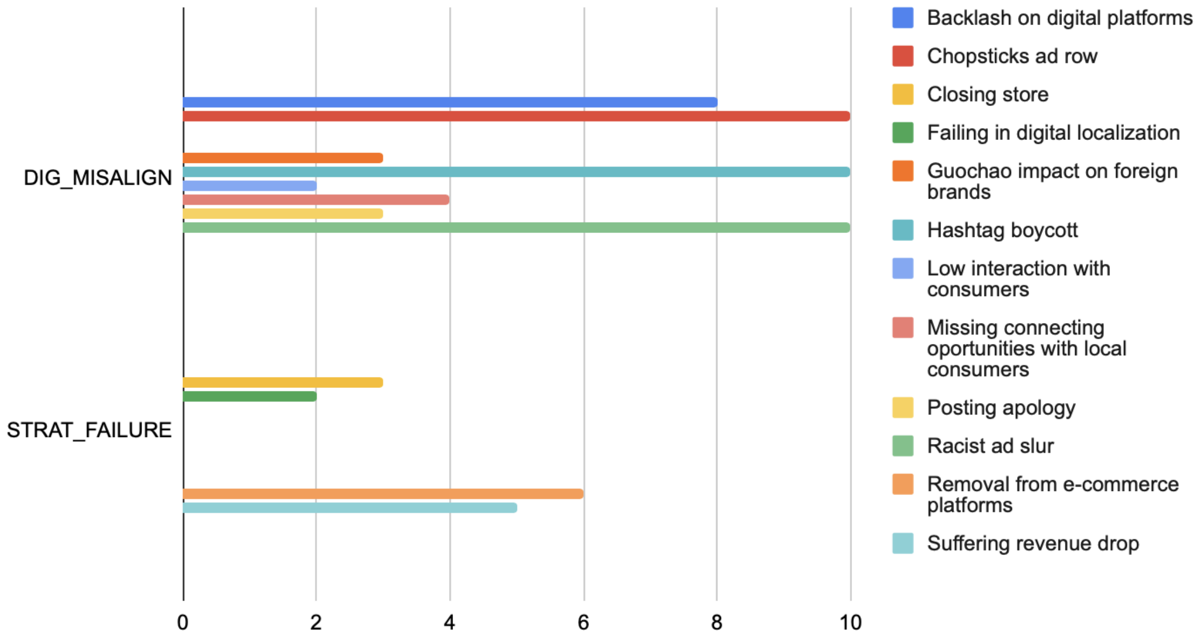
D&G’s image in China has dramatically crumbled in November 2018 after the brand’s infamous “Eating with Chopsticks” campaign. A large series of videos was posted on social media platforms and was supposed to promote D&G’s Shanghai fashion show (see Figure 34).

Figure 34. Stills from Dolce&Gabbana's controversial chopsticks ad Campaign, 2018

Source: "Can Dolce & Gabbana Weather Its Chinese Social Media Storm?," Business of Fashion (2018).

However, it was widely interpreted as racist and sexist by Chinese consumers (Jia, 2022). The brand was faced with immediate and severe consequences, some of which were hashtag boycotts on digital platforms, removal from large e-commerce platforms, cancellation of the Shanghai show the series was promoting, and even global media criticism (Jia, 2022). Coding shows a clear jump in "Digital Misalignment" and "Strategic Failure" patterns in and after this period, with first-cycle codes such as "Racist ad slur," "Chopsticks ad row," "Backlash on digital platforms," and "Hashtag boycott" as dominating (see Figure 35).

Figure 35. First-cycle code composition within Dolce&Gabbana's "Digital Misalignment" pattern



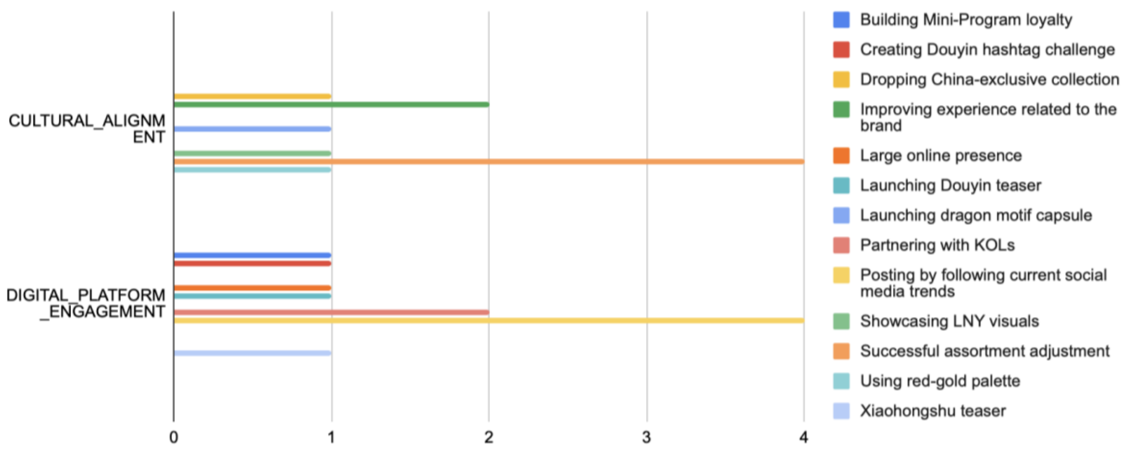
Source: Author's own visualization based on first- and second-cycle coding of Dolce&Gabbana case data.

In a matter of days, D&G's online and offline presence in China was completely ruined. Its products were delisted from all of the largest e-commerce sites (Tmall, JD.com, Alibaba), stores were being closed, and the company's founders' further offensive comments on social media about China and its people ("arrogant," "stupid," "dog eaters") deepened this backlash (Daxue Consulting, 2023). This case is a textbook example of Hofstede's cultural distance and uncertainty avoidance: cultural misreading and poor crisis management triggered a nationwide, digitally coordinated consumer response, enabled by China's multi-sided digital platforms and their ability to rapidly trigger public sentiment (Rochet & Tirole, 2003; van Dijck et al., 2018).

5.5.3 Attempted Recovery: Digital Engagement and Cultural Alignment (2019-present)

Despite the restrictions and exclusion from the market, D&G made multiple attempts to recover its brand image and re-enter the Chinese market. The coding showed a modest, but persistent “Digital Platform Engagement” pattern (10.9% of all excerpts), due to D&G posting more actively on Douyin, RedNote, and even Weibo. The new initiatives, such as launching Chinese New Year collections and using red-and-gold colors in them, and posting by following current social media trends, were noticeable in “Cultural Alignment” and “Digital Platform Engagement” codes (see Figure 36).

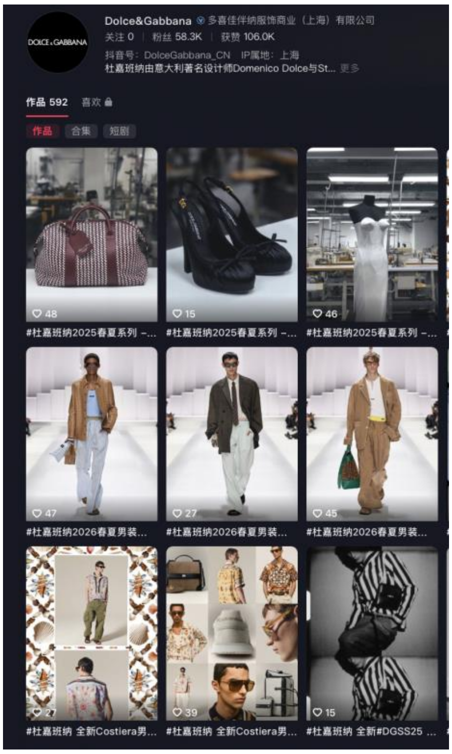
Figure 36. First-cycle code composition within Dolce&Gabbana’s “Cultural Alignment” and “Digital Platform Engagement” patterns



Source: Author’s own visualization based on first- and second-cycle coding of Dolce&Gabbana case data.

The coding also showed 4 examples of “Pilot partner” pattern code, as D&G partnered with local artists and designers. Despite all these steps, engagement still remained weak. Follower numbers and likes on Douyin and RedNote were far below those of competitors. This can be attributed to the lack of effort by D&G, as their posts often feature Western models and global visuals, and there is little evidence of successful adaptation to the preferences and values of local consumers (see Figure 37).

Figure 37. Dolce&Gabbana’s Douyin Official Account: Western Content (2025)



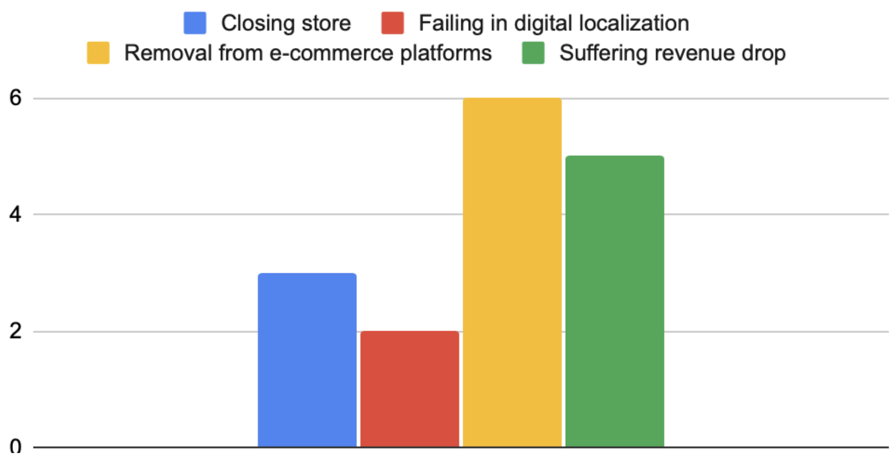
Source: Dolce&Gabbana’s official Douyin account, July 2025.

Even when D&G tried to implement culturally aligned campaigns, the findings were mixed. For instance, their 2024 Lunar New Year collection, which featured Chinese cultural elements, received some positive response from consumers, but other activities (such as virtual idols in *Qixi* festival campaigns) were failures and they received sarcastic comments and negative feedback for feeling inauthentic or “tone-deaf” (Daxue Consulting, 2023). This shows how difficult it is in China to come back from embarrassment and offending Chinese consumers, but also that a constant improvement and high-intensity engagement is necessary for success.

5.5.4 Strategic Outcomes: Lasting Failure and Ongoing Stigma

The coding data confirms that “Strategic Failure” remains the dominant outcome for D&G in China, accounting for nearly a quarter of all excerpts. This included first-cycle codes “Removal from e-commerce platforms,” “Suffering revenue drop,” “Closing store,” and “Failing in digital localization” (see Figure 38).

Figure 38. First-cycle codes within "Strategic Failure" since 2018, Dolce&Gabbana



Source: Author's own visualization based on first- and second-cycle coding of Dolce&Gabbana case data.

Attempts at apology and repositioning (found in coding as "Posting apology," "Improving experience related to the brand") failed to change the consumer perception (Jing Daily, 2023), which leads to the conclusion that failing to understand China leads to losing the Chinese consumers' trust, and therefore the Chinese market and the benefits it offers.

5.5.5 Theoretical Synthesis: Lessons from D&G's Collapse

The case of Dolce&Gabbana in China serves as a negative proof for all four theoretical frameworks applied in this thesis. From the perspective of the Uppsala model, D&G's initial FDI step-wise approach was not supported by network learning or gradual local adaptation. Instead, it was ruined by the brand's repeated strategic mistakes and an incredible lack of cultural understanding and sensitivity. In terms of the OLI paradigm, although D&G did attempt to maximize ownership and control in China, it completely failed in leveraging location and internalization advantages effectively, especially when it came to digital adaptation and the necessary development of local partnerships. Hofstede's concept of cultural distance is powerfully demonstrated by the infamous Chopsticks ad and the events that it triggered, serving as an example for large risks that surface when brands actively and purposefully ignore cultural dimensions and local values. This brand's path also supports the core arguments of platformization theory: the rapid and massive backlash D&G experienced was enabled by China's interconnected digital platforms, which created an “echo” effect where the negative sentiment was immediately transferred across multiple consumer and user groups.

D&G’s experience ultimately demonstrates that, in China’s highly digital, platform-driven, and culturally unique market, global brands must be cautious and show an effort beyond unauthentic, superficial localization if their goal is to achieve a genuine, continuous cultural and digital alignment. Failing in doing this, especially in a market like China where sentiment can be so quickly and widely spread, can result not in just smaller setbacks, but in exclusion of the brand from the market.

6 Cross-Case Analysis and Synthesis of Findings

The cross-case analysis of the five European fashion brands that were individually analyzed in chapter five serves as a comparison of the individual case findings, and helps to identify patterns they might share, differences between them, as well as key takeaways on how European fashion brands actually handle the market entry barriers in China by utilizing digital adaptation and cultural localization.

6.1 Comparative Summary of Individual Cases

Zara

Zara's path in China is an example of a real fast-fashion mindset and an advanced digital-first approach. Zara was able to gather specific knowledge of Chinese market and use this knowledge to quickly adjust and react to consumer feedback, thanks to its gradual entry and expansion, first through offline (physical) flagship stores, and afterwards by be leading in fast-fashion engagement on platforms like Tmall, Douyin, and WeChat. Coding the Zara-related excerpts showed strong digital engagement and successful assortment localization, but it also showed periods of digital misalignment and backlash, especially when cultural sensitivities were underestimated by the brand.

Mango

Mango entered China with franchising, quickly growing its store footprint, but in the end backing down after it failed to keep its relevance in the market full of fast-fashion competitors. Mango's early efforts to adapt, such as localization of its products and marketing during national holidays, were outperformed by domestic competition and constantly changing consumer expectations that Mango was unable to keep track of. Subsequent digital re-entry was not consistent enough for Chinese consumers, as Mango showed weak engagement on digital platforms, as well as insufficient local understanding, which ultimately resulted in the brand's strategic withdrawal from the Chinese market.

Louis Vuitton

Louis Vuitton's path as a luxury European brand is characterized by controlled, high-investment initial entry and ongoing commitment to both exclusivity and local adaptation. This brand's success is seen in a diversified strategy that combines highly selective store openings and intense and continuous digital engagement and local collaborations. Coding revealed that LV consistently leveraged digital platforms, celebrity partnerships, and it has used its knowledge to launch China-exclusive collections to strengthen its luxury positioning, while staying cautious in managing cultural expectations and regulatory risks faced by luxury brands in China.

Burberry

Burberry is a brand that has distinguished itself through digital innovation and an interesting partnership with Tencent, launching the first ever social retail store in Shenzhen with interactive spaces connected to consumers' smartphones. The brand has managed to effectively combine its British heritage with culturally adapted, local storytelling and digital immersion, which helped it achieve very high consumer engagement and successful localization of its products and marketing strategies. However, occurrences of digital misalignment, the most known one being the Xinjiang controversy, remind of the never-ending challenges of doing business in China's constantly evolving digital and political environment.

Dolce&Gabbana

D&G's case can serve any foreign brand in China as a number one cautionary tale of the consequences of cultural mistakes and superficial, inauthentic localization. Despite successful initial establishing of its physical presence in China and experimenting with digital engagement, this brand went through a dramatic reputational damage that was followed by boycotts and campaigns against it by culturally sensitive Chinese consumers, which was made even worse by inadequate and inappropriate crisis response. This resulted in almost complete exclusion from the Chinese market, and coding reveals a persistent pattern of digital misalignment and strategic failure after the initial incident, which shows how difficult it is for the Chinese consumers to forget such incidents, and shows how important cultural sensitivity and understanding is.

6.2 Thematic Cross-Case Findings

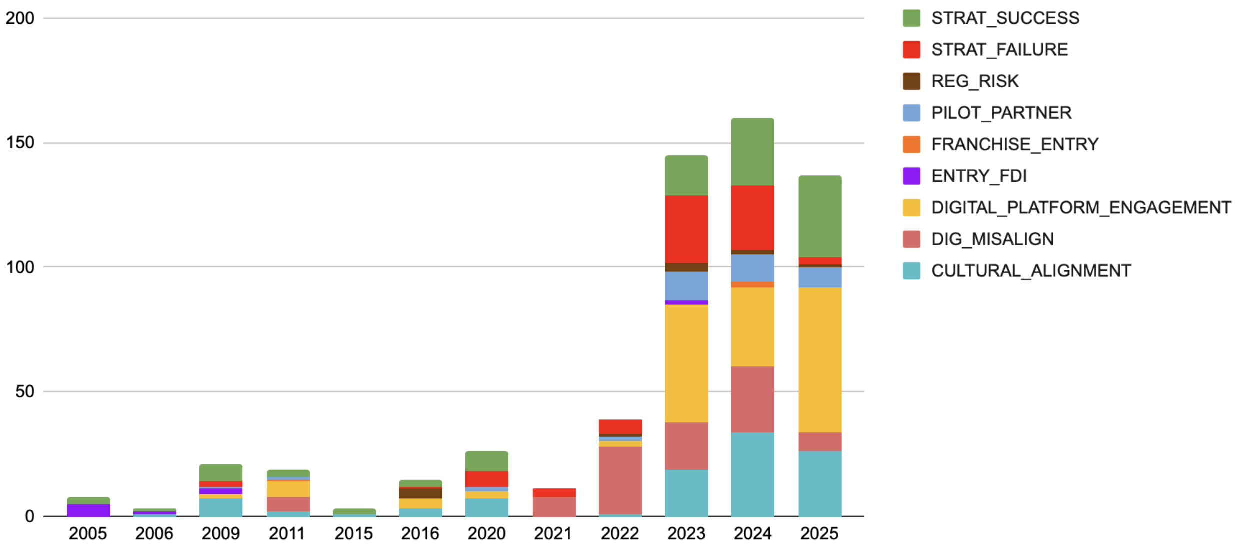
Before analyzing individual themes, it is important to note that some strategic patterns occur similarly across brands, unrelated to outcome, market segment, or initial entry mode. These patterns include:

1. The gradual investment in digital engagement on top of traditional retail strategies or initial digital partnership channels.
2. Critical ongoing efforts by all brands in cultural localization and local collaboration.
3. The essential influence of platform risk and cultural misalignment, seeing that digital engagement can be both an amazing opportunity, as well as a great liability for brands.
4. The direct connection between regulatory context and strategic adaptation.

Recognizing these patterns is essential, as this is the evidence of the market's shift toward a digitally-driven and culturally sensitive business model demanded by the unique conditions on the Chinese market.

As an overview to the cross-case synthesis, Figure 39 visualizes the annual distribution of all main pattern codes identified across the five studied European fashion brands, based on the excerpt publication years starting from 2005 and ending at 2025. This chart illustrates how strategic priorities and entry challenges evolved together with the shifts in the Chinese market. For example, "digital platform engagement" and "pilot partnership" patterns show significant increase after 2020, highlighting an increase shifting toward digitalization and experimentation with new entry modes due to regulatory restrictions as a result of pandemic (see Figure 39).

Figure 39. Pattern code distribution throughout the years of excerpt publication (2005–2025), all brands combined



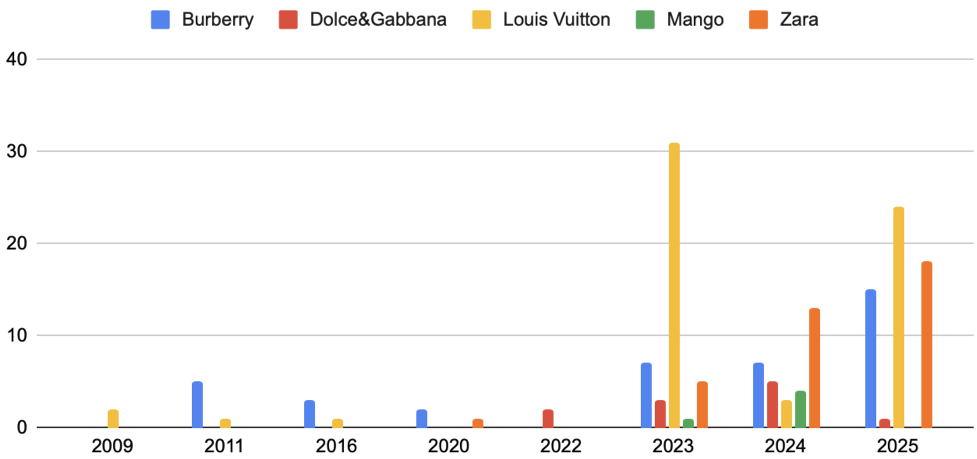
Source: Author's own visualization based on first- and second-cycle coding of all brand cases.

At the same time, the continued and increasing presence of both "strategic success" and "strategic failure" outcome codes, sometimes even appearing simultaneously, proves the growing complexity of market entry; brands often experienced offline setbacks at the same time as digital strategies brought them success, which proves the integrated adaptation is necessary (see more details about this phenomenon in Chapter 6.2.4, Table 3). This perspective provides essential context for interpreting brand-specific trends and themes examined in the following thematic cross-case analysis.

6.2.1 Digital Platform Engagement

Across all brands, early and ongoing digital engagement proved to be the single most important differentiator for non-fading presence in China. Zara, Louis Vuitton, and Burberry are good examples of brands that not only established a digital presence, but also continually developed and expanded their platform-related strategies (from WeChat Mini-Programs to Douyin livestreams, and even immersive social retail). Contrary to them, Mango and especially Dolce&Gabbana are examples of brands that struggled to achieve genuine, memorable engagement or adapt their communication to constantly evolving digital norms and expectations (see Figure 40).

Figure 40. Cross-case distribution of "Digital Platform Engagement" pattern codes across five brands (2009-2025)



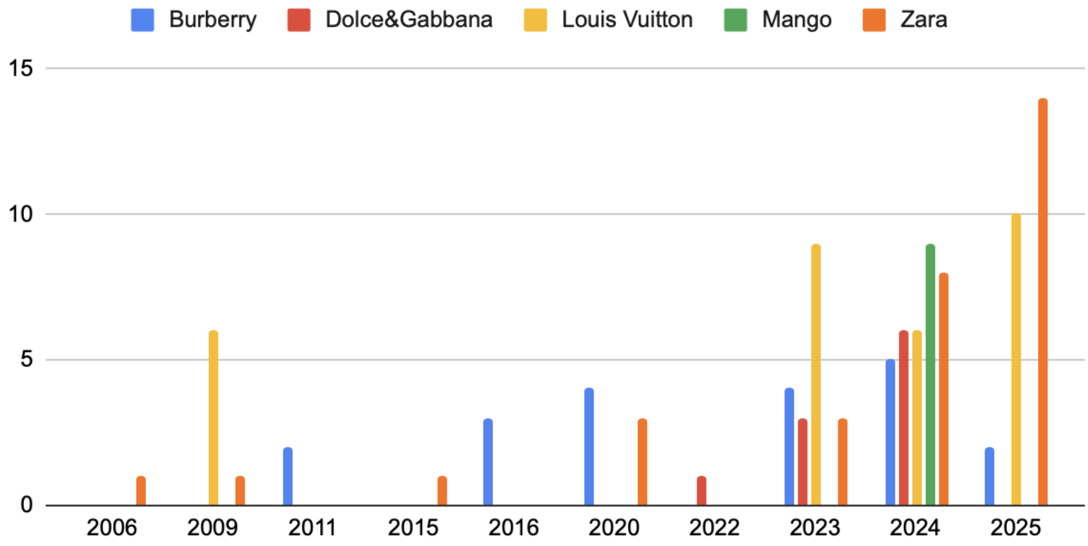
Source: Author's own visualization based on first- and second-cycle coding of all five brand cases

It is clear that the highest-performing brands in terms of market stability and consumer trust (LV, Burberry, Zara) also display the largest share of digital engagement codes. This strongly supports proposition 1: Digital-first strategies and digital immersion contribute to quicker acceptance and protect brands from market fluctuations. Interestingly, even brands with late digital adoption or those that dealt with boycotts and rejection by Chinese consumers could recover *some* digital presence, but only when these efforts were continuous, localized, and many-sided; not if they were rare, ungenuine and superficial, as this is recognized and rejected by the consumers.

6.2.2 Cultural Adaptation and Localization

None of the brands were able to ignore the importance of cultural adaptation, whether in product adjustments, marketing strategies, or storytelling adaptations. Burberry and Louis Vuitton were clear leaders in proactively embedding Chinese cultural symbols, holiday campaigns, and local partnerships in both digital and physical spaces. Zara and Mango also adapted products and marketing to local needs, but on a very different consistency level. Lastly, Dolce&Gabbana's case is an example of a complete "negative proof", with lack of localization and cultural understanding that led to backlash against the brand and exclusion from the market.

Figure 41. Cross-case distribution of "Cultural Alignment" pattern codes across five brands (2006-2025)



Source: Author's own visualization based on first- and second-cycle coding of all five brand cases.

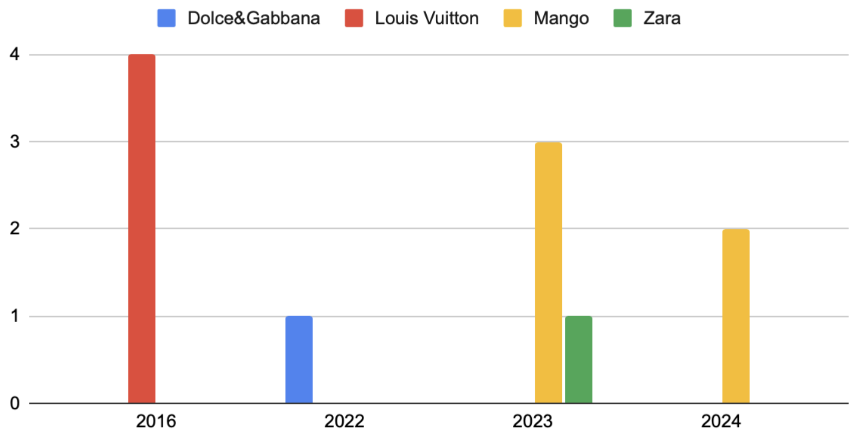
Brands with the highest "Cultural Alignment" code frequencies (see Figure 41) enjoyed more stable and positive relationships with Chinese consumers, which is visible in both engagement data and reduced occurrence of backlash. The clearest pattern here is that *superficial localization* (one-time campaigns or surface-level symbolism, example of D&G after the chopsticks ad incident) is not sufficient; only those brands that made cultural adaptation a continuous process in recent years (e.g., annual festival collections, continuous local influencer collaborations) kept enjoying their success. This finding strengthens Proposition 2 and demonstrates that honest, ongoing localization is a non-negotiable success factor in China.

6.2.3 Regulatory and Risk Management

The regulatory risk was one of the least observed pattern codes (see Figure 42a), however, it is important to note that luxury brands in particular face the ongoing regulatory and reputational risks on the Chinese market (e.g. counterfeiting), while all brands encountered the threat of online backlash (e.g. due to political tensions). Burberry and Louis Vuitton invested in compliance and reputation management strategies, while Zara and Mango used partnerships to lower the risk of mistakes and backlash. Dolce&Gabbana

failed to manage these risks, resulting in a quick reaction with the exclusion after the infamous digital scandal.

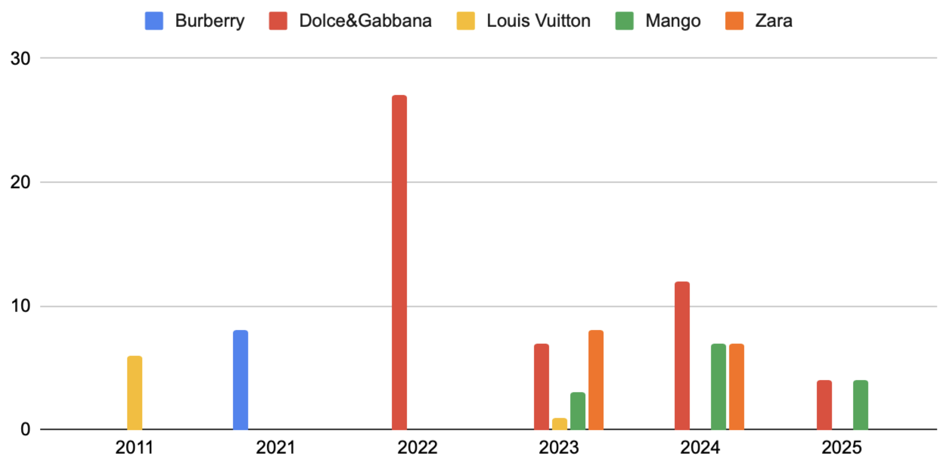
Figure 42a. Incidence of "Regulatory Risk" pattern code across five brands throughout the years



Source: Author's own visualization based on coding of all five brands.

While regulatory risk codes show up relatively rarely and are unevenly distributed by year, digital misalignment events show up more consistently, often around major crises or controversies (see Figure 42b).

Figure 42b. Incidence of "Digital Misalignment" pattern codes across five brands throughout the years



Source: Author's own visualization based on coding of all five brands.

This pattern indicated that risk is not simply a cost of doing business, but a deciding factor in brand survival. The handling of the Xinjiang cotton scandal by Chinese authorities and platform operators is a good example that highlights a strategic vulnerability for European brands in China's digital market. Because "the European Union […] neither own[s] nor operate[s] any major platforms in either ecosystem" (Van Dijck et al., 2018), European brands lack the background knowledge on such systems that is necessary when facing state-backed platform sanctions. This case demonstrates the need for European companies to carefully evaluate not only market opportunities but also the wider political and platform-related risks that come with the international digital expansion. As concluded from the coding, digital misalignment caused by cultural insensitivity or slow crisis response was often the direct trigger for strategic failure, even when brands were performing well otherwise. Section 6.2.4 takes a deeper look into this phenomenon. This validates Proposition 4 and highlights that digital risk management is nowadays as critical as regulatory compliance.

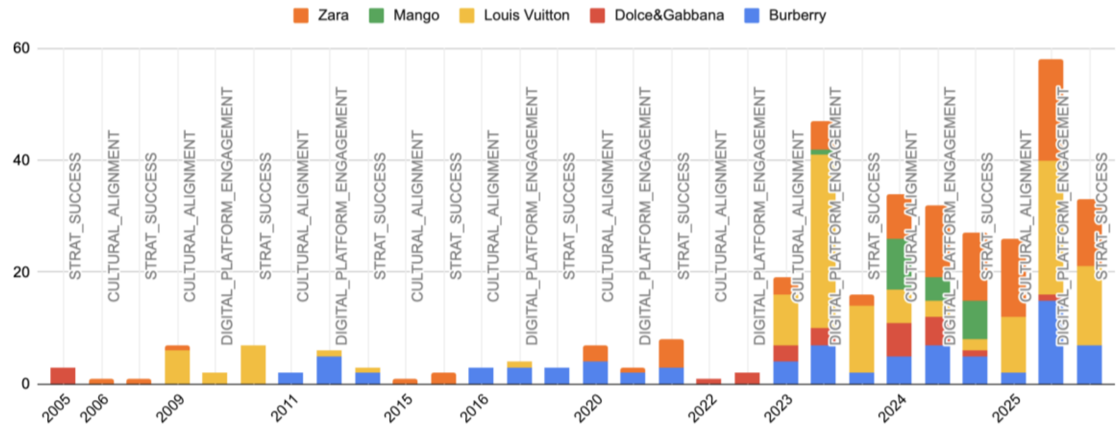
It is important to acknowledge that not all regulatory events were documented in public and reliable sources (e.g. during COVID-19 pandemic), particularly during periods of acute crisis. This may explain the apparent gaps and reinforces the importance of transparent risk reporting in future research.

6.2.4 Strategic Success, Failure, and Hybrid Outcomes

A cross-case analysis shows clear patterns in the context of "Strategic Success" and "Strategic Failure" outcome codes across the five brands.

Strategic success was most frequently seen when brands paired digital engagement and innovation with cultural alignment (see Figure 43).

Figure 43. Year-by-year distribution of “Strategic Success,” “Cultural Alignment,” and “Digital Platform Engagement” pattern codes across five brands (2005–2025)

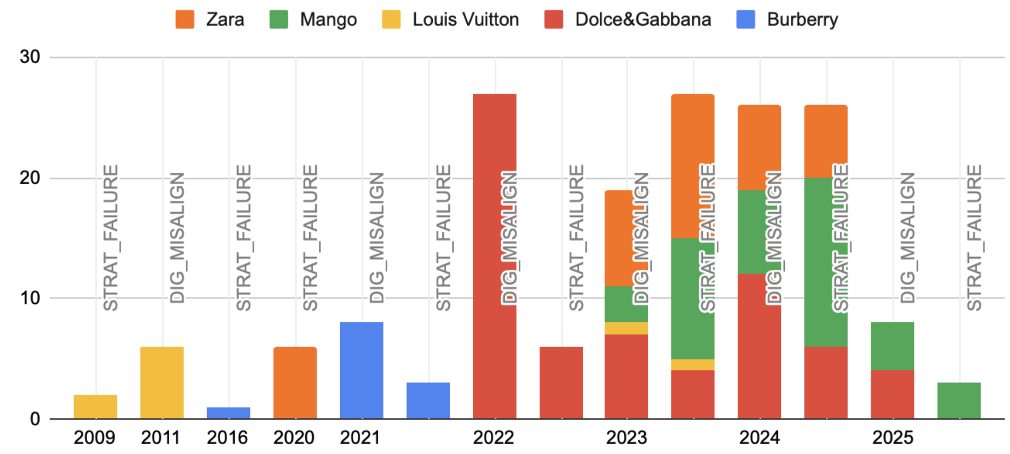


Source: Author’s own visualization based on coding of all five brands.

Figure 43 visualizes the annual frequency of “Strategic Success,” “Cultural Alignment,” and “Digital Platform Engagement” codes across Burberry, Dolce&Gabbana, Louis Vuitton, Mango, and Zara. The color-coding by brand enables clear comparison of each brand’s activity and adaptation over time. The visualization shows a rise in digital platform engagement and cultural alignment after 2020, especially for Zara and Louis Vuitton, as well as the different success outcomes. This visualization highlights the interconnectedness between cultural adaptation, digital investment, and positive market outcomes (success) in China’s evolving fashion market.

Contrary to this, strategic failure most often appeared in connection with digital misalignment, regulatory risk, or cultural insensitivity. Dolce&Gabbana, as the main failure example, experienced a large amount of failure codes during its biggest crisis; in this case, the “strategic failure” consistently appeared together with “digital misalignment” connected to cultural insensitivity. Across all brands, failure codes were most likely to show up together with negative events such as online campaign withdrawals, backlash, or offline store closures, which once again confirms the crucial role of digital and cultural adaptation in risk and failure management (see Figure 44).

Figure 44. Year-by-year distribution of “Strategic Failure” and “Digital Misalignment” pattern codes across five brands (2009–2025)



Source: Author’s own visualization based on coding of all five brands.

The most interesting part of these two codes (success and failure) was in the mixed outcomes. Although rare, in some cases, which can most clearly be seen in Zara’s and Burberry’s case, success and failure codes overlapped. Here, the offline store closing (“failure”) occurred simultaneously with marked growth in online sales (“success”), reflecting a hybrid outcome. In the case of Burberry, the brand managed to drive high engagement, but failed in pricing, which resulted in simultaneous strategic success and failure.

Table 3. Hybrid outcomes: Overlap of “Strategic Success” and “Strategic Failure”

First Cycle Codes	Pattern (Outcome) Codes
Closing store, Achieving online sales growth	STRAT_FAILURE, STRAT_SUCCESS
Closing store, Achieving online sales growth	STRAT_FAILURE, STRAT_SUCCESS
Driving high engagement, High prices	STRAT_SUCCESS, STRAT_FAILURE

Source: Author’s own coding summary derived from the initial coded data.

Table 3 provides examples of these hybrid periods, with the focus on offline events (failures) appearing as a result of digital successes. This exact overlap demonstrates that the presence of failure codes does not necessarily signal an ultimate failure. For the brands which are increasingly entering different digital platforms, and are in the phase of digital adaptation, these hybrid moments often represent resilience and the ability to adapt, turning offline disengagement into online wins and ultimate overall success.

These hybrid findings prove that digital engagement and cultural localization play a crucial role in success. Failing in these areas lead to (and therefore emerge together with) failure. The hybrid outcomes are another indicator of the unique characteristics of the market in China. These findings directly support propositions 1, 2, and 4, demonstrating that strategic adaptation, rooted in digital platform use and cultural fit, is central to overcoming market entry barriers in China.

6.3 Evaluation of Theoretical Propositions

The aim of this chapter is to critically evaluate the four central propositions developed through the theoretical framework, using empirical findings from the five brand cases: Zara, Mango, Louis Vuitton (LV), Burberry, and Dolce&Gabbana (D&G). Each proposition discussed in relation to the underlying theoretical frameworks: the Uppsala internationalization model, Dunning's OLI paradigm, Hofstede's model of cultural distance, and platformization theory. The analysis reflects not only whether each proposition was confirmed, but also explores subtleties, boundaries, and new insights that emerged from the cross-case comparison.

6.3.1 P1: Digital Immersion (Platformization Theory & Uppsala Model)

The first proposition was rooted primarily in platformization theory (van Dijck et al., 2018; Rochet & Tirole, 2003), and it states that digital immersion on local platforms correlates with a smoother, more adaptive market entry process, supporting brand growth and acceptance on the Chinese market beyond the initial offline launch. The empirical evidence from this study strongly supports this claim. Brands that invested early and consistently in localized digital platform engagement (Zara, Burberry, and Louis Vuitton) showed a clear digital-first advantage. For example, Zara's early engagement on Taobao, Tmall, and Douyin live streaming enabled the brand to build an early digital presence and opened the opportunities for the continuous learning and adaptation, confirming the Uppsala model's notion of stepwise, experiential market learning (Johanson & Vahlne, 2009).

Contrary to this example, Mango's delayed and inconsistent digital pivot, as well as D&G's minimal investment in ingenuine digital engagement, correlated with decreasing market relevance and, ultimately, withdrawal or exclusion. This pattern confirms platformization theory's core argument that success (in this case in China's retail market) depends not only on being present on the platform, but on proactive, continuous, and locally adapted engagement within multi-sided digital ecosystems. It also refines the Uppsala model by demonstrating that gradual internationalization and entry nowadays happen as much through digital experimentation, and repetitive and continuous platform learning as through physical presence or offline company investments.

6.3.2 P2: Cultural Relevance (Hofstede's Cultural Distance & OLI Paradigm)

The second proposition was rooted in Hofstede's model of cultural distance (Hofstede et al., 2010) and the OLI paradigm, and it states that brands that adapt their product design and communications to align with Chinese consumers' values and needs, and embed locally resonant symbols in their campaigns, receive more positive consumer responses and avoid nationalistic backlash. Case analyses provide strong evidence to support this: Zara, Louis Vuitton, and Burberry excelled at cultural adaptation by launching China-special digital campaigns (e.g. during Chinese online festivals), creating special limited collections for Lunar New Year, and intensively collaborating with local artists and designers, and adjusting their official accounts on digital platforms to Chinese consumers' preferences. Coding revealed that these activities often occurred together with "strategic success" outcome codes, especially in years where strong digital engagement was measured.

Looking at the contrary example, D&G's scandalous mistake (its culturally insensitive chopsticks advertisement campaign) caused massive backlash, due to the brand's completely false interpretation of Chinese culture and Chinese people, with "digital misalignment" code appearing frequently in connection to the brand's swift market exclusion. Mango, while initially successful at local adaptation, lost its relevance later on, as it failed to keep focused on its localization efforts. These findings confirm Hofstede's dimensions (especially collectivism, long-term orientation, and uncertainty avoidance) as critical factors in market adaptation and highlight how cultural fit also enables brands to fully leverage "location advantages" (Dunning, 1988) in the OLI framework.

6.3.3 P3: Low-Commitment Platform Entry (Uppsala Model & OLI Paradigm)

The third proposition is based on the Uppsala internationalization model and the OLI paradigm, and suggests that using partner-hosted digital storefronts and pilot-scale online campaigns enables brands to test products and strategies in the Chinese market before making capital-intensive investments. The evidence across five cases supports this logic: Zara, Burberry, and even Louis Vuitton (despite its initially strict flagship-based approach) made large use of platform-based pilots and partnerships. This allowed these brands to test product acceptance by Chinese consumers, learn about the local preferences, and adapt quickly where necessary. All of that aligns with the Uppsala model's emphasis on building the relevant knowledge gradually, as well as the OLI paradigm's balancing of control and adaptation.

Mango's franchising model initially served the brand as a risk-reducing strategy, but its failure to transfer this "learning and piloting" entry logic onto the digital platform systems ultimately led to its incapacity to adapt. D&G's strict, control-oriented approach, and avoiding piloting or partnership, made it especially vulnerable to unexpected negative surprises. Had D&G committed itself to testing the partnerships more and gathered more local knowledge, chances of preventing its mistake would have been much higher.

The general findings related to the P3 suggest that modern market entry into China now requires not only gradual physical expansion but also continuous digital experimentation and flexible adaptation, which extends the relevance of both Uppsala and OLI to the digital era.

6.3.4 P4: Cultural Misalignment Backlash (All Frameworks)

The fourth proposition states that digital communications that clash with Chinese cultural or political norms trigger public criticism, boycotts, or platform delisting, resulting in commercial setbacks. The evidence supporting this proposition was found in all five cases and can be connected to all four theoretical frameworks. Dolce&Gabbana's collapse after its chopsticks ad and digital platform mistakes is the number one reference case for this, but this was not the only brand that faced these issues. Burberry and Zara also faced backlash due to digital communications that were contrary to Chinese cultural or political expectations. The empirical coding showed that "strategic failure" almost always occurred together with "digital misalignment" (cultural misalignment).

Platformization theory explains the speed and reach of backlash, as negative sentiment can nowadays be transferred and spread almost immediately as it arises, across multiple, interconnected digital platforms. The Uppsala model is validated in the warning that lack of locally-relevant learning and adaptation increases vulnerability to unfortunate surprises. Hofstede's model clarifies why specific misalignments are so difficult to overcome, as they violate deeply nurtured cultural values, norms and expectations. Lastly, the OLI paradigm helps in understanding how loss of location and ownership advantages in such moments can quickly compromise even the strongest global brands.

6.4 Integrated Reflections and New Insights

Beyond validating the four propositions, the cross-case analysis revealed new patterns and boundaries. Most importantly, digital engagement and cultural adaptation are not independent success factors, and often go hand in hand. Deep localization and cultural understanding lead to more effective digital strategy, and vice versa. Overlapping strategic success and failure outcomes, as were seen in Zara's and Burberry's simultaneous store closing and growth in online sales, show that strategic adaptation across multiple touchpoints is essential. These cases are an example of how surviving in a constantly changing market such as China depends on the brands' ability to deal with and balance the setbacks they encounter in one "platform", be it offline or online, with success in another. In this context, when the theoretical frameworks are used together, they offer a deeper and complete explanation of brand outcomes in China than any of them could do individually.

All of the findings confirm the ongoing relevance of Uppsala, OLI, Hofstede, and platformization theory for understanding modern market entry in China. The most successful brands are those that strategically integrate digital, cultural, organizational, and network learning dimensions, and operate their business at the intersection of all four frameworks. The findings also prove that failing in even one of these spheres, especially in the digital and cultural dimensions, can quickly lead to loss of brand image and market position, or even direct exclusion, which emphasizes the high risk, dynamic nature of market entry in the modern Chinese context.

6.5 Synthesis: Key Lessons and Generalizations

The comparative analysis of Zara, Mango, Louis Vuitton, Burberry, and Dolce&Gabbana in the Chinese market provides insightful and useful lessons for European fashion brands considering entering the Chinese market or looking for ways to strengthen their presence in China. Several thematic insights, supported by both theory and case analysis evidence, emerge from these cases.

First, digital immersion is not optional. It is the foundation of both initial and ongoing market success in China. The "digital-first advantage" found in the Uppsala model and platformization theory is detectable across all successful cases: Zara, Louis Vuitton, and Burberry each achieved high levels of consumer engagement and strategic success by investing early and continuously in Chinese digital communities. Simply establishing a physical presence, as in Mango's case or Dolce&Gabbana's approach, is insufficient for sustained growth. Brands must do more than simply establish a presence on platforms like WeChat, Douyin, and Xiaohongshu; they need to master each platform's unique environment characteristics, and community dynamics. Only by understanding and adapting to these specific platform logics, they build stable and constant engagement and transfer this into long-term commercial success.

Second, cultural relevance is a continuous process. As predicted by following Hofstede's framework, the most resilient brands were those able to convert their global brand value into locally and culturally meaningful experiences. Successful assortment adjustments, use of national symbolism, and partnerships with Chinese artists, designers and influencers built both trust and strong connection with Chinese consumers. Contrary to this, cultural insensitivity or superficial adaptation, seen in the example of Dolce&Gabbana, led not just to backlash but to near-complete exclusion of the brand from the Chinese market. The importance of local partnerships and collaborative work on adaptations is a frequent topic, which emphasizes that success truly depends on integrating local perspectives not only into superficial marketing, but also in product design, brand's positioning and storytelling, and direct consumer engagement.

Third, entry mode flexibility and pilot partnerships are powerful tools for managing risk and accelerating learning. The five cases are proof that partner-hosted digital stores, pilot campaigns on partner platforms, and willingness to test and continuously learn through online activities can mitigate regulatory and reputational risk while at the same time offering real-time, reliable feedback on consumer preferences. This was noticeable in Zara's gradual platform entry and Louis Vuitton's cautious digital experimentation before larger investments, as predicted following the Uppsala and OLI models. Brands that relied solely on traditional FDI or franchising modes, refusing to take a chance on digital pilots or local partnerships, faced much higher levels of uncertainty and, consequently, slower adaptation.

Fourth, risk management is inseparable from digital and cultural strategy. The evidence suggests that digital platforms, although offering valuable opportunities for growth, nowadays also heighten regulatory and reputational risks, enabling them to be more immediate and widespread. Brands that invested in compliance, crisis management, and real-time environment monitoring (such as Burberry and Louis Vuitton) dealt with political issues and consumer disapproval more easily. In opposite cases (D&G and Mango examples), failing in digital alignment, inappropriate reaction to crisis, or regulatory (political) ignorance often directly turned to failures.

Finally, success in China is not stationary and stable once it is established, but must be dynamic, hybrid and always evolving, just like the Chinese market. Brands that performed well embraced hybrid strategies, which allowed them to effectively manage the integration of offline and online activities, and react to setbacks in one setting with wins and positive development in another. The overlap of strategic success and failure codes, such as store closures outweighed by online sales growth, emphasizes the importance of flexibility and the ability to adapt strategies when faced with local disruptions or shifting policies. This adaptability, rooted in continuous market learning, is central to the revised Uppsala model, which is a point that recent studies on digital platforms and international business frequently emphasize.

6.6 Generalizations and Practical Implications

There is no one universal formula in each segment for succeeding in China. Each brand's path was shaped by its market segment, resources, and willingness to take risks. However, digital adaptation and deep cultural learning consistently distinguished more successful brands from the less successful competitors.

Cultural sensitivity and partnerships are non-negotiable. European brands should see China not as a passive market, but as a dynamic, constantly evolving system that requires active understanding, collaboration and frequent partnerships with local consumers and partners. Keeping up with the Chinese market requires brands to develop local expertise, make decisions based on accurate data, and quickly adopt new digital approaches. Brands that only localize superficially or adopt digital strategies too late are quickly overlooked or rejected by Chinese consumers in an environment where both consumer preferences and regulations can change overnight.

To draw the main conclusions from all of the above, the Chinese market rewards brands that are willing to show effort beyond surface-level entry and commit to real digital and cultural integration, built on ongoing learning, cultural openness and adoption, and genuine engagement with local consumers. These insights are derived from the Chinese market and, while particularly relevant for China, may also offer valuable guidance for brands navigating other similarly complex and challenging markets.

7 Discussion

This thesis aimed to understand how European fashion brands navigate and overcome market entry barriers in China, with a special focus on the interconnectedness between digital platforms and cultural adaptation. The findings demonstrate with great clarity that success in China's fashion market is neither accidental nor permanent. Rather, it is the outcome of brands' willingness and ability to continuously learn, adapt, and experiment in a rapidly changing environment currently shaped by both digital transformation and evolving cultural expectations.

What comes to light most frequently from the cross-case analysis is the crucial role of digital engagement. Brands that invested early and seriously in Chinese digital platforms managed to build a strong foundation for consumer trust, brand relevance on the market, and they gained valuable insights and knowledge through frequent feedback by Chinese consumers, all of which is essential for continued success. All these steps gave these brands a huge advantage during the moments of crisis, for example, when store closures were compensated by growing online engagement and online sales. Simply being digitally present without any additional effort would not suffice in these situations; the continuous, genuine interactions with consumers, locally-adjusted campaigns, and culturally-relevant storytelling is what truly sets successful brands apart.

Cultural adaptation is just as important. The brands that achieved continuous growth did much more than translating their websites (or digital platform stores) content or launching typical China-exclusive products. They had collaborations with local artists, embedded actual national symbols and important motifs in their campaigns, and they adapted not only products but also the storytelling around them to accommodate Chinese consumers. This deeper, more detailed approach to localization matches Hofstede's framework and confirms that cultural distance can in fact be bridged, but only through genuine engagement and a willingness to truly adjust to local consumers' needs and expectations. Burberry's storytelling, Zara's work with Chinese designers, and Louis Vuitton's visually immersive digital campaigns are all proof of how necessary the authentic, multi-applied adaptation is.

Nevertheless, the research also shows that even the best strategies are absolutely not failure-proof. Mango and Dolce&Gabbana are cases that show that digital presence or early success can also quickly change direction if brands underestimate how quickly changes can happen, if they fail to respond quickly and appropriately to crisis, or if they overlook the depth of cultural importance required in this market. The demolishing backlash D&G faced after its infamous Chopsticks ad scandal, or Mango's inability to reclaim its relevance on the market despite re-entering online, should serve as cautionary tales: in China, lasting brand success is as much about being humble and responsive as it is about having an established name or a large global footprint.

A particularly interesting and unexpected pattern that surfaced is the overlap between success and failure codes within the same periods (excerpts). This creates the idea that in today's China, strategic "failure" is rarely absolute, and can even serve as a driver for digital innovation and renewed, different market relevance, provided brands are ready to experiment and take risks. These findings strongly supported the "digital immersion" and "cultural relevance" propositions guiding this research.

Looking at the broader picture, these findings both confirm and refine existing theory. The current market entry literature remains highly relevant, but this research adds value to it by showing how these theories play out in real time and real complex environments, and how their significance can change or evolve with external factors such as digital transformation or political tensions. At the same time, the findings challenge the assumption that initial success in China can endure for a long time without continued adaptation and awareness of market changes. This research, therefore, makes an original contribution to the existing market entry literature by demonstrating that the process of entering the Chinese market for European fashion brands is no longer adequately explained by traditional entry mode theory alone. While established frameworks such as Uppsala, OLI, and Hofstede remain relevant, this research demonstrates that digital platform adaptation and authentic, deep cultural localization are now integral elements of the market entry process itself, not simply supplementary actions that potentially follow the initial entry step. By systematically coding and comparing five European brands' market entry and evolution over two decades, this study reveals how digital engagement on platforms like WeChat, Douyin, and Xiaohongshu, together with culturally embedded storytelling, have become central to overcoming market barriers. The thesis demonstrates that strategic outcomes (success, failure, or hybrid outcomes) are increasingly shaped by brands' ability to integrate these digital and cultural strategies dynamically, rather than viewing them as secondary or post-entry topics. In doing so, the research expands the boundaries of market entry theory for highly digitized and digitalized, complex markets, and provides a data-driven, practice-oriented framework for understanding how digital transformation and localization now function as core drivers of internationalization in China and comparable contexts.

This research also has certain limitations that should be acknowledged: the case analysis was based on a combination of academic literature, industry and consultancy reports, news media, and digital footprint from official brand accounts on Chinese digital platforms. While this combination strengthens the reliability of findings, it is also a fact that the analysis shows the data that is accessible in public and published sources. This means that internal brand processes, such as confidential adaptations that took place within the companies, strategic negotiations, some regulatory complications that might have been encountered, or crisis management processes and responses, are not shared externally, and therefore may have not been documented and published for wider audiences. Additionally, the number of coded excerpts increases significantly from 2020, reflecting the larger availability of digital content, as well as a period of more intense market activity due to digital transformation. However, this does not mean that the coded analysis is not representative, as the aim of this research was not to track yearly event frequencies, but to capture the evolution and significance of different strategic themes. Overall, the combination of academic, industry, and digital sources, as well as detailed coding and high coding reliability, allows for strong confidence in the validity of the main patterns that were identified, while still recognizing that some internal data remains outside of the boundaries of this research.

Ultimately, the findings prove that market entry in China must be approached as an ongoing process, where digital, cultural, and regulatory realities are always a subject of constant change. Brands that consider entry a one-time event, or consider localization as a superficial operation, do not only risk becoming (or staying) irrelevant in China, but also potentially facing dramatic losses and failure. On the other hand, brands that are willing to invest in continuous learning, adaptiveness, and meaningful, genuine engagement are much more likely to not only survive, but truly thrive, if they keep evolving as the market continues to evolve.

This thesis therefore contributes to the international market entry and expansion literature, as well as literature discussing digital strategies in China, with its action-oriented and up-to-date perspective, and serves as a guide for both brands interested in achieving relevance in the Chinese market and for scholars researching modern market entry in China. Further research could benefit from exploring how the patterns discussed in this thesis play out in other sectors, or even in less digitally advanced markets, as this could reveal how different contexts shape brands' adaptation strategies. It could also be interesting to examine how local internal teams and immediate feedback from consumers aid brands in adapting in different settings, for example by comparing how quickly brands respond to market changes in regions with strong local leadership and/or active consumer engagement, compared to those without. Either way, the story and evolving of European fashion brands in China is far from finished, and future stories will without a doubt be written by those that are most willing to continuously listen, learn, and adapt.

8 Conclusion

Looking back at how this thesis has developed, one conclusion is certain and exceeds all others: long-term success in China's fashion market is not guaranteed to the largest or most globally recognized brands, but to those who show humility, curiosity, willingness to learn and adapt accordingly, and a capacity for continuous self-reinvention. Although many have already written about China's scale, relevance, and complexity, the analysis within this thesis provides a new perspective by documenting how even the most well-established European brands must approach China as a puzzle they have never seen before, a puzzle with a picture that never stops changing in front of your eyes; one whose speed you must match in order to be able to solve it, and one that can certainly not be solved with "best practices" alone, because what is best practice today might not be the best practice tomorrow.

An important aspect to appreciate here is the role of humans in this development. The willingness of people making the decisions to engage directly with local consumers, experiment on unfamiliar platforms, and even risk temporary backlash, is what truly makes adaptation work. The success of adaptation is not rooted in technology or dry algorithms, but in the openness, found in humans engaged in the process, to cultural learning and to experimenting with new, creative, innovative partnerships, which enables brands to recover from failure, or turn moments of crisis into lasting relevance. If there is one key lesson from this, it is that companies need to work on adopting this mindset, not just within their teams in China or those at home responsible for the development on the Chinese market, but at all levels of global strategy, treating China not as an exception, but as the proving ground for what it takes to succeed in the digital age.

Another interesting and underexplored aspect is the shifting definition of "failure" itself. In Western business contexts, failure is often seen as something to avoid at all costs. In the Chinese market, however, failures in one segment, or temporary setbacks, no matter if they are related to regulatory difficulties, digital boycotts, or even declining offline sales, can act as unexpected drivers of digital experimentation, innovation and re-establishment. The cases of Zara, Burberry, and Louis Vuitton all demonstrate that brands willing to embrace this unusual paradox, and learn quickly from their mistakes, can achieve stronger, more lasting market positions than those who stick strictly to their familiar global playbooks.

Perhaps the most important message for brands and researchers is that considerate adaptation is nowadays not just something that is optional, but represents the essential prerequisite for brand survival. Digital engagement and cultural alignment are not to be used just to outperform competitors, but as the basis for trust, resilience, and long-term growth. The speed at which public sentiment and regulatory environments change in China means that brands can never afford to rely on their current reputation or previous success. Instead, continuous investment in local connections, platform understanding, and authentic engagement will be what determines the success and what shapes future market leaders.

While this research focused on the fashion sector, many other sectors can use the lessons derived from it. As digital ecosystems become more central in every market segment, and cultural expectations higher and constantly evolving, the case of China can point the way for international business in general. Future research might ask how these dynamics play out in different sectors, or how the future brands will navigate a landscape shaped increasingly by artificial intelligence, new regulatory complexities, and the swift spreading of cultural trends.

Ultimately, this thesis shows that success in China is less about conquering a foreign market and more about learning to listen, adapt, and engage with new communities of consumers. The brands that thrive will be those that recognize this important shift, not as a threat, but as an opportunity to redefine what it means to be truly global.

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