The Current State of Digital Marketing in China's Beauty Industry and The Targeted Strategies

Wenhui Liang*

School of Aien, Shanghai Ocean University, Shanghai, China

* Corresponding Author Email: wliang3@utas.edu.au

Abstract. With the advancement of mobile internet and social media, the creation of new national beauty brands now heavily relies on digital marketing. Some of the new Chinese beauty brands that first appeared online have made online marketing their primary objective. With the aid of funding, they are able to increase their online advertising costs and increase their online sales significantly. This thesis examines the present state of the Chinese beauty business, looks at its external environment, discusses the significance of digital marketing's singularity in the beauty industry, researches new marketing channels in the new retail beauty sector, and makes some recommendations. The beauty industry must keep up with current affairs policy and vigorously develop digital marketing if it hopes to be competitive in this environment, draw in a large number of customers, and increase the value of the business. Further studies are expected to expand on this framework to forecast and investigate how digital marketing will grow in the Chinese beauty business in light of the new retail trend.

Keywords: Digital marketing; beauty digital marketing; digital marketing strategies.

1. Introduction

With the development and upgrading of mass media, mobile internet and social e-commerce, Chinese beauty brands have experienced the process of "traditional beauty, amateur beauty, and new brand rebellion". At present, Chinese beauty brands have ushered in the 3.0 era, relying on social e-commerce to occupy consumers' minds. 2020 epidemic, driven by mask makeup and medical beauty, the beauty industry has achieved a 14% year-on-year growth, and new Chinese brands have grown by more than 31% year-on-year, leading the beauty market. It can be seen that the new national beauty market continues to improve in vitality, with rapid growth in scale and high market potential.

In this process, digital marketing has become an important part of the development of new national beauty brands. For some of the new Chinese beauty brands that started out on the Internet, online marketing is their main focus, and with the help of capital, they are able to gain significant online sales through higher online advertising costs; for most of the traditional Chinese beauty brands that have transformed digitally, their offline roots are deep and they are relatively cautious about online investment. At the same time, a small number of Chinese beauty brands have accumulated experience and ability in product development, channel operation and brand building, and can obtain higher sales with less online investment.

In the current study, the importance of digital marketing in the beauty industry has been analyzed. In the modern era when AI technology has started to make great progress, the beauty industry, as a "marketing heavy" industry, must eliminate the traditional offline marketing methods and keep pace with online digital marketing in order to gain stronger competitiveness in the fierce competition. However, in today's oversaturated state of e-commerce, pure online marketing does not seem to be an excellent way, and the concept of new retailing has emerged. How should the beauty industry go about digital marketing in the new retail environment? The significance of this thesis research is that, in the era of Internet+ and new retail, how should the Chinese beauty industry adapt to the external environment and adjust its own digital marketing strategy to stand in the new wave of trend.

This thesis analyzes the current situation of the Chinese beauty industry, explores the external environment of the Chinese beauty industry, describes the importance of the uniqueness of digital

marketing in the beauty industry, studies the new marketing channels in the new retail beauty industry, and gives certain suggestions.

2. Digital Marketing Has Become the Main Form of Product Promotion Today

In recent modern times, tremendous advances in the level of technology have allowed advertising to be expanded into multi-dynamic channels with tremendous growth and promise. Currently, there is a wide variety of digital advertising, including pay-per-action, social marketing, search marketing, pay-per-click, behavioral targeting, short-form video advertising, and user-generated online video [1]. In such a digital era, companies are beginning to employ digital marketing strategies to harness the potential of digital content and enhance their digital capabilities to increase their competitiveness and market share. Various digital media have emerged as a way for companies to build their brands, reach their target customers and try to convert them into customers [2]. The new form of digital marketing breaks away from the traditional marketing approach of promoting the brand through television media, outdoor billboards and other communication methods. Digital marketing uses the Internet as a carrier to target users' needs precisely, at a low cost and with personalization.

At the same time, the emergence of digital marketing makes online shopping a more convenient form of shopping, which also has an impact on the consumer's purchase decision. In the digital age, consumer purchasing psychology and behavior have become truly consumer demand driven. This has also led to an increase in consumer trust in purchasing decisions. Brands are paying more attention to digital marketing strategies, especially in social media, because young people, in particular, may be less influenced by traditional marketing methods, but they are more likely to trust what they see and hear, or what influential people or groups provide to the public. For example, the emergence of the profession of internet celebrities, who influence consumer attitudes and behaviors by posting reviews or promotional videos to help potential customers decide on product purchases [3]. Digital marketing will continue to be the main form of brand promotion of products.

3. Digital Marketing in the Beauty Industry in Today's Environment and Current Situation

3.1. Positive External Environment

3.1.1 Multiple policies to empower the development of the digital economy

In the era of the digital economy, traditional enterprises are committed to fully realize digitalization. As an important part of the digital economy, the digital marketing industry has also achieved new breakthroughs under the promotion of relevant policies, countries have introduced relevant policies and regulations to encourage industry technology innovation, develop and promote industry standards, and promote industrial transformation and upgrading. For example, on January 12, 2022, China's State Council issued the "Fourteenth Five-Year" digital economy development plan notice, pointing out that the digital economy is the main economic form after the agricultural economy and industrial economy, clear that by 2025 the digital economy to a full expansion period, the digital economy core industry added value accounted for GDP proportion of 10%, the development plan further specifies that the digital economy should be the core industry of the digital economy. The development plan further specifies to promote the extensive and deep penetration of digital technology into all fields of economic, social and industrial development and promotes the integration and innovation of digital technology, application scenarios and business models [4].

3.1.2 Huge space for metaverse development

The year 2021 is recognized as "the first year of meta-universe", and the concept of meta-universe is rapidly breaking the circle and becoming a hot spot in the capital market. The industry regards meta-universe as a new growth point and the next strategic competitive field, which will trigger a new round of reshuffling in the global technology industry. The metaverse is manifested in the

application layer as various applications and contents within the virtual world of the metaverse, including games, digital entry, virtual activities, education and training, social and live broadcast, etc. Future Think Tank summarizes the development of the metaverse into five stages, and the future development space of metaverse-related industries is huge with unlimited prospects [5].

In addition, from the demand side, the virtual idol market is growing rapidly. With the growing maturity of AI technology and its in-depth application, the difficulties of virtual digital human in natural interaction and other aspects are expected to continue to break through. At the same time, AI technology can significantly reduce the production workload and marginal cost, which will make more innovative applications possible, and accelerate the implementation of the virtual digital human industry and widely used in diversified scenarios, such as virtual anchor, virtual assistant, virtual teacher, VR concert, advertising endorsement, peripheral derivatives, etc. According to the data, the core market size of virtual idols reached 3.5 billion yuan in 2020, with a growth rate of 66.7%, and the market size is expected to exceed 20 billion yuan in 2023, reaching 20.5 billion yuan.

3.2. Creative Content

In today's society, consumers pay more and more attention to personalization and experience in the consumption of products and services and are more discerning in their choice of products, which places higher demands on brand marketing. Brand marketing content creation should provide consumers with a creative and interesting brand experience, so that consumers can happily accept and form a good experience when browsing information. Creativity is the starting point of digital marketing, and it is also fundamental. Excellent creativity in order to give content a self-propagation effect, the ability to spread virally, in order to truly use the greatest advantages of mobile Internet marketing, naked big ideas will make this digital marketing battle has not yet opened, has the ability to nuclear fission. Mobile Internet era of digital marketing battles are undoubtedly launched on social media, but also undoubtedly to be spread on the cell phone. In the mobile Internet era, the sovereignty of consumers is infinitely enlarged, users can independently choose whether to watch ads or not, and the natural result of such a choice is that users automatically skip the ads; on the mobile Internet, users do not consume ads, but content. Therefore, the era of TV is the era of advertising, while the era of mobile Internet is the era of content.

Creative content means not following the established forms and rules, but creating unique, novel and fascinating expressions independent of existing materials. For example, from an abstract or figurative perspective, to tell the logical relationship behind the story or phenomenon; to integrate various types of creative elements in the content to enhance the brand image; to present interesting, imaginative and creative works with digital technology and various forms of expression; to build a digital space based on AI, VR, AR and other technologies to create a new scene of immersive experience. These could let the brand marketing content and consumers to produce a deeper link between [6].

Through an in-depth understanding of user needs, companies can produce customized content based on product and service characteristics and marketing objectives. For example.

Take industry features as the starting point for content creation and create content around a certain industry or market segment. For example, the food sector can be creative around health, sports and other lifestyles related to consumption habits.

ii . For the target customer groups, the production content should reflect relevance and practicality to ensure that it meets the daily needs or pain points of the target customer groups.

3.3. Efficient Dissemination Channels

With the recurring epidemic, the rise of social platforms such as Xiaohongshu, Weibo and WeChat and e-commerce platforms such as Taobao, Tmall and Jingdong, online sales channels for beauty products are accounting for an increasingly high proportion.

According to Roland Berger and Euromonitor data, from 2013-2018, the online share has rapidly increased from 30% to 37%, with a more obvious trend of going online, and online channel sales are expected to account for more than 40% in 2023.

The expansion of online sales scale is attributed to the significant decentralization trend of traffic, thus prompting beauty brands to continue their omni-channel and omni-directional layout of online sales network and gradual refinement of online operations. For example, with the development of e-commerce platforms, retailers have started to experiment with activities such as live streaming, group purchases, and second sales, and diversify their sales with the help of platforms such as communities, self-media and the Internet, or by creating small programs and membership malls. 5.18 billion yuan/-19.2%, still the largest online sales platform; Jitterbug skin care GMV 4.51 billion yuan/+47.5%, makeup category 1.15 billion yuan/+44.6%, from the overall trend, Jitterbug system platform e-commerce GMV growth rate has achieved to overtake the Amoy system platform.

In addition, O2O platforms that provide delivery services have also added fire to the online sales of beauty products. According to the data, Jingdong Home has cooperated with Watson's, Guerlain Guerin, Yue Shi Feng Yin and other beauty chain brands, and more than 3,400 beauty offline stores are online. The week before National Day, beauty and skin care, personal care-related goods sales in the Meituan grew rapidly, at the same time, hungry to buy beauty products of user scale more than the same period last year doubled.

Under the rapid development of the Internet +, Chinese consumers' consumption patterns are changing dramatically, and offline brick-and-mortar stores have gradually become a test area for consumers before they consume online. When look into the trend of channel change, it can be found that brands that originally laid out offline have made efforts to go online, while brands that started offline have started to land offline. Brands are more like the coincidental omnichannel layout. In fact, in the beauty industry, the channel layout to a certain extent affects the brand image, selling price, logistics and warehousing, talent, team structure and a series of links.

In the beauty brand industry, various brands are also undergoing digital transformation through a dual drive of offline experience and online marketing. To date, the epidemic has caused brands that were once deeply involved in offline to either withdraw from China or undergo massive channel adjustments. Emerging brands that started online are attempting to go offline at the bottom of the traffic dividend. All signs indicate that the integration of online and offline channels is accelerating.

4. Suggestions

4.1. Accelerating the Digital Marketing

In such an environment conducive to accelerating the digital marketing of the beauty industry, cosmetic industry companies need to structure big data strategies, combine new trends in retail, use big data to reshape the analysis of "people, goods and fields", realize the whole chain of operations around the core consumers, through data and organization Through data and organization, the company will realize the layout of omni-channel contact points around consumers, truly realize the refined management of single store, single product and single customer, and seek the growth of enterprise value through data empowerment.

At the same time, in the process of digital transformation, brands often have to establish a series of digital assets to support the process. These include smarter and unified financial management systems, collaborative working systems, and comprehensive payment gateways. These digital assets will not only support the digital transformation process, but these assets will also assist your brand to reach a more modern management model, refined cost control and efficient collaboration after the transformation is completed.

For beauty brands, innovation in digital technology or the selection of cutting-edge technology partners will also further enhance the competitiveness of your products. L'Oreal has launched an online makeup trial function and an exclusive hair color trial app on the brand's official website, and these unique and exclusive features will largely make consumers rely on them.

Of course, when a brand undergoes a digital transformation, customers can make suggestions to the brand through product reviews or specific feedback channels, and feedback in the form of text will be completer and more difficult to say no longer exists. This feedback can be used to make adjustments to strategies, such as selecting SKUs, customizing more popular and high-quality products to suppliers, and eliminating more redundant products. It would also be necessary to use the feedback to adjust inventory levels and stocking levels to achieve healthy cash flow. In the e-commerce industry, the issue of "consumer trust" is widespread, as consumers worry about the quality of products, worry about the authenticity of products, and doubt the trustworthiness and expertise of anchors when watching live broadcasts. However, when choosing digital transformation, beauty brands can turn "consumer trust" to their advantage if handled properly. Years of offline work will build up a large number of loyal customers for the brand/company. In the transformation process, show as much as possible the connection between the online platform and offline stores/brands, which can quickly win the trust of customers and gain word-of-mouth that spreads widely [7].

In addition, the beauty industry can capture the hot spot of the meta-universe. Brands must quickly adapt and learn how to establish themselves in the digital space. brands such as Charlotte Tilbury, Lottie London, Saint Laurent, Estee Lauder, Gucci and Nars have already begun to immerse themselves in the metaverse [8].

4.2. Understanding the Characteristics of the Audience

To make the most of creative digital marketing, it is necessary to have a deep understanding of the characteristics of the audience in each industry under different channels and tools. Then according to these characteristics, to manufacture some customer targeted productions can stimulate audience action content. The "creative" element of digital marketing is different from other marketing elements. Because the "creative" element does not apply only to digital media, any media has its own attributes and context, and therefore needs to be customized to the specific media content.

In recent years, relying on the rise of live e-commerce, short video and other new marketing methods, with "strong marketing" attributes of beauty brands to further open the flow of PK, the traditional big brands and new national marketing competition is growing. Along with young people's consumption is now more and more personalized and diversified, beauty brands, whether traditional or new, are gradually awakening to the wave of digital marketing.

In the current era of outstanding personalized consumption, marketing innovation is the key. First, the beauty consumption circle is increasingly refined, and user preferences are increasingly diversified. For example, sensitive skin users, pay more attention to the composition of skin care products; face-controlled users, are more concerned about the texture of product packaging; technology-controlled users, like to share the use experience. Therefore, different user needs reflect not only the consumption level and age stage, there are also character characteristics, interest preferences and other personality labels. The brand only has the ability to quickly identify the user circle, and personality preferences, in order to more easily engage with the user’s emotional resonance, to complete the refinement of customized marketing.

Secondly, new scenes, new topics and new experiences are more likely to seed beauty consumption. This is also the popular unboxing video, product reviews and other content creative marketing, through the creation of new scenes and marketing topics to stimulate consumer interest, develop brand awareness and goodwill, and impress consumers.

In addition to this, the brand needs to continue to innovate and need to create a differentiated brand experience. Because consumer demand is becoming more and more stratified, diversified and refined, the marketing of beauty and skincare brands also needs to be constantly innovative, and can be combined with real-time hotspots to create new topics by incorporating new concepts and scenarios. For example, Estee Lauder in the shake put the vegetarian transformation plan, so that vegetarians through the beauty experience to complete the appearance upgrade; and then the experience innovation, Dior, Estee Lauder, Chanel and other offline stores will set up skin quality detection

equipment, collect user data at the same time, but also can give users more personalized innovative experience [9].

It can be seen that the current beauty industry trends repeatedly appear in the "circle", "personalized", "innovative marketing" and other keywords, which have shown that the beauty industry marketing increasingly needs to refine the operation and has long ceased to be the past empirical sales can be achieved by the control of customer demand, which is the key to digital marketing was born.

4.3. Establishing Firm Digital Base

In the digital era, consumers' behavior has been digitized, and if the companies' providing products and services to consumers are not digitized, they are bound to be eliminated by consumers. However, after the initial "traffic dividend" in the e-commerce platform, with the increase in the cost of e-commerce operations in recent years, traffic is becoming more and more expensive, offline channels in the user experience, the value of branding again be attached importance, in today's situation, the beauty industry marketing channels should take the form of online and offline integration.

Under the impetus of new technology, the beauty retail industry new models, new formats, new scenes continue to develop, new consumer scenes and consumption habits have been formed, the endless brands and dazzling play, are in the fancy competition for users, but the essence of retail still cannot escape from the three words people, goods, field. For the brand, what is missing may not only be the user, or the ability to interact with the user and the digital ability to reach the whole scene.

Therefore, the beauty industry should be based on the Internet, through big data, artificial intelligence and other technologies combined with offline experience to achieve the sustainable development of the traditional beauty business. It would be worthwhile to put online technology to solve the problem of customer recruitment, publicity, management, etc., and offline experience to solve the problem of difficulty to retain customers. The combination of online and offline forms a perfect new retail model, saying goodbye to the drawbacks of no experience online and bottlenecks offline. Form a new retail of beauty industry. For example, through access to the store's small program, micro-mall and other online public domain traffic pool diversion tools, some stores create online and offline integration that can be turned into active marketing, significantly improving the "in-store" customer flow, transforming public domain traffic into private domain traffic. At the same time, online and online channels can form mutual diversion, increasing the scene of consumers entering the store. Secondly, the promotion engine is connected between online and offline, stores can make full use of social sharing, brand co-marketing and other promotion means of online channels to continuously expand their own private domain traffic pool, and easily increase the conversion rate and unit price of in-store traffic through content cultivation and other means. It is realized that online and offline activities are mutually supportive of one another. For example, online seeding encourages offline services and instant gratification. promote user purchase conversion and feed online product word-of-mouth communication [10].

5. Conclusion

Through the research, this paper finds that under the background of Internet+ and new retailing, the policy has started to support the transformation of digital marketing, coupled with the emergence of the meta-universe concept, making digital marketing a mainstream marketing method. Due to the saturation of e-commerce, the beauty industry is a "marketing-heavy" industry, and the cost of online traffic is increasing, and the competition is becoming more and more fierce. Therefore, if the beauty industry wants to be competitive in this environment, attract a large number of consumers and enhance the value of the enterprise, it needs to keep up with the current affairs policy and vigorously develop digital marketing, however, under the influence of new retail, online digital marketing is supplemented by offline marketing at the same time, so as to keep pace with the new retail.

This paper provides strategic recommendations for digital marketing in the Chinese beauty industry under Internet+ and new retail. It is intended for other researchers to build on this foundation to predict and explore the future of digital marketing development in the Chinese beauty industry under the new retail trend.

In the future, further detailed exploration of new sales channels for digital marketing in the new retail Chinese beauty industry can also be conducted based on the research in this paper.

References

[1] Addo, P. C., Akpatsa, S. K., Nukpe, P., Ohemeng, A. A., & Kulbo, N. B. Digital analytics approach to understanding short video advertising in digital marketing. Journal of Marketing Theory & Practice, 2022, 30(3), 405–420.

[2] Mohammad, A. The Impact of Digital Marketing Success on Customer Loyalty. Marketing & Management of Innovations, 2022, 3, 103–113.

[3] Yuliati, A., & Huda, S. Analysis of Influencer's Influence as Digital Marketing. Eduvest: Journal of Universal Studies, 2022, 2(11), 2288–2294.

[4] Buthelezi, T., & Hodge, J. Competition Policy in the Digital Economy: A Developing Country Perspective. Competition Law International, 2019, 15(2), 201–208.

[5] How phygital marketing is merging digital and real-life experiences in the metaverse; Blending digital and physical may not be a new practice, but it's gaining new relevance from Web3. 2022, October 17. AdAge, 93(13), 0008.

[6] Kong, F., Li, Y., Fiez, T., Chakrabarti, S., Henao, R., & Nassif, H. Neural Insights for Digital Marketing Content Design. 2023.

[7] Hughes, T., & Vafeas, M. Marketing Agency/Client Service-For-Service Provision in an Age of Digital Transformation. Journal of Business-to-Business Marketing, 2019, 26(3/4), 265–280.

[8] Rosenberg, L. Marketing in the Metaverse and the Need for Consumer Protections. 2022 IEEE 13th Annual Ubiquitous Computing, Electronics & Mobile Communication Conference (UEMCON), Ubiquitous Computing, Electronics & Mobile Communication Conference (UEMCON), 2022 IEEE 13th Annual, 0035–0039.

[9] Tsung-Yin Ou, Mei Wei, Wen-Lung Tsai, Yi-Chen Lee, Tien-Hsiang Chang, & Yung-Hsiang Tsai. Research on the Beauty Industry to Enhance Customer Value Through Digital Marketing. International Journal of Intelligent Technologies & Applied Statistics,2021, 14(4), 243–261.

[10] Fog, E. Y., & Indra, R. The Impact of Content Marketing and Brand Trust on Customer Loyalty. Journal of Syntax Literate, 2022, 7(3), 3201–3208.