

Marketing Strategy Analysis of Perfect Diary

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Abstract. From 2010 to the present, China's cosmetic market size has gradually grown and stabilized through sustained efforts, and people pay more and more attention to the promotion of Chinese culture. As the disposable income of Chinese people grows continuously, and at the same time, people are increasingly concerned about the external image, the use of national brands of color cosmetics has also been promoted. This paper focuses on the marketing strategy of Perfect Diary, using 4P analysis, STP analysis and SWOT analysis, to comprehensively analyze its market positioning, product innovation, channel expansion and social media operation. The study found that Perfect Diary has achieved rapid growth in brand awareness and market share by accurately targeting consumer groups, launching product series in line with trends, and combining online and offline multi-channel promotion. It also makes full use of social media platforms to effectively enhance brand influence. In addition, combined with the advantages and disadvantages of Perfect Diary's marketing strategy, this paper also gives suggestions for improvement. This study not only contributes to an in-depth understanding of Perfect Diary's success but also provides a useful marketing strategy reference for other cosmetic brands.

Keywords: Perfect Diary; 4Ps; STP analysis; SWOT analysis; marketing strategy.

1. Introduction

1.1. Background

With the rapid development of the economy and the continuous improvement of people's living standards, the cosmetics sector, which plays a significant role in providing for people's daily beauty needs, is gradually emerging as a new consumption mainstream. The "2016-2021 Analysis Report on Brand Market Research and Investment Forecast of China's Beauty Cosmetics Industry" clearly points out that changes in consumer perceptions of skin care, demographic shifts, rising income levels, consumption habits, and diversified consumption channels have contributed to the trend of steady growth in China's beauty cosmetics industry in the future development [1]. In recent years, the rise of the domestic beauty market has not only attracted many internationally renowned brands but also given rise to a great number of local emerging brands. Among them, Perfect Diary has distinguished itself in the fiercely competitive market and swiftly grown to become a beloved cosmetic brand among younger consumers thanks to its unique product positioning and creative marketing strategy.

1.2. Related Research

1.2.1. Corporate marketing strategy.

According to Philip Kotler, 4P theory is usually a combination of product strategy, price strategy, place strategy, and promotion strategy with each other. Product includes the entity of the product, service, packaging, etc., the product strategy is to put to the target market to meet the needs of consumers; price includes the basic price, discount price, etc., the price strategy is for the development of the company's own business strategy; place include distribution channels, transportation channels, etc., the place strategy is to study how to get the products produced by the company to the consumers; promotions include advertisements, personnel sales, public relations and so on, the promotion strategy is the way the enterprise adopts to spread the information and sell the company's products quickly [2].

Felix et al. state that the four components of marketing—marketing scope, marketing culture, marketing organization, and marketing governance—are essential to beauty company marketing and work in tandem with one another [3].

1.2.2. Cosmetic marketing strategy.

Chen Gang analyzed the marketing status quo of local brands, the issues that have arisen due to the growth of e-commerce and the Internet, as well as the intense competition in the domestic cosmetic market. Chen also proposed strategies for the application of brand marketing in the domestic cosmetic industry, focusing on building brand equity and raising awareness of brand protection [4].

Lee and Jin suggested that various experiential marketing strategies have a greater impact on customers' decisions to purchase and that experiential marketing has become one of the most crucial marketing tools for beauty brands to maintain a long-lasting connection with consumers [5].

Yang and Lee conducted group interviews with cosmetic salespeople to learn more about how female customers make decisions about product mix sales while shopping in-store. The study found that different promotions in brick-and-mortar stores create distinct psychological reactions in customers and that effective improvements in promotional strategy can influence female consumers' decision-making and emotional motivation of their purchase desires [6].

1.3. Objection

Overall, experts and scholars in the industry generally agree that marketing strategy is the core position in the process of enterprise growth, and it is the key initiative to build competitive advantages. However, there is a lack of specific analytical exploration of Perfect Diary, this paper will take Perfect Diary as a specific research object, analyzing the current situation of the brand, and taking into account the strengths and weaknesses of the internal environment, opportunities and threats of the external environment, to design a more suitable marketing strategy for Perfect Diary, so that enhance the marketing ability and competitive advantage of the brand.

2. Analysis of the Marketing of Perfect Diary

2.1. Introduction of Perfect Diary

Perfect Diary is a makeup brand founded in 2017, dealing in cosmetics, beauty masks, cotton pads, skincare products and makeup tools. The brand meaning of Perfect Diary is Unlimited beauty, advocating that the younger generation is not bound by external labels, but works hard to break through themselves, actively explore more possibilities in life, and meet a better version of themselves. It features high-quality, well-designed and easy-to-use makeup products, and is committed to providing new-generation women with the makeup experience of 'enjoying color, enjoying life'.

The success of Perfect Diary is the result of a series of carefully thought-out brand marketing strategies. The emergence of new media provides a broad marketing space for Perfect Diary, and frequent and deeper interactions between brands and customers are made possible by the growing popularity of short films, live broadcasting, social media and other platforms. The brand understands the psychology of young consumers and has gained widespread recognition in the market by consistently meeting the diverse needs of customers through precise positioning, product innovation, personalized service and other strategies.

However, Perfect Diary is also facing a variety of challenges due to the intensification of market competition and the ongoing shift in consumer desire. How to keep up its dominant position in the highly competitive market and how to constantly develop its marketing strategy to satisfy the evolving demands of consumers have become urgent issues for Perfect Diary. Consequently, an in-depth analysis of Perfect Diary brand's marketing strategy not only helps to understand the logic behind its success but also offers useful reference and inspiration for other brands.

2.2. STP Analyses

STP theory is a classic marketing analysis theory, which represents the three basic concepts of market analysis: Segmentation, Targeting and Positioning. It was proposed by American marketing expert Wendell Smith in the 1950s, and later further developed and refined by American marketer Philip Kotler [2].

2.2.1. Segmentation.

First of all, Perfect Diary segments based on gender, positioning the main target market in the field of female cosmetics. According to data from industry-related research, women spend almost three times as much as men do on beauty products. Almost 70% of women's spending on beauty exceeds 2,000 yuan, compared to just over 30% for men [7]. Additionally, men buy a large portion of the beauty products used to send to their girlfriends. Therefore, women in the beauty market are still dominant for a long time. Secondly, Perfect Diary also segments according to age and income, taking young college students and white-collar women aged 18-28 as its main target users. This part of the group is the main force of cosmetic consumption, and the channels they contact are diversified, with high acceptance of emerging brands and social media marketing. In addition, Perfect Diary is also segmented based on the psychology of consumers. According to data from the beauty business, the domestic beauty market has developed rapidly over the last ten years. Since 2020, the market has continued to grow at a pace of 14% despite challenges from the epidemic, the overall state of the market, and other reasons. Young women between the ages of 18 and 30 are known to place a strong emphasis on fashion and personality expression. Beauty products are designed to appeal to their consumer psychology and are consistently released with new items to satisfy their need for beauty [7]. The product design of Perfect Diary is fashionable and diversified, which can satisfy the personalized needs of consumers who pursue fashion, pay attention to personal image and are willing to try new styles.

2.2.2. Targeting.

In terms of target market selection, Perfect Diary clearly focuses on the young women group, especially those who pursue fashion, individuality and green differentiated use effect. This choice is not only based on market research results but also in line with Perfect Diary's brand philosophy and product characteristics. By focusing on this specific target market, Perfect Diary is able to carry out product research and development, channel selection and marketing strategy development more effectively.

2.2.3. Positioning.

As a leading brand in China's young women's beauty market, Perfect Diary deeply understands the consumption psychology and pursuit of young women, and conveys young women's infinite pursuit and love of beauty through the brand concept of 'Beauty without limits'. In terms of product design, Perfect Diary focuses on affordable prices and high-end minimalist design, perfectly matching the preferences and needs of young women. In terms of marketing strategy, Perfect Diary makes full use of diversified channels, such as social platforms, quality celebrities and offline experience stores, to increase brand awareness and user experience.

2.3. Analysis of Perfect Diary Marketing Strategy Based on 4ps

The 4P theory is a classic marketing theory that provides a comprehensive marketing framework to help enterprises plan their marketing activities in a systematic way. Enterprises can combine these four elements according to the characteristics of the target market, and develop appropriate marketing strategies, to achieve their marketing objectives.

2.3.1. Product strategy.

Perfect Diary has always maintained a high level of innovation and professionalism in its products. It has an ample product line, covering multiple categories of color cosmetics, including but not limited

to lipsticks, eye shadows, and foundations. Each product is made with details and quality to meet the needs of different consumers.

Take Perfect Diary's "Small Heel" lipstick as an example, this product has quickly gained popularity in the market due to its unique packaging design and high-quality texture. Its elegant golden shell and slender tube design are not only beautiful and generous, but also convenient to carry. At the same, the colors and silky texture of the lipstick make it easy to apply a perfect lip makeup effect.

Apart from lipsticks, Perfect Diary's eye shadow products are also highly acclaimed. Its Animal Eyeshadow Palette series, with cute animal patterns and rich color combinations, has attracted a large number of young consumers. These eyeshadow palettes are not only attractive but also full of color and long-lasting, making them a must-have for creating a variety of makeup looks.

The innovative design and high quality of these products make Perfect Diary stand out in the competitive market and win wide recognition and praise from consumers.

2.3.2. Price strategy.

Perfect Diary's pricing strategy takes into account both the cost of the products and the purchasing power of consumers. Perfect Diary's product pricing is relatively affordable, making it easy for more consumers to purchase high-quality makeup products. In addition, Perfect Diary often launches various promotional activities, such as limited-time discounts, full reductions, etc., which further reduces the purchase threshold of consumers. These favorable activities not only attract the attention of a large number of new users but also increase the repurchase rate of the old users. The repurchase rate of first-time buyers of Perfect Diary in the second half of 2017 was 8.1% in the first half of 2018, a figure that increased to 38.9% in 2019 and 41.5% in 2020, with the products being dominated by lipsticks and eyeshadow palettes, with eyeshadow accounting for 31.3% and 35.5% of Perfect Diary's revenues in the full year of 2019 and the first three quarters of 2020, respectively. Although lipsticks and eyeshadow are not high-frequency consumption, and the usage cycle is usually more than one-year, Perfect Diary, with its efficiency in pushing new products quickly, enables consumers to dare to try new things, thus increasing the repurchase rate of consumers' products [8].

2.3.3. Place strategy.

Perfect Diary utilizes both online and offline channels to achieve full coverage of consumers.

(1) Online

Perfect Diary has opened official flagship stores on major e-commerce platforms, such as Tmall and Jingdong, utilizing the traffic advantages of these platforms for product sales. At the same time, Perfect Diary also actively embraces social media platforms, such as Weibo, Douyin, Xiaohongshu, etc., to attract the attention of more potential consumers by posting makeup tutorials, product trial sharing and other content. In addition, Perfect Diary also cooperates with famous bloggers and online celebrities to further increase the popularity and influence of its products through their recommendations and trials. As of January 2022, the official account of Perfect Diary has gained 2.063 million followers on Xiaohongshu, with 333 notes posted, 13 discussion topics, and a total of 101 million interactions. As many as 229,000 bloggers have cooperated with Perfect Diary, posting about 361,000 notes [4].

(2) Offline

Perfect Diary has opened brick-and-mortar stores in important shopping districts to provide consumers with an intuitive shopping experience. In those stores, consumers can try the products themselves and enjoy the texture and effect of the products.

In January 2019, the first offline experience store of Perfect Diary was officially opened to the public in Guangzhou, and since then, it has vigorously promoted the construction of offline stores and has finished opening more than 200 offline experience stores, which cover more than 100 large and medium-sized cities in China. Perfect Diary also plans to expand the number of experience stores to

400 stores in 2021 and 600 stores in 2022, which will further enhance the brand awareness of Perfect Diary [9].

2.3.4. Promotion strategy.

Perfect Diary uses a variety of strategies for promotion, including social media marketing, celebrity endorsements, and offline activities.

(1) Social media marketing

Perfect Diary fully utilizes the traffic advantages of Weibo, Xiaohongshu and other platforms to publish makeup tutorials, product trial sharing and other content to attract consumers' attention and interaction. Meanwhile, Perfect Diary also actively cooperates with fashion bloggers and beauty bloggers to further increase the popularity and influence of its products through their recommendations and methods of use.

(2) Celebrity endorsements

Questionnaire survey results show that more than 60% of consumers are willing to buy products recommended by celebrities, which is due to consumers' trust in celebrities. Based on this characteristic of consumers, Perfect Diary has signed a lot of first-line stars and traffic stars to promote its products [10].

Perfect Diary has chosen a number of influential celebrities as brand endorsers to further enhance the brand's visibility and reputation through its image and influence. These celebrity endorsers have large fan bases and their recommendations and shares can quickly spread to a wider target group.

(3) Offline activities

Perfect Diary often organizes events such as new product launches and beauty classes to attract consumers to participate and experience the products. These activities not only increase brand awareness but also enhance consumers' understanding and trust of the products.

2.4. The Shortcomings of Perfect Diary's Marketing Strategy Based on 4ps

Based on the above analysis, it shows that Perfect Diary has advantages in appearance design, pricing strategy and channel promotion, but inevitably there are some drawbacks in product quality and effective channel combination.

2.4.1. Problems with product strategy.

(1) Serious homogenization of product. Perfect Diary's product range concentrates on color cosmetics, however, since there are already a lot of brands on the market with comparable goods, Perfect Diary's products are not really distinctive. Lack of product distinctiveness can cause consumers to resort to other companies when presented with a plethora of options.

(2) Lack of creativity and insufficient R&D funding. Due to Perfect Diary's comparatively low R&D spending, the company does not develop many novel products. Products that are not innovative find it challenging to distinguish in the very competitive cosmetic market of today. Customers want items to provide new experiences and emotions in addition to meeting their basic necessities.

(3) Product quality issues are also a hidden problem in Perfect Diary's product strategy. According to some customers, some of Perfect Diary's products have unstable quality, and occasionally there are issues like allergies. This not only has a negative impact on the brand's reputation but also makes customers less trusting of the products. In the beauty industry, product quality is one of the most important concerns of consumers, so any quality issues could drive away customers.

2.4.2. Problems with price and promotion strategy.

First of all, the pricing strategy is not clear and stable enough. Because Perfect Diary has adopted different pricing strategies in different markets, it is challenging for consumers to understand the

actual value of the product. This lack of clarity and stability in pricing strategy may make consumers become wary of the goods, which could influence their purchasing decisions.

Excessive price reductions during promotions are another issue. Perfect Diary may drastically lower prices during special events, giving customers the impression that the lower selling price was the correct one and that the initial price is too high. This could harm the brand's reputation and affect consumers' perception of the value of the product. Consumers can believe that the brand draws in business by raising prices and then lowering them, which would make them doubt the quality of the offerings.

2.4.3. Problems in place strategy.

There is a lack of smoothness in the combination of online and offline channels. Even while there are designs of online channels (e-commerce platforms) and offline channels (self-operated stores and counters), their integration remains insufficiently close. Consumers perceive inconsistent purchasing across channels due to ineffective complement and coordination between online and physical products, prices and promotion techniques, which ultimately undermines brand image unity.

3. SWOT Analysis of Perfect Diary

SWOT analysis involves analyzing both the internal and competitive environments of a company. The SWOT theory lists the strengths and weaknesses faced by the enterprise, and lists the opportunities and competitive threats shown by the enterprise in the competition, arranges them according to the matrix, and utilizes the system analysis to consider them comprehensively, so as to come up with the most suitable decisive opinion for the enterprise to adopt.

3.1. Strength

- (1) Precise Market Positioning: Perfect Diary has successfully captured the needs of young consumers and gained the favor of a large number of young women in the market with its core concepts of fast fashion and healthy skin care.
- (2) Rich product line: Perfect Diary has amassed a sizable following and glowing social media review, providing a broad selection of makeup shades and styles to suit the demands of various customers.
- (3) Strong social media marketing ability: through celebrity endorsement, KOL cooperation and rich activity planning, Perfect Diary has gained wide exposure and attention on social media.

3.2. Weakness

As mentioned in the previous section, the main problems are insufficient innovation and investment, uneven product quality and over-promotion. In view of the more detailed analysis in the last section, this part will not be repeated.

3.3. Opportunities

- (1) High growth potential of the cosmetics market: With the improvement of the national consumption level, the cosmetics industry still has huge growth potential in the Chinese market, and Perfect Diary can further expand its market share.
- (2) Offline Channel Expansion: By partnering with retailers to open physical storefronts, Perfect Diary can increase brand awareness and sales, and increase consumers engagement with products.

3.4. Threats

- (1) Fierce competition in the market: in addition to the major worldwide brands, there are a large number of local up-and-coming brands in the makeup industry.

(2) The enterprise foundation is not strong: L'Oreal, Shiseido, and other international brands, which are the top cosmetic brands, have decades of development experience. Whether it comes to market occupation and development or the conclusion of R&D, these brands have a strong foundation. When a foreign brand enters the Chinese market, its advantages over the perfect diary in terms of software, hardware management, and consumer psychology are substantial [11].

4. Suggestions

The above analysis shows that Perfect Diary can still make improvements to its brand culture construction, product quality and pricing strategy. In order to make Perfect Diary more competitive in the cosmetic market, the following suggestions are made in this section to address the problems.

4.1. Enhance Brand Culture and Social Responsibility to Strengthen Competitiveness

(1) Digging deep into the cultural connotation of the brand, through storytelling marketing, cultural marketing and other ways to enhance the emotional connection between the brand and consumers.

(2) Actively fulfill social responsibility and participate in public welfare activities to enhance brand image and reputation and attract more attention and support.

4.2. Establish a Comprehensive Product Quality Management System

(1) Carry out strict control from raw material procurement, and production process to finished product inspection.

(2) Raise the importance of product quality for all staff. Any quality problems that arise should be investigated and dealt with in a timely manner, and consumers should be given public explanations and apologies in order to maintain the brand image.

4.3. Optimize Product Pricing System

Perfect Diary's main consumer groups are the post-90s and post-95s. The majority of post-90s consumers spend about 3,000 yuan per month, of which about 1,000 yuan is spent on cosmetics [12]. In order to cater to the needs of this kind of consumer, Perfect Diary can flexibly use the price strategy and supplement it with varieties of promotional activities to effectively guide their purchasing behavior. At the same time, combined with the professional introduction by sales staff, not only can enhance the consumers' knowledge and interest in the product, but also further stimulate their desire to buy, thus increasing the frequency of consumption.

4.4. Developing Men's Beauty Products

The market for men's beauty products has grown rapidly in recent years. A growing number of guys are improving their appearance and self-confidence by applying cosmetics like lipstick, concealer, foundation, and so forth. Meanwhile, with the trend of consumption upgrading, men have also put forward higher requirements for the quality, effect and experience of beauty products.

Men's lipstick products saw a growth rate of up to 278% on the T-mall platform in 2018, followed by eyebrow pencils at 214% and men's-specific BB/CC cream at 185%. Perfect Diary can concentrate on the categories of the aforementioned few specific products due to the rapid expansion of these major consumer goods, but it must perform well in terms of quality innovation and packaging design [13].

5. Conclusion

The key components of Perfect Diary's effective marketing strategy are its precise market positioning, innovative product design and multi-channel marketing promotion. The brand, which mostly targets young women, has launched a range of popular cosmetic items by deeply understanding their

requirements and consumption habits. In order to satisfy the demands of young women for beauty and self-expression, these items combine fashion elements and personalized design in addition to quality and efficacy. However, at the same time, Perfect Diary also has certain drawbacks in various aspects.

In terms of product strategy, there are problems of serious homogenization, insufficient investment and unstable product quality. In terms of pricing and promotion strategy, there are problems of unclear pricing and excessive reductions. As for place strategy, there is the problem that the combination of online and offline is not effective enough. In the micro-environment, Perfect Diary's brand foundation is not solid enough and faces many strong competitors.

Combined with the research above, Perfect Diary should strengthen its brand culture and social responsibility to become more competitive, build a complete system for ensuring the quality of its products, and optimize its pricing strategy. In addition, Perfect Diary can also expand its target group by introducing male makeup products to keep up with the trend.

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