

Analysis of SHEIN Brand's Success in Overseas Markets Online from the Perspective of Consumer Psychology: Key Factors of Social Media Marketing

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ABSTRACT

Established in Nanjing in 2012, SHEIN has emerged as a powerhouse in the global e-commerce realm, boasting sales exceeding 100 billion yuan by 2021 and dethroning Amazon as the most downloaded shopping app. This paper examines how SHEIN, by mastering people's psychology, employs an integrated marketing strategy that combines social media, user-generated content, search engine optimization, short videos, and live streaming to get consumers interested in its clothing [4]. The analysis is made based on the Demand Theory that consumers are sensitive to price and SHEIN always adheres to the idea of buying fashionable goods at cheap prices. The study distills valuable insights for Chinese brands eyeing cross-border e-commerce, advocating for a strategic emulation of SHEIN's consumer-centric approach to thrive in the international marketplace.

KEYWORDS

Marketing Strategy; The Demand Theory; Cross-Border; E-Commerce

1. INTRODUCTION

In the wake of the burgeoning e-commerce landscape, numerous Chinese brands are endeavoring to penetrate international markets. Central to this endeavor is a profound understanding of consumer psychology, essential for swift entry into overseas markets. This paper mainly studies how SHEIN, as a brand that has successfully entered the overseas market, has mastered consumer psychology. SHEIN uses its deep skills in digital marketing to showcase trendy fast-fashion items to target customers on social media sites like Instagram, Facebook, and TikTok, as well as on her website and mobile app. Today, its revenues exceed \$24 billion, making it the world's biggest fashion retailer. It offers a rapidly changing assortment of affordable clothing, shoes, accessories, and beauty products for young women and, increasingly, for children and men [6]. At the beginning of its establishment, SHEIN's customer positioning was accurate, mainly 20 to 35 years old women who pursue fashion, and pay attention to cost-effective and personalized design. Its brand purpose is to empower different types of consumers in the world, regardless of their financial status, to enjoy the joy of fashion. Through this multifaceted analysis, the paper aims to unravel the intricacies of SHEIN's consumer psychology and its adept execution of network marketing strategies. Demand Theory is used to analyze customers' emotional needs when purchasing SHEIN products.

Demand Theory, an economic principle, elucidates the intricate interplay between consumer demand for goods and services and their corresponding market prices. Rooted in this theory are factors such

as utility, consumer preferences, and purchasing power, all of which shape demand dynamics [1]. Keywords can be obtained through SHEIN's comments on social media and customer feedback to see the most important factors. Emotion analysis tools can be used to extract the emotion words in the text and investigate the positive and negative emotions of customers. SHEIN can be used to extract insights from social media and customer feedback to shed light on the main factors influencing consumer behavior. Using sentiment analysis tools, the study aimed to discern the prevalent positive and negative emotions between SHEIN's clients. Through this multifaceted analysis, the paper aims to unravel the intricacies of SHEIN's consumer psychology and its adept execution of network marketing strategies. Finally, the experimental results are summarized, Natural Language Toolkit (NLTK) is used for natural language analysis, and CAC is combined to put forward suggestions for overseas expansion of related brands from three aspects: platform design, copy design, and graphic design.

In conclusion, this research endeavor will synthesize its findings, offering actionable insights and recommendations derived from the empirical investigation. By shedding light on SHEIN's mastery of consumer psychology, this study seeks to contribute to the evolving discourse on international brand strategies in the e-commerce landscape.

2. METHODOLOGY

2.1. Data Collection

Data was collected from comments on Instagram. Favorable and negative comments were analyzed by selecting comments on SHEIN's Valentine's Day activities from 2019 to 2024.

2.1.1. Advantages of The Platform

This paper mainly studies the data of customer reviews on Instagram as Instagram is the world's most popular social media site with 1.39 billion monthly active users. On Instagram alone, the total number of SHEIN followers from all over the world is a staggering 100 million. The most important thing is that pictures can be found in all SHEIN accounts and can directly click on the webpage of SHEIN's overseas stores and directly place shopping orders [3]. It's clear from the use of the #Sheingals 734K + hashtag on Instagram that SHEIN knows a lot about the types of content that resonate with Gen Z consumers [12]. SHEIN now has 32.03 million followers on his main Instagram account. SHEIN's number of posts can be called "model workers", the content style is also consistent with the tone of the brand, through quality content to attract social media users to interact, making the number of fans grow rapidly [9].

2.1.2. Customer reviews

This article will analyze the positive and negative comments from a selection of Instagram comments on SHEIN's Valentine's Day activities from 2019 to 2024. Comments are divided into positive and negative comments based on positive and negative feedback from users.

2.2. Data Analysis

In this article, NLTK classifies comments as positive, neutral, and negative, and conducts sentiment trend analysis on these comments.

2.2.1. Sentiment Classification

NLTK was employed for sentiment analysis, categorizing comments into positive, neutral, and negative sentiments. The sentiment classification results for the years 2019 to 2024 indicated varying levels of positive sentiments, with fluctuations observed over time.

2.2.2. Sentiment Trend Analysis

The sentiment trend analysis revealed fluctuations in positive sentiments over the years. Notably, 2019 and 2023 exhibited higher levels of positive sentiments compared to other years, while 2020 and 2022 showed lower positive sentiment levels. These trends provide insights into the evolving sentiment tendencies of users over time as shown in Figure 1. The keyword extraction below is done according to Figure 1.

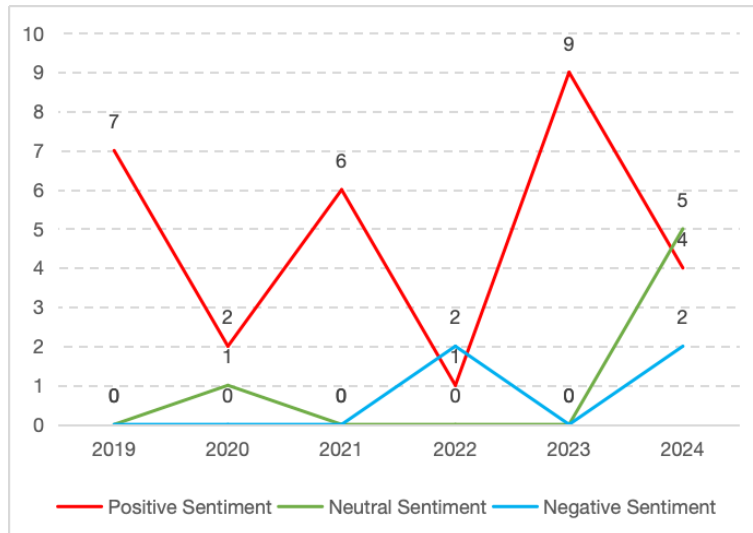


Figure 1. Sentiment Trend Analysis from 2019 to 2024

2.3. Keyword Extraction

Based on the data provided, we analyzed to understand the influence of different factors on user sentiment and their implications for user behavior and brand perception.

2.3.1. Positive Sentiment

Table 1. Positive Sentiment

High-Frequency Comments	Number of Comments
good	20
love	4
happy	3
Valentine	3
's	3
day	2
clothes	1
juju	1
des	1
really	1
shein_us	1
outfit	1
cute	1
shirt	1
wow	1

According to Table 1, "good" was the most popular comment, with 20, accounting for the main reason for the praise. The presence of high-frequency words such as "good," "love," and "happy" suggests that positive sentiment is strongly influenced by factors related to product quality, customer

satisfaction, and emotional engagement. Positive sentiments reflect users' satisfaction with the brand's products or services, which can contribute to positive brand perception and loyalty. Additionally, thematic analysis revealed themes related to product satisfaction and emotional connection with the brand, indicating the importance of delivering quality products and fostering emotional bonds with customers.

2.3.2. Neutral Sentiment

Table 2. Neutral Sentiment

High-Frequency Comments	Number of Comments
Shein	4
rizzing	2
us	2
damn	1
u	1
rizz	1
creative	1
thoughtful	1
content	1
n't	1
deliver	1
charge	1
really	1
better	1
people	1
irl	1
super	1
excited	1
'll	1
vegas	1
morning	1

According to Table 2, the number of neutral sentiment comments was the highest, and the reasons for distribution were wide. Neutral sentiments, represented by words like "shein" and "us," indicate a relatively neutral stance towards the brand or its offerings. While these sentiments may not directly impact user behavior or brand perception, they reflect a certain level of engagement with the brand without expressing strong positive or negative emotions. Thematic analysis identified themes related to brand association and content engagement, highlighting the importance of maintaining brand relevance and providing engaging content to users.

2.3.3. Negative Sentiment

Table 3. Negative Sentiment

High-Frequency Comments	Number of Comments
n't	1
delivered	1
packages	1
wheres	1
package	1
shein	1
rectified	1
hello	1
order	1
cancelled	1
see	1
shipped	1
wrong	1
address	1
used	1

According to Table 3, the reasons for negative sentiment vary. Negative sentiments, as indicated by words like "cancelled," "wrong," and "delivered," suggest dissatisfaction with aspects such as order processing, product delivery, and customer service. These negative experiences can significantly impact user behavior, leading to decreased trust in the brand and potential churn. Thematic analysis revealed themes related to order issues and product dissatisfaction, underscoring the importance of addressing customer concerns promptly and improving service quality to mitigate negative sentiment.

3. INTERPRETATION OF RESULTS AND DISCUSSION FROM EMOTIONAL FACTOR ANALYSIS (CAC)

Based on CAC theory, this paper uses the 'Cognitive-Affects-Conation' (CAC) model [11] of social psychology to study the platform effect, satisfaction and purchase intention. This paper analyzes the statistical results from these three aspects as shown in Figure 2.

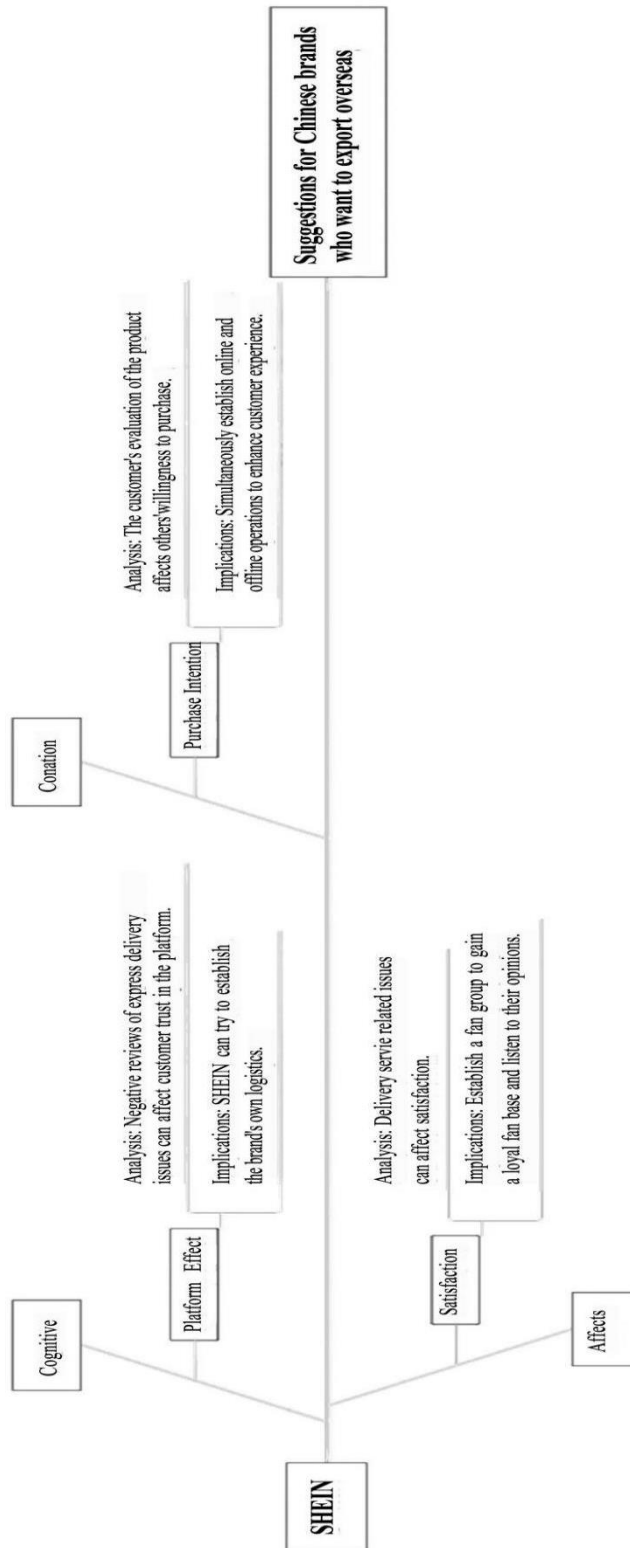


Figure 2. Emotional Factor Analysis Model

3.1. Platform Effect

3.1.1. Analysis

Refer to the CAC model and collect relevant positive emotional comments such as "Love their clothes!" It can enhance the positive image of the brand on the platform, thus enhancing the platform

effect. Negative emotional comments such as "Where's my package, shein?" may reduce user trust and satisfaction with the platform, affecting the platform effect.

3.1.2. Implications

In reference to the CAC model, the platform should respond to customers' negative emotional comments promptly and provide solutions. Brands should actively listen to user feedback and strive to make customers happy.

For a brand like SHEIN marketing a Chinese brand in North America, can try to establish the brand's logistics, to solve some of the bad reviews feedback did not receive the logistics problem. For example, China's Jingdong Group began to build its logistics in 2007 and officially established Jingdong Logistics Group in April 2017. Merchants only need to be responsible for the transportation from the merchant warehouse to the Jingdong warehouse. After consumers place an order, Jingdong will be responsible for packaging, delivery, and distribution. Can reduce the cost of business logistics and warehousing logistics personnel expenses [5]. In this way, if there are problems such as loss of express delivery, you can directly respond to the SHEIN brand side, and the brand side can directly connect with the logistics, which is more convenient to solve the problem.

3.2. Satisfaction

3.2.1. Analysis

Reference the CAC model, positive emotional comments such as "Really good" can increase user satisfaction. And "good" is the most mentioned keyword in reviews, so conclusions can be drawn from reviews related to "good". Negative emotional comments such as "SHEIN don't deliver but charge!" May reduce user satisfaction, especially issues related to delivery services.

3.2.2. Implications

In reference to the CAC model, brands should actively listen to user feedback, improve services, and enhance the user experience to promote positive emotional connections and maximize satisfaction.

In order to make customers have good satisfaction with the brand, the brand can also establish a fan group, and the loyal customers of the brand can enter the fan group to discuss and express their opinions. It is to optimize supporting services, ensure product quality, and prevent the loss of customers. Especially for VIP users or old users, attention should be paid to collecting their feedback as an important reference for improving product quality, optimizing marketing services, and adjusting marketing programs [8]. If a brand wants to develop a "fan base", it is necessary to find "topic points" according to product attributes and user habits, build fan communities, actively guide consumers to participate in the brand operation and share the brand's "social rights" with consumers, while strengthening the platform's social attributes and stimulating the enthusiasm of fans. For example, Huawei and Meizu have gained a large number of loyal fan groups such as "pollen" and "Charm friends" by establishing brand communities and using users' recognition of products [7]. This can not only help the brand progress but also improve customer satisfaction.

3.3. Purchase Intention

3.3.1. Analysis

Reference the CAC model, positive emotional comments such as "Love their clothes!" and "Really good" may increase a user's willingness to buy. Negative emotional comments such as "SHEIN don't deliver but charge!" May reduce the willingness of users to purchase, especially for users with negative shipping experiences.

3.3.2. Implications

In reference to the CAC model, the brand should improve the suggestions in the negative reviews and increase the positive rating. If there are specific superficial reasons for the praise, it will enhance the purchase willingness of customers at the time of purchase.

According to Wang Jiabao, Qin Mengyang pointed out that successful brands have their brand image, which can produce obvious contrast with competitive brands, while reducing the uncertainty risk when purchasing products or services, increasing customer repurchase willingness to improve customer loyalty [10]. For a long time, SHEIN has always adhered to the self-operated model of online sales, and is also trying offline physical retail to create a new model combining "online sales + offline experience". As early as 2018, SHEIN's first pop-up store appeared in New York, and subsequently, SHEIN has continued to open pop-up stores in various countries and regions around the world such as the United States, India, Brazil, Mexico, France, the United Kingdom, Ireland and Japan, becoming a punching place for many overseas consumers or online celebrities KOC [2]. Carrying out pop-up stores and activities under the brand line from time to time can allow customers to get close to the products, thus enhancing the trust and goodwill of the brand. The most important key point to improve customers' purchase intention is to improve brand awareness, optimize brand image and perceived quality, and reduce consumers' perceived risk.

4. SUMMARY

This article mainly analyzes the problems that Chinese online brands may face when they want to enter the overseas market through the investigation of the brand SHEIN. Through the demand theory of sentiment analysis, the author conducts data analysis on the comments on Valentine's Day activities on SHEIN brand's Instagram from 2019 to 2024, extracts the feedback from the comments, and finds out the areas that the brand needs to improve. For example, brands can develop their own logistics distribution, reduce logistics problems, build a fan base, quickly solve the problems encountered by customers, and carry out more offline activities. These suggestions offer lessons for other Chinese brands looking to expand overseas. Because this article only extracts the comments of Valentine's Day, and cannot be summarized, so only provides a partial reference. Follow-up research can be based on reviews of other specific holidays, as well as tracking product updates and possible changes to the brand.

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