

Research on International Marketing of Chinese Beauty Brands Based on the 4I Theory

—Taking Perfect Diary's Trip to Japan as an Example

Chen Liang, Chenggang Li*

Business School of BIFT, Beijing, China

Email: *ccid205@126.com

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Abstract

With the development of the economy and the improvement of people's living standards, the cosmetics industry is booming. Chinese beauty brands are rapidly emerging using Internet marketing, and competition is gradually becoming fierce. In this context, Chinese beauty brands have entered into the internationalization process, but in the process of going abroad, they also face various problems. In this paper, we analyze the current marketing situation of Perfect Diary based on the 4I theory, find out the marketing problems and analyze the reasons, and finally provide some suggestions for optimization based on the Japanese environment, hoping to provide some reference for the international marketing of Chinese beauty brands.

Keywords

Chinese Beauty, International Marketing, 4I Theory, Perfect Diary

1. Introduction

With today's increasingly affluent material life, people are paying more attention to their spiritual pursuits and their aesthetic needs are constantly changing. Men, women, children and all walks of life have different degrees of demand for cosmetics, so the cosmetics industry is booming (Wang, 2014).

Driven by both the face value economy and consumer upgrade, the number of Chinese beauty brands is increasing day by day, the industry is becoming more and more serious in volume, and competition is entering a white-hot state. Nearly two years have passed since the surprise attack of the Covid-19 epidemic, and almost everyone is gradually getting used to how to live with it. The epidemic has further enhanced the importance of online marketing and sales. In

such a context, many beauty brands have gone abroad to find new growth points. According to the “2021 Beauty Industry Trends Insight Report”, the growth of Chinese beauty brands going abroad is more than 10 times year-on-year. And with the promotion of the “Belt and Road” initiative, the internationalization of Chinese beauty brands has also ushered in new opportunities.

In the Internet era, the development of e-commerce has brought many transformations to the marketing and cosmetics industry. Zhao (2016) pointed out that as the mobile Internet marketing environment is in constant change, the consumption behavior of mobile Internet consumers is not only influenced by their personal consumption status and social events, but also the result of many mobile Internet marketing strategies. Zhong & Shao (2016) believe that mobile e-commerce has now changed the consumption habits of customers and is gradually replacing the traditional product and service models, and integrated marketing communication should also adapt to the new situation. Xiang (2018) pointed out that under the influence of the rapid development of the Internet and the cosmetics industry, the advantages of traditional celebrity endorsement marketing methods have been weakened. In order to meet the needs of consumers in the new era, more and more cosmetic companies are choosing to adopt emerging co-branding means to leverage the influence of other characters and brands. Han & Wang (2021) in the Journal of Chinese Circulation Economy mentions the rapid development of digital retailing, online services, live e-commerce and other online consumption under the influence of the epidemic, which will usher in a whole new opportunity for China’s consumer market and industry and model. Synthesizing the above scholars, the impact on the cosmetic industry and marketing in the context of the Internet is mainly studied, focusing on domestic research. Based on this, this paper mainly explores the problems of national beauty in the process of internationalization.

Many brands have made good achievements in this boom of Chinese beauty products going abroad, and a representative one is Perfect Diary. Since 2020, when it started its overseas journey with the Southeast Asian e-commerce platform Shopee as its first stop, Perfect Diary has achieved quite good results: it quickly won the first place in sales in several markets in Southeast Asia on Shopee, including the best-selling brand of Malaysian beauty on Shopee Double 11 and the best-selling brand of Singapore beauty on Double 12. At the same time of achievement, like the Perfect Diary Chinese beauty brands also face many problems, how to sustain the development of enterprises in the process of internationalization, how to enhance the value of the brand, these issues need to be resolved. In this paper, we take Perfect Diary’s Japanese market as an example and explore the marketing issues of internationalization of Chinese beauty brands based on the 4I theory.

The first step of this paper analyzes the current marketing situation of Perfect Diary based on the 4I theory, then presents the problems of Perfect Diary’s

present-day marketing, the next step is to identify the causes for the problems, then explores the environment of the Japanese market, and finally makes suggestions for optimization in terms of products, prices, channels, and promotions. The whole paper mainly uses literature analysis to collect information in all kinds of literature, and uses big data from platforms such as Smart Research to organize data related to the current state of development of the industry, and finally uses the case of Perfect Diary to provide examples for marketing theories, and at the same time makes marketing references for beauty companies.

2. Analysis of the Current Situation of Perfect Diary Marketing Based on 4I Theory

In this article, we take Perfect Diary as a representative of a Chinese beauty brand and first analyze the current situation of the brand itself.

Perfect Diary is a fashion and beauty brand that specializes in eye makeup, lip makeup and primer products, and is now launching skin care products as well. Perfect Diary adopts a “consumer-centric” DTC business model. The OEM and ODM models are used for production, with ODM being the main focus, with OEM factories producing and developing beauty products, and then selling them directly to consumers through various channels. This model gives Perfect Diary a distinct advantage in pushing new products, with fast speed and high user response. As a result, Perfect Diary has risen rapidly in China. The rapid growth also triggered a rush of capital, with five rounds of financing in two to three years, including Gaorong Capital, ZhenFund and Hillhouse. With such momentum, the parent company, Yixian E-Commerce, was listed on the New York Stock Exchange in November 2020, becoming the first Chinese beauty group to land on the U.S. stock market.

2.1. Interesting-Based Marketing Strategy

1) Interesting product packaging

Product packaging is a very important element of the product strategy. Perfect Diary pays great attention to the packaging design of its products. For example, one of Perfect Diary’s star products, the Chinese National Geographic Eyeshadow Palette, combines the different geographical features of China, draws on the representative colors, and restores the natural beauty on the outer box packaging, highlighting the “Chinese National Geographic” theme concept and showcasing the Chinese style. Or the Picnic Basket Collection, a gift box co-branded with Baileys, incorporates the iconic “picnic basket” shape with a faux rattan weave texture and vintage leather handles to evoke the desire to go on a picnic. When opened, the gift box is divided into three layers, and the drawer opening and closing method is borrowed from the ancient jewelry box shape, so that users have a more immersive sense of interaction and fun experience in the process. Perfect Diary as a Chinese beauty head brand, nearly 85% of its patents are appearance patents. As a beauty brand, the quality requirements for the

product is one side, young consumers care about the face of the packaging also stands a great aspect. By grasping the overall style design of the product, or cross-border joint marketing, Perfect Diary quickly seizes the aesthetic wind of young consumers, thus gaining the favor of consumers.

2) Real customer service to close the distance

Perfect Diary has several real-life operation officers, “Xiao Wanzi”, whose daily circle of friends is very grounded and is a person with emotions and life. After seeing the daily sharing in the circle of friends, many users who add Xiao Wanzi will get closer to this community operation in their hearts, thus increasing their stickiness to the brand. At the same time, these operators Xiao Wanzi, will regularly be in the community to share the knowledge of skin care. For a beauty brand, the core customers are women who focus on their appearance, and these continuous knowledge outputs will continue to attract the attention of users.

2.2. Interest-Based Marketing Strategy

Perfect Diary has always taken the road of the “flat alternative” to big brand beauty. Beauty at low prices has always been the biggest competitive advantage of Perfect Diary, attracting customers through high quality and low prices, and competing with foreign affordable brands, thus gaining a firm foothold and consumer recognition. Perfect Diary integrates the supply chains and uses a fraction of the price of big brands to create the effect of using big brands and brand recognition. The use of big brand OEMs endorses the quality of the brand. The “flat alternative” is one of the highlights of Perfect Diary. It has the advantage among similar products, and consumers are more willing to choose and share.

2.3. Interaction-Based Marketing Strategy

1) Public domain builds brand traffic

Perfect Diary has chosen to cooperate with KOLs at home and abroad in overseas markets to seize users’ minds in all aspects. At present, Perfect Diary has partnered with 15,000+ KOLs at home and abroad, most of whom have more than 1 million followers. At the same time, Perfect Diary has also actively partnered with local celebrities, such as inviting Vietnamese pop singer AMEE to be its first Vietnamese lip makeup brand ambassador, and inviting local Malaysian star Choy Chua to recommend Perfect Diary’s lucky Koi product line. With such “human tactics”, Perfect Diary has quickly formed initial awareness in the minds of users in various regions. To further strengthen overseas users’ perceptions of the brand and products, Perfect Diary also used test ads. Perfect Diary placed a large number of test or unboxing style ads on Facebook and other channels. This is an important part of Perfect Diary’s efforts to promote quickly and cash in on the traffic and increase product sales.

2) Private domain to create a closed loop of user repurchase

Private domain mainly refers to the self media marketing attributed to the enterprise's own management, such as the official website, social platform public number, etc. (Qin, Huang, & Li, 2021). The public domain traffic will be led back to the private domain, then the regular push, community operation, Perfect Diary IP master Xiao Wanzi with goods to attract traffic, thus increasing the old powder repurchase, and finally achieve a perfect closed loop from the public domain platform to the private domain platform. Perfect Diary's private domain growth is mainly in two ways. The first community conversion path is that after a user places an order for Perfect Diary products online, he or she will receive a "red packet card", which will lead you to follow the public number to receive it, and then lead you to add the personal number Xiao Wanzi, who will further invite you into the group and scan the code for the small program. There is also a form of store guidance form, through the means of welfare diversion, to guide customers to the store to add a social signal to become friends, and this social friend is already been made into a small IP Xiao Wanzi. The highest level of private domain traffic is to make friends with the user. The user trusts you, knows that you genuinely care about her, and feels that you are a person who understands her, not just a vampire who is eyeing her wallet. Perfect Diary has done a good job in this regard, whether it's the copy of Xiao Wanzi saying good night every day or the thank you letter for the anniversary, they are all carefully designed and conceived, and are rich in emotion, making the user feel respected and warmed between the lines.

In addition, Perfect Diary uses Messenger to build a social marketing model from Q&A to recommendation to sales and service, which can ensure high user stickiness and repurchase rate. First of all, Perfect Diary has set up auto-response questions in Messenger, such as "How do I place an order?" and "How do I track my package information?" etc. Users can get automatic responses after selecting common questions, which greatly improves marketing efficiency. At the same time, for users who have interacted with them on Messenger, Perfect Diary will take the initiative to send them information about the latest activities or links to products, so as to drive users to make second or even multiple repurchases.

2.4. Individuality-Based Marketing Strategy

1) Cross-border co-branding

In terms of Perfect Diary's marketing strategy in Southeast Asia, in order to successfully capture this market, Perfect Diary will customize and localize its products according to the actual needs of local users. In terms of specific practices, Perfect Diary has launched a Sanrio co-branded collection specifically for the Southeast Asian market, combining the IPs that local users like. Besides this, there is also a small gold diamond lipstick co-branded with the Metropolitan Museum of Art and a gift box co-branded with Japanese anime Moka girl Sakura. In addition to localized co-branding, Perfect Diary's "Chinese style" co-branding is in line with the characteristics of the times and creates marketing hotspots.

For example, the limited-edition eye shadows co-branded with China National Geographic can reflect the richness of China's landscapes, as well as the "Jade Rabbit Plate" eye shadows with elements of Chinese mythology and the spirit of Chinese spaceflight, highlighting China's style.

2) Individualized and customized products

In Southeast Asia, Perfect Diary has also added more local shades to its loose powder and lip glaze products based on the skin tones of local users. Considering the hot weather in Southeast Asia and women's high demand for makeup hold, Perfect Diary's loose powder in the local market will focus more on oil control. The careful selection of entry markets and the implementation of localization strategies according to market characteristics are also important paths for Perfect Diary on the road to internationalization.

3. Problems Facing the Internationalization of Perfect Diary-Type Chinese Beauty Brands

Although Perfect Diary's online marketing strategy on the Internet is remarkable today, it still faces numerous problems in the process of corporate expansion and internationalization.

3.1. Lack of Core Competitiveness of Products

The Perfect Diary Company uses OEM and ODM foundries for production and can only rely on the production level of the foundries in terms of product innovation. These foundries have a large number of customers, and it is difficult to do special research for a particular brand. Small companies that are not strong are not given much attention, so many of Perfect Diary's products are directly copied from international brands with color schemes. The Perfect Diary takes the imitation route in production, and it is difficult to surpass overseas makeup. And the so-called innovation of Perfect Diary is the simple superposition of multiple ingredients on the formula, the superposition of simple functions does not allow the product to bring a qualitative leap, not after multiple tests may also produce negative effects. The Perfect Diary has been borrowed from the product strategy marketing of the famous brand beauty flat replacement, but these low-cost flat replacement products are extremely easy to be replaced, the competitiveness is very weak, and the market homogenization is serious. This is not conducive to brand upgrading, and it is not conducive to the survival of the company. In order to stand out in a market as mature as the Japanese cosmetics market and to emerge among the many outstanding overseas brands, Perfect Diary-type Chinese beauty products must innovate their products and be rich in brand characteristics.

3.2. Uneven Product Quality

Many of Perfect Diary's products have been criticized by consumers. On Perfect Diary's Tmall flagship store, the current most popular "Crush" series lip glaze

monthly sales of more than 100,000+, in the evaluation area you can see comments such as “a little bit of alcohol, not very practical, easy to lose color”; while eye shadow products are more often appear. The keywords “false white serious”, “easy to fly powder” and so on. On the Xiaohongshu platform, if you use “perfect diary lip infection” as a keyword, you can search for nearly 300 related articles, while in Zhihu, a question titled “Does perfect diary lip glaze cause lip infection?” The question in Zhihu titled “Does Perfect Diary Lip Glaze Cause Lip Infection?” has nearly 50,000 views. The most surprising thing for consumers is the different quality of the same product, and the reason for this is that the testing and quality control of the foundry is not done properly. Perfect Diary does not have its own production line and simply relies on OEMs to produce products, which itself has many uncontrollable factors. Perfect Diary has cooperated with nearly 30 OEM factories before and after, and the factories have different levels of production, so the products certainly have uneven quality.

The early OEMs that Perfect Diary cooperated with only had minimum threshold requirements. Even the largest OEM that Perfect Diary cooperated with later, Cosmoprof, has been punished by the state authorities 5 times, including 2 times for not obtaining special cosmetic approval numbers. The most recent penalty was imposed in January this year for failure to comply with the requirements of the sunscreen testing, storage and production formulation issues.

The quality of the product is crucial to a brand and directly determines the reputation of the brand. Once the impression that Perfect Diary’s products are of poor quality exists in consumers’ perceptions, it is difficult to change it. The internationalization of the brand is even more serious in this respect, as the quality of the products cannot be guaranteed, which directly affects the value of the brand in the international arena. The Japanese cosmetic market is highly competitive and the Japanese culture is detail-oriented and safety-oriented, so Perfect Diary needs to pay more attention to quality when entering.

3.3. Product Pricing that Does Not Guarantee Corporate Profits

Perfect Diary’s hot-selling products are priced too low, and the occasional slightly higher-priced item is offset against profit margins in promotions. The product consumption level is too low, which is not conducive to brand building. And the high investment in promotion and promotion costs greatly reduces the gross profit of the company. **Figure 1** shows that Perfect Diary’s gross profit margin in the beauty industry is not in line with its own sales level. This kind of low profit margin alone cannot guarantee the profitability of the company and cannot increase the profit margin, which seriously affects the expansion of product lines and the development of new products. On the other hand, the low consumption level also leads to the brand being labeled as low-end, which makes it difficult to establish brand culture connotation and is not conducive to long-term brand development.

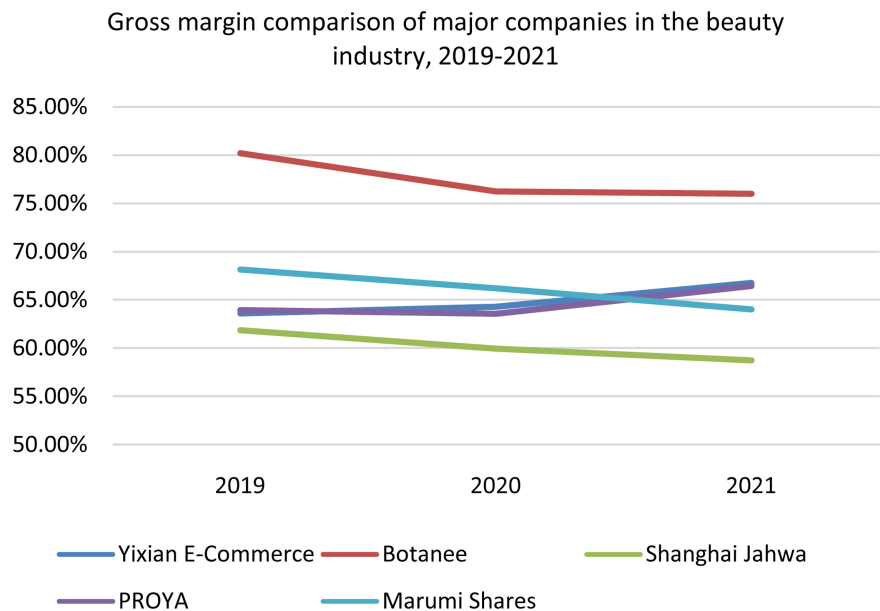


Figure 1. Gross margin comparison of major companies in the beauty industry, 2019-2021.

3.4. Ambiguous Brand Positioning

Perfect Diary uses the same foundry as Estee Lauder, P&G and other big brands, but the product pricing is just a fraction of their retail price. This low-price strategy is not a long-term solution. In order to retain old customers while attracting new ones, it is necessary to improve the style of the products on the one hand and pursue the ultimate cost performance on the other, both of which are contradictory in themselves. How to do a good job of target market positioning and diversified brand development is the next development direction of Perfect Diary.

4. Analysis of the Reasons for the Problems of Internationalization of Perfect Diary-Type Chinese Beauty Brands

Based on the above, analyze the reasons why these problems arise.

4.1. Lack of Corporate Culture and Brand Heritage

The beauty industry is a field that needs to develop slowly, and the achievement of a successful cosmetic brand requires time to settle down, and needs to have brand heritage and core values. It took international cosmetic brands like Estee Lauder 74 years to get to where they are today, and L'oreal 113 years to reach its current status. However, Perfect Diary's parent company, Yixian E-Commerce, grew to become the first cosmetic company listed in the United States within five years. Yixian E-Commerce's three-year revenue reached 3.8 billion yuan, but there were also big problems behind the outstanding achievement. The company grew too fast, which also led to a lack of corporate substance and culture.

The culture, think tank building and talent cultivation of Yixian's e-commerce enterprises are not yet sound (Zhang, 2021). Enterprises focus a lot of energy on marketing and promotion, and are eager to enhance brand awareness. However, if the development of awareness and core values is unbalanced and a backbone is missing, it is easy to deviate from the direction and fall into a bottleneck on the way to expansion and internationalization. Throughout the development of long-lasting enterprises, excellent corporate culture is an important factor that cannot be missing. Whether it is the meticulous and comfortable service concept of Haidilao or the "big family" culture of McDonald's with the development of employees as the priority, corporate culture has a deep impact on the development of enterprises. This is also the main reason for the ambiguous brand positioning of Perfect Diary in the internationalization process.

4.2. Lack of Core Technology in Enterprises

Beauty products in the field of fashion, pay great attention to the iteration of new products. The beauty field is mainly produced using OEMs, and although the OEMs' color cosmetics products are quick to push new products, they are imitable, homogenized and not competitive enough. And the best-selling lipstick, eye shadow and other products in color cosmetics are easier to develop and require low technical level. Therefore, many companies will choose to reduce R&D investment after cost analysis so as to gain more profit. Since Perfect Diary has fewer product lines and focuses mainly on color cosmetics, Perfect Diary uses corporate capital to deal with R&D issues. On the one hand, it acquires well-known brands with mature technology, and on the other hand, it jointly establishes production lines, thus making up for its disadvantage. However, Perfect Diary's lack of core competitive products and its heavy investment in marketing and promotion have created the impression that the brand is heavy on marketing and light on products.

Perfect Diary this dilemma, but also to the Chinese beauty brands to sound the alarm, companies want to continue to develop and grow into international brands, the core technology of the product is essential, which is the core advantage of a company's competition. Take L'Oreal Group, the patent of Boswellin ingredient is the key to its ability to occupy the global skin care market, and such patented technology can also be invested in other product lines of the brand to gain advantages. At present, Perfect Diary has difficulty occupying a favorable position in a mature market like Japan precisely because of the lack of such patented technology. This is also the reason why Perfect Diary has a weak R&D capability and can only market itself as a "major brand flat substitution".

5. Japan Market Basic Situation Analysis

Whether it is a beauty brand or a company in other fields, the first step toward internationalization must be to conduct an in-depth analysis based on the local market environment, from the perspective of the macro environment and the

current situation of the industry. This article takes Perfect Diary's departure to Japan as an example to analyze the macro environment and the current situation and competitive market of the cosmetics industry in Japan.

5.1. China-Japan Trade Tends to Be Favorable under RCEP

In terms of macro environment, the Regional Comprehensive Economic Partnership Agreement (RCEP) was formally signed on November 15, 2020, meaning the birth of the world's largest FTA. On January 1, 2022, RCEP officially came into effect. With the implementation of RCEP coming into force, two major trading countries, China and Japan, have established FTA relationship for the first time, and the bilateral trade promotion effect is rapidly emerging. For China-Japan trade, the proportion of China's final tariff-free products to Japan will rise from the existing 8% to 86%. Meanwhile, the proportion of Japan's tariff-free products to China will also reach 86%. From the export destination of RCEP certificates issued by China's trade promotion system, Japan ranked first for six consecutive months in the first half of the year, and the monthly visa amount accounted for more than 90%, which shows that the implementation of RCEP has a significant pull effect on China's exports to Japan and has great potential. In addition, the "China-Japan RCEP Express" set sail in June this year, filling the gap of direct shipping to Japan from the northern cities of China and opening the prelude to the construction of the RCEP China-Japan high-end logistics center. The entry into force of RCEP brings a rare opportunity for Sino-Japanese economic and trade cooperation, and more development opportunities for enterprises of both countries. Moreover, 2022 is the 50th anniversary of the normalization of diplomatic relations between China and Japan, and China-Japan trade is full of opportunities.

5.2. The Current Situation of the Japanese Cosmetics Industry Affected by the Epidemic

In terms of the current situation of the cosmetics industry, Japan is the third largest consumer of cosmetics in the world, with a market size of 140 billion RMB. At the same time, Japan is a market with high consumption power and high profit margin, which is a "blue ocean" for Chinese companies to go abroad. In recent years, the overall production and sales of cosmetics in Japan have tended to develop steadily, and the difference between production and sales is not large. According to **Figure 2**, in 2021, the output of Japanese cosmetics is 363,700 tons and the sales volume is 381,300 tons, compared with 2020, the production and sales volume decreased by 9.73% and 9.06% respectively.

In terms of segmentation of Japanese cosmetic products, cosmetic water in Japan holds an important position in the sales revenue of Japanese cosmetic products, and its sales revenue is much larger than that of perfume. According to **Figure 3**, from 2017-2021, there is a decreasing trend in the sales revenue of several product segments such as make-up, lipstick and mask in Japan.

Japan Cosmetics Production and Sales, 2016-2021

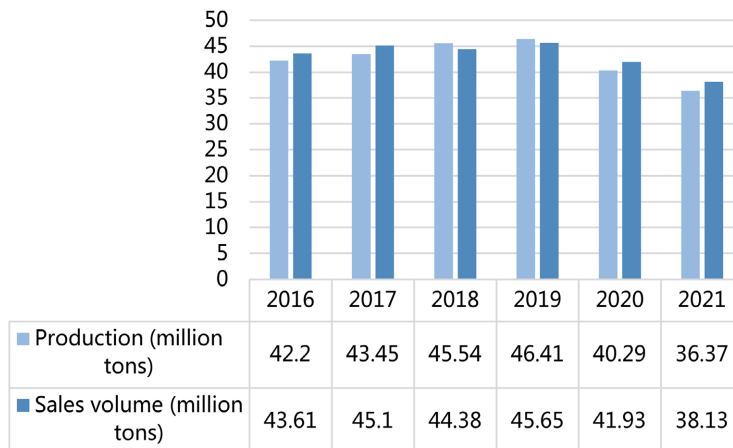


Figure 2. Japan cosmetics production and sales, 2016-2021. Source: Compiled by compiled by the ministry of economy, trade and industry of Japan and smart research consulting.

Japan Cosmetics Sales Revenue by Product Segment, 2017-2021 (JPY million)

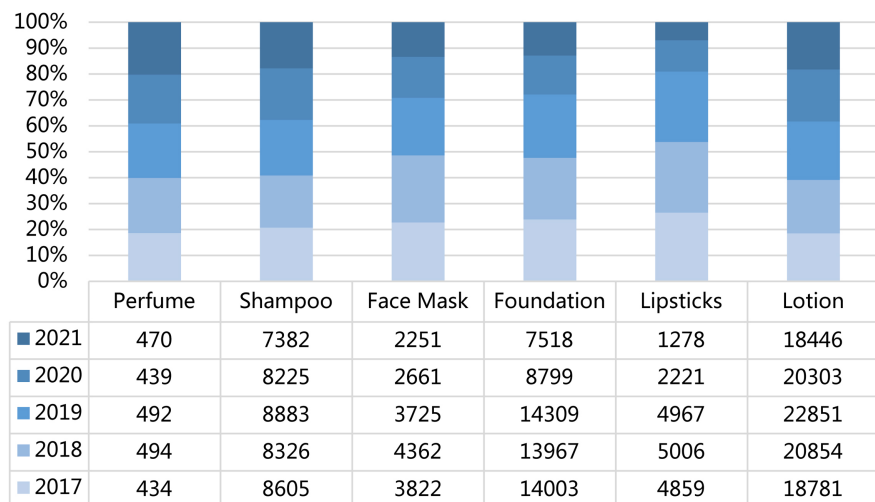


Figure 3. Japan cosmetics sales revenue by product segment, 2017-2021 (JPY million). Source: Compiled by compiled by the ministry of economy, trade and industry of Japan and smart research consulting.

According to data compiled by Yano Research Institute, the Japanese beauty market is expected to reach 2.27 trillion yen in 2022, which is equivalent to about 110 billion yuan. Since the impact of the epidemic in 2019, the Japanese beauty market has not yet recovered its previous level, and beauty market trends have changed due to changes in consumer perceptions as well as buying patterns. Before the epidemic, 94% of sales channels in Japan were offline and 6% were online. Driven by the epidemic, the beauty industry has seen growth online, with 90% of channels offline and 10% online. More and more people are choosing online purchasing methods. At present, the Japanese beauty market is still dom-

inated by Japanese local brands, with a market share of about 50%; the European and American system and French major brands of beauty also have a considerable fixed consumer base in Japan, accounting for 20% - 30% of the range. The rest of the market share in recent years is led by Korean makeup, and the rise of Chinese beauty in this market, where the consumer population is concentrated between the ages of 20 - 35.

In terms of the competitive market environment, Japan is one of the world's largest markets for cosmetics and personal care products, with about 3000 beauty care companies. Four of these companies, Shiseido, Kose, Pola Orbis, and Kao, are at the forefront of the Japanese cosmetics industry. Japanese companies often conduct in-depth research in a specific area of specialization, and with a long history and experience, the Japanese cosmetic industry has developed into a professional industry with a considerable level of technology. The research on cosmetics can go down to the cellular level. The advanced technology used involves a number of specialized disciplines such as medicine and biology.

From the above, it is clear that China-Japan trade is favorable in the context of RCEP. However, due to the impact of the New Crown epidemic, the Japanese chemical and cosmetic industry has suffered a huge impact, especially in beauty where sales revenue is only half of the pre-epidemic level. Therefore, when conducting marketing, it is important to follow the trend and grasp the new media marketing, while paying attention to product innovation and brand upgrading.

6. Optimization Suggestions for the Internationalization of Perfect Diary-Type Chinese Beauty Products

Based on the analysis of the current environment in Japan, we propose the following optimization suggestions for the international marketing of Perfect Diary-type Chinese beauty brands from the 4P perspective in response to the problems and causes raised above.

6.1. Product Strategy Improvement

1) Focus on product development to create exquisite color cosmetics

There is a big problem with the ODM production method of Perfect Diary, once the quality of the products from the OEM factory is in question, it will definitely affect the brand image. This is the main gap that exists between Perfect Diary and the major international brands. For Perfect Diary's current Japanese market, the target group is young people, and young people pursue the quality of life, so they need to do a good job of product quality control. Especially in the Japanese market environment, pharmaceutical brands are respected and consumers demand higher quality of products. Therefore, in terms of product strategy, Perfect Diary needs to continuously improve and innovate its products to form differentiation.

At the same time, the Perfect Diary type of Chinese beauty can also choose to cooperate with scientific research institutions, to obtain the endorsement of

scientific research institutions to create a new type of color cosmetics. In terms of product innovation and research and development, in addition to ingredient efficacy, brands can also engage in process innovation. Like the same Chinese beauty Florasis launched carved lipstick, is to add a new process on the product to enhance the competitiveness of the product. Also looking for new highlights of research and development is also an important way to increase product competitiveness, from “squalane” to “cannabinoid extraction”, grasp the research trend and target customer preferences.

2) Optimize product line and improve product structure

Perfect Diary has more than 1000 SKUs, covering many categories of beauty and pushing new products constantly, which is an advantage, but not all new products can become hot sellers. Perfect Diary’s lip glaze and eye shadow products have high sales of star products, but the primer and makeup remover products are a little lacking. At the same time, because the current market positioning in the young women, take the “flat” route, such a positioning formed after it is difficult to change. Young consumers will face the problem of consumer upgrading as they grow older, which will affect brand loyalty. Therefore, Perfect Diary should optimize the product line to create a sense of brand premium. Perfect Diary needs to gradually streamline in each category according to the time of listing and sales performance, market feedback and other information, according to different age groups, different sales regions for targeted product layout, and gradually form a product structure of classic style main hot, potential new products focus on building, transition products innovative process.

6.2. Price Strategy Improvement

Perfect Diary is aimed at the consumption characteristics of the target audience, to create a major brand flatty, both major brand taste and civilian prices, so that it can successfully cut into the market through a high quality and low price strategy. As Perfect Diary has invested in brand promotion in Japan, it has extended the Netflix marketing strategy of Perfect Diary and invested high costs. While the current product is based on the middle and low end, the profit is not enough to sustain the long-term development of the company. Therefore, Perfect Diary should focus on the entire color cosmetics market and develop a certain high-end product line to ensure the company’s profits on the basis of ensuring that the low-end products continue to push new products. Thus Layout of high, medium and low-end products to deal with different consumer classes. At the same time for the competition to launch targeted products, so as to increase profit margins and brand image, and gradually get rid of the Netflix low-end market label.

6.3. Place Strategy Improvement

Nowadays, Perfect Diary and other Chinese beauty products have formed a sales model based on online place sales, but a single place cannot meet the requirements of consumer groups. Especially in Japan, consumers still prefer offline

stores, and the Japanese market still maintains a high percentage of offline purchases (UKY, 2017). And beauty products are more focused on experience, so it is necessary for Perfect Diary to improve offline places, quickly penetrate offline, set up special service experience programs while strengthening communication with consumers, and complete the omni-channel rollout matrix. Perfect Diary needs to cooperate with Japanese offline channels and gradually penetrate into grocery, collection stores and drugstore channels. The prerequisite for opening these channels is still to do a good job of social media marketing, in which Perfect Diary itself has an advantage, so that offline channel players will notice the brand strength, thus quickly opening up offline channels, activating offline channel potential and exploring new consumption scenarios. In addition to the counter collection stores, makeup vending machines can also be set up, not only to increase sales, but also to further promote the brand.

6.4. Promotion Strategy Improvement

Perfect Diary has been investing a lot in promotion, and through new media marketing, Perfect Diary has also quickly opened up the market and increased brand awareness. However, the measurement of brand value needs to be judged from multiple dimensions, such as quality, culture, recognition and other aspects. Therefore, a brand with a high premium capacity, in addition to having dazzling sales performance, needs to have a real brand culture and connotation (Tian, 2021).

As Japanese culture has a lot of references to Chinese culture, “Chinese style” has become a trend in Japan. As a representative of Chinese beauty brands, Perfect Diary can bring the powerful charm of Chinese culture into play when entering the Japanese market. First of all, it should integrate unique Chinese elements and traditional cultural connotations in product development and brand building, so that the brand tone can deeply fit the national characteristics and thus create a highly identifiable cultural difference advantage.

Secondly, Perfect Diary should know how to use Chinese elements, tell Chinese stories and show Chinese aesthetics in the development of its brand promotion strategy. At the same time, it fully combines its own brand audience positioning, and chooses a suitable promotion platform and promotion mode through analysis of audience consumption characteristics. The use of differentiation to impress the pursuit of individuality, willing to taste the fresh consumers, through this alternative strategy to achieve the brand goals.

7. Concluding Remarks

The current face value economy and consumption upgrade background, the cosmetics industry is developing rapidly, which brings opportunities for the development of enterprises. On the road to internationalization, the Chinese beauty industry, represented by Perfect Diary, still faces many marketing problems, which are mainly focused on product development, product quality and brand image establishment and positioning. In response to these problems, two main

reasons were analyzed, one is the lack of corporate core culture, and the other is the lack of core technology. Thus, based on the 4P theory of marketing, this paper puts forward the optimization suggestions of focusing on R&D and optimizing product structure in product, paying attention to zonal pricing in price, focusing on the combination of online and offline in place, and giving brand connotation and Chinese elements in promotion.

Therefore, in response to the problems of Perfect Diary, the emerging DTC model of Chinese beauty brands in the internationalization process should also pay attention to the interesting, interest, interaction and individuality of marketing, but at the same time must focus on product development and core technology, create the core competitiveness of the enterprise, and constantly optimize and improve the brand connotation, build up the brand image, so as to continuously attract more consumers.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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