

ANALYSIS OF THE L'OREAL GROUP'S MARKETING STRATE

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Abstract: In China's FMCG market, the highly competitive cosmetics industry is one of the hottest areas. As a leading enterprise in the cosmetics industry, L'Oreal Group has a number of well-known brands involved in skincare, hairdressing, perfumery and other fields, such as HR, Kérastase, Giorgio Armani, etc. L'Oreal Group has been in China for more than 20 years, and it has encountered many challenges, but there are also many marketing success stories. In this paper, the macro environment is analyzed by the PEST model. Through the analysis and research of the classic 4P theoretical framework of marketing, it can be found that L'Oreal Group's marketing strategy in the Chinese market is mainly manifested in terms of products, prices, channels and promotions, and puts forward optimization suggestions for L'Oreal's marketing strategy in China: improve e-commerce channels, strengthen the publicity of its local brands, and focus on the showroom phenomenon.

Keywords: 4P Marketing Theory; PEST Model

1. INTRODUCTION

With China's policy of reform and opening up and its accession to the WTO, the country's economy has grown by leaps and bounds and people's living standards have improved significantly, thus turning their attention to image enhancement. The cosmetics industry has played an important role in this and is gradually becoming an integral part of everyday life, growing rapidly in recent years and becoming one of the fastest growing sectors of China's national economy.

Currently, China has become the world's second largest consumer of cosmetics, with a market share of over 12.7%, second only to the United States. However, compared to developed countries, the Chinese cosmetics market is not yet saturated with demand and has huge market potential. For major global cosmetic brands, the Chinese market is a strong growth point and one of the key business segments. Many international cosmetic brands are now actively entering the Chinese market, expanding their presence and expanding their influence, demonstrating the importance of the Chinese cosmetics market to major brands. With the acceleration of economic globalisation, the threshold for foreign cosmetic brands to enter the Chinese market is gradually being lowered. Many well-known brands have taken advantage of the huge profit margins and population base contained in the Chinese market, which has also seen fierce competition from the foreign cosmetics industry. Although domestic cosmetic companies are actively engaged in brand building, R&D innovation and marketing, they are still unable to compete with foreign cosmetic brands. As a result, cosmetic companies need to improve their competitiveness in the market, strengthen the quality of their products and brand influence, and continue to expand their market share in order to win the market competition with a more solid competitive edge.

While there is a clear downward trend in the overall ranking of traditional local brands such as Carslan as well as Pechoin, emerging brands such as Florasis, Perfect Diary and FlowerKnows have risen to become a force to be reckoned with and have had a profound impact on the overall market by changing the landscape of the Chinese cosmetics industry. Particularly in the context of the 2022 trend, these up-and-coming Netflix brands have demonstrated a strong ability to adapt to the environment. In response to the characteristics of the current market environment, cosmetic companies need to be fully aware that the high barrier to entry is a major challenge, with domestic brands struggling to enter the high-end market, while well-known foreign mass brands are occupying the mid- to low-end market with the R&D capabilities of multinational companies and sophisticated marketing strategies, which is one of the reasons why domestic cosmetic companies are facing survival difficulties. Therefore, cosmetic companies need to develop targeted marketing strategies to enhance brand reputation and consumer satisfaction in order to achieve sustainable corporate development[1-6]. Therefore, the Chinese cosmetics industry should seek both a sustainable development path and invest more in product innovation, technology research and development to effectively improve the competitiveness of domestic brands.

As the world's first beauty brand, the L'Oreal brand has a high level of competence in its marketing and brand management

The company has received a lot of attention for its competence in marketing and brand management. By introducing products with the latest technology, high quality and reasonable prices to meet the changing needs of consumers, the company has won the love and loyalty of consumers, laying a solid foundation for its development and allowing it to occupy a notable position in the fiercely competitive market. In an environment of fierce competition from many beauty brands at home and abroad, L'Oreal has risen to the challenge and achieved inevitable glory, evident in its unique business strategy. Learning from L'Oreal's successful marketing strategies will be an important contribution to the development of China's cosmetics industry, enabling it to consolidate its position in the domestic market and achieve better business results in the process of entering the global market. L'Oreal's research is of inescapable importance to

China's local cosmetics industry in enhancing its international competitiveness, both from a practical and academic perspective. There are currently nearly 250 core journals on L'Oreal marketing in the China Knowledge Network. Academic research on L'Oreal's marketing strategy has continued to intensify, and by systematically studying the successful model, strengths and weaknesses of L'Oreal's marketing strategy and analysing its experiences and lessons learned on a global scale, it has provided effective reference for relevant enterprises. These research results provide important references and support for the research of this paper, making the research direction of this paper clearer, as well as providing great help to the writing of this paper.

2. ABOUT THE L'OREAL GROUP

With a history of nearly 100 years, the world's largest cosmetics company, L'Oreal Group (L'Oreal Group), founded in 1907 by chemist Eugène Schuyler, is headquartered in France and was founded as a French harmless hair colour company, which changed its name to L'Oreal in 1939. L'Oreal Group is a leader in the cosmetics industry and a world-renowned cosmetics company with major brands selling worldwide. As of 2022, it has a global presence in more than 150 countries and regions, 36 brands, more than 4,000 R&D staff and 561 registered patents, and is ranked 387th on the 2021 Fortune Global 500 and 2022 Forbes' Top 2000 Global Listed Companies No. 201.

L'Oreal is an integrated cosmetic company that covers a wide range of skincare, beauty, cosmetics, fragrances, pharmaceuticals and dermatology research within its operations. L'Oreal has 31 brands, a research and innovation centre, a training centre and five distribution centres in China. L'Oreal's headquarters are in Shanghai, with two factories in Suzhou and Yichang. Today, a L'Oreal China family of more than 14,000 people has been built up. Although it is a cosmetics company, it is involved in many sectors such as skincare, beauty, cosmetics, fragrances, pharmaceuticals and dermatology research (See Table 1).

Table 1 L'Oreal's brand matrix

Popular Cosmetics Department	L'Oreal Paris, Maybelline New York, Garnier, Meiji, NYX, 3CE, Essie, Dark&Lovely, Niely
L'Oreal Fine Cosmetics Department	Lancome, Kiehlen, Saint Laurent, Giorgio Armani, Biotherm, Hélène, Shu Uemura, Ecomet, Decaying City, Ralph Lauren, Müller, Victor & Rolf, Valentino, Asaro, Diesel, Olon, Prada, Cacharel, Hershey
Professional Hairdressing Products Department	L'Oreal Haircare, Ledecan, Kashi, Mecis, Pureology
Active Health Cosmetics Department	Skin Care, Vyse, Skin Care, Skin Care, Tricor, Ticorie, Skinbetter Science

Data source: L'Oreal official website

As of 9 February 2023, L'Oreal reported its Q4 2022 and full-year 2022 financial results, with full-year 2022 L'Oreal sales up 18.5% year-on-year to €38.26 billion, net profit up 24.1% year-on-year to €5.71 billion and operating profit up 21% year-on-year to €7.46 billion. As shown in Figure 1:

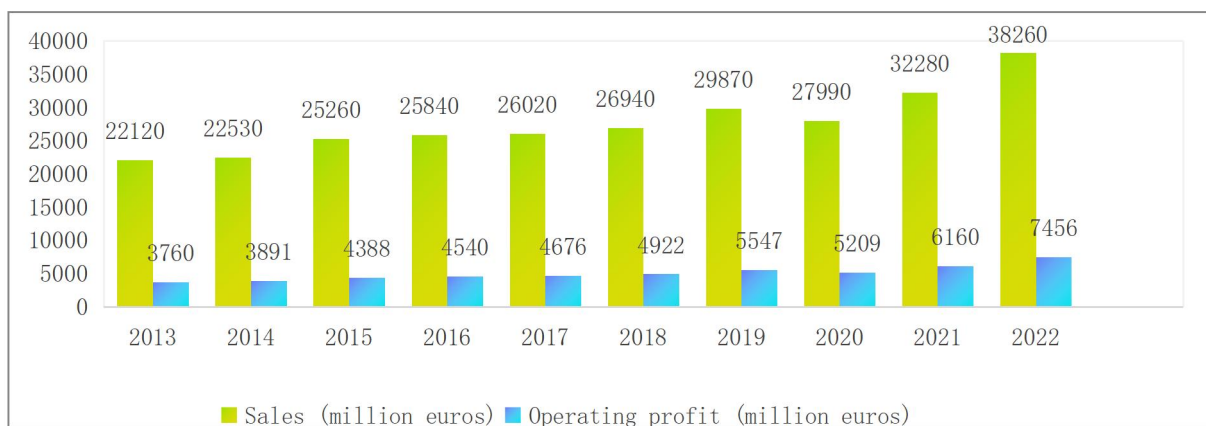


Figure 1 2013-2022 L'Oreal Sales Overview

Data source: L'Oreal Annual Report 2022

Research and innovation are at the heart of the L'Oreal Group's strategy. L'Oreal is committed to discovering

technological advances, acquiring a forward-looking vision that leads to changes in the industry, maintaining consistent standards of quality, efficiency and safety, while constantly improving product transparency and enhancing consumer confidence. At the start of the company, Eugène Schueller focused his research on science.. Today, more than 4, 000 people work every day in L’Oreal’s R&D and innovation centres around the world. They respond to beauty needs and consumer expectations through continuous research and development, while continuing to create effective products that meet the highest quality and safety standards in the region. This excellence and investment in research and development brings L’Oreal a full range of research and development results, from exclusive active ingredients to exclusive formulation processes and innovative evaluation techniques (See Figure 2).

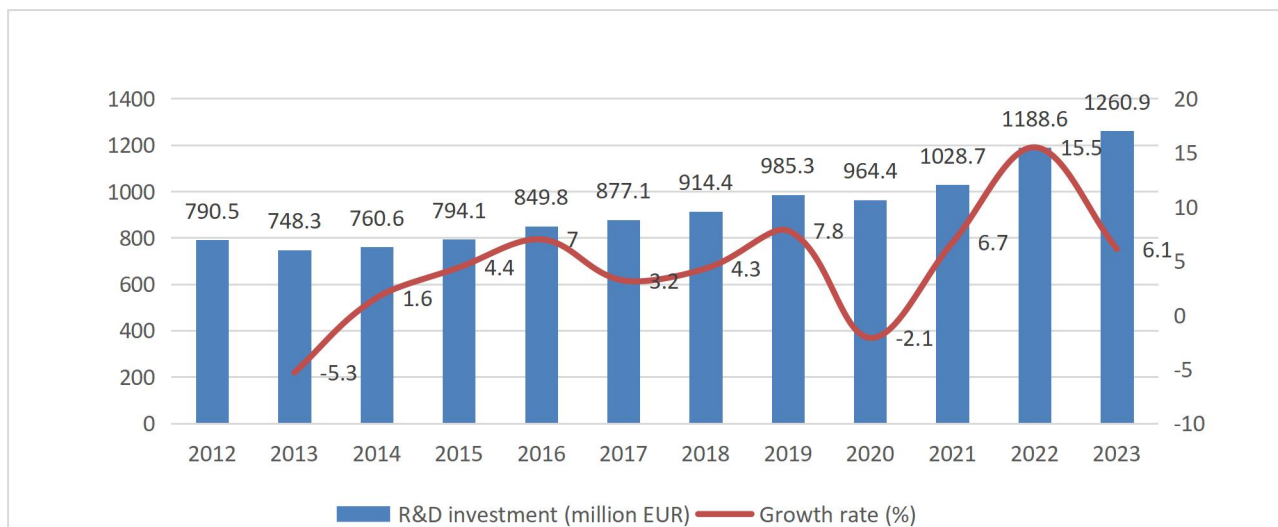


Figure 2 2012-2023 R&D costs and forecasts

Data source: Bloomberg, Minsheng Securities Research Institute

Table 2 Policy and Regulatory Documents for the Cosmetics Industry in China, 2010-2022

Time	Policy and regulatory documents	Issuing Authority	Main purpose
2010	Measures for the Management of Cosmetic Review Experts	State Food and Drug Administration	To further strengthen the cosmetic review work, regulate the management of cosmetic review experts and ensure the scientific, standardized, fair and impartial administrative licensing of cosmetics.
2011	Supervision and Administration of Import and Export Inspection and Quarantine of Cosmetics	State General Administration of Quality Supervision, Inspection and Quarantine	To ensure the safe and hygienic quality of imported and exported cosmetics and to protect the health of consumers.
2016	Filing of Domestic Consignees of Imported Cosmetics, the Import Records and Sales Records Management Regulations	State General Administration of Quality Supervision, Inspection and Quarantine	To strengthen the traceability management of imported cosmetics and to safeguard the quality and safety of imported cosmetics.
2019	Code of Practice for the Registration and Filing Inspection of Cosmetics	State Food and Drug Administration	To regulate cosmetics registration and filing inspection work, to ensure that cosmetics registration and filing inspection work open, fair, just and scientific.
2020	Cosmetics Supervision and Administration Regulations	State Council of the People’s Republic of China	In order to regulate the production and operation of cosmetics, strengthen the supervision and management of cosmetics, ensure the quality and safety of cosmetics, protect the health of consumers and promote the healthy development of the cosmetics industry
2020	Administrative Measures for the Registration and Filing of Cosmetics	State Administration of Market Supervision and Administration	In order to regulate the registration and filing behavior of cosmetics and ensure the quality and safety of cosmetics

2021	Regulations on the Labelling of Cosmetics	State Food and Drug Administration	To strengthen the supervision and management of cosmetic labels, regulate the use of cosmetic labels and protect the legitimate rights and interests of consumers.
2021	Supervision and Administration of Cosmetics Production and Operation	State Administration of Market Supervision and Administration	In order to regulate the production and operation of cosmetics, strengthen the supervision and management of cosmetics, to ensure the quality and safety of cosmetics
2022	Administrative Measures for Monitoring Adverse Cosmetic Reactions	State Food and Drug Administration	To strengthen the monitoring of cosmetic adverse reactions, timely and effective control of cosmetic safety risks and protection of consumer health

Data source: State Council Gazette

As the chart shows (Table 2), the local cosmetic industry has better and more regulated market policies and regulations that businesses should strictly comply with.

3. MACRO ENVIRONMENT ANALYSIS OF THE COSMETICS INDUSTRY IN CHINA (PEST ANALYSIS)

3.1 Political Environment

The cosmetics market in China is growing in size, however, there are still certain problems with the standardisation of this market and the level of product quality. The cosmetics market in China is currently developing rapidly, but this is accompanied by a serious phenomenon of product homogenisation and plagiarism. In order to promote the healthy development of the cosmetics market, government departments have introduced a series of policy measures. Among them, raising the entry threshold of the relevant industries and regulating market behaviour are among the important tools. The following are the relevant documents issued by the relevant state departments in recent years.

3.2 Economic Environment

In recent years, people's living standards have continued to improve, with an increase in per capita disposable income, and consumer attitudes have continued to change, with more diversified and diverse consumer needs[7-10]. This change has also brought about a trend of people's purchasing power increasing, promoting the prosperous development of the consumer market, which is very beneficial to the cosmetics industry (See Figure 3).

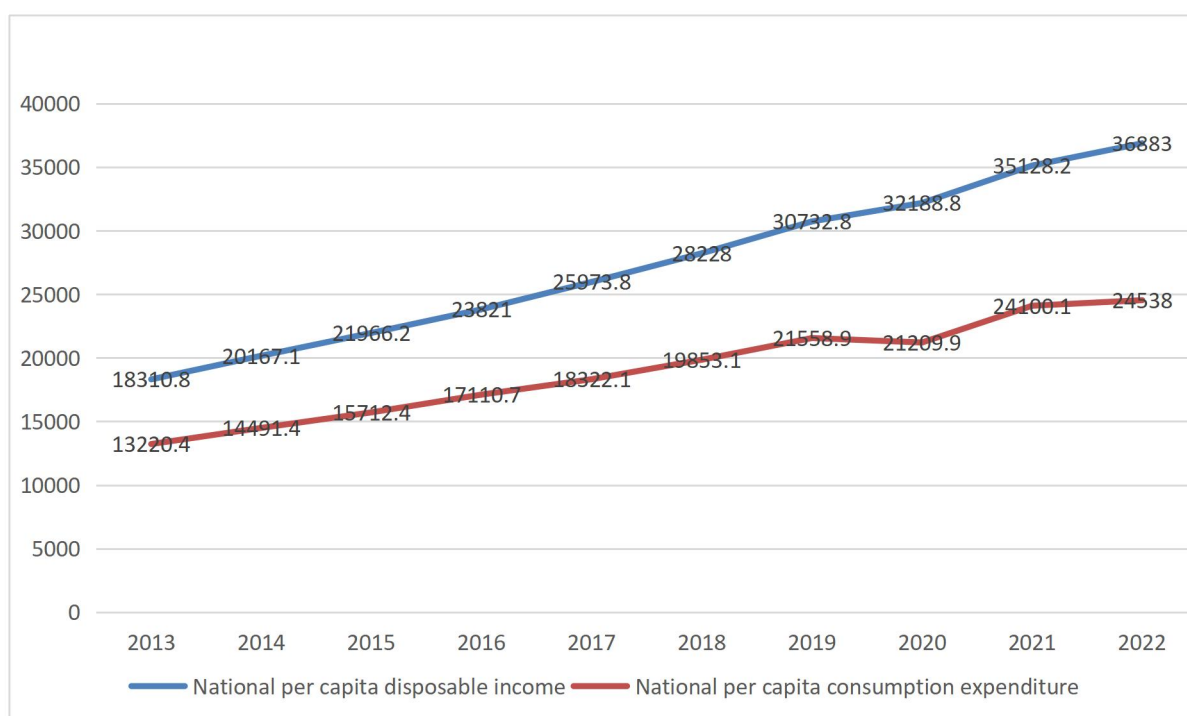


Figure 3 National disposable income and per capita consumption expenditure, 2013-2022

Data source: Guangxian Tong City Big Data Platform

3.3 Social Environment

According to the results of the National Bureau of Statistics' monitoring of 14 sub-categories of social consumer goods, China's cosmetics category not only ranks high in the consumer goods market, but has also continued to outperform the overall growth rate over the past consecutive years. In recent years, the size of China's cosmetics market has shown very rapid growth. According to the data, the total market value of China's cosmetics market in 2021 was RMB 455.30 billion, an increase of 15.0% compared to the same period last year. In addition, the market has shown significant recovery momentum following the effective control of the global epidemic. At the same time, as national income continues to grow and aesthetic awareness increases, consumers are demanding more in terms of appearance and quality, leading to a continued rise in consumption in the local cosmetics market. It is estimated that the size of the Chinese cosmetics market will exceed RMB 500 billion by 2023 (See Figure 4).

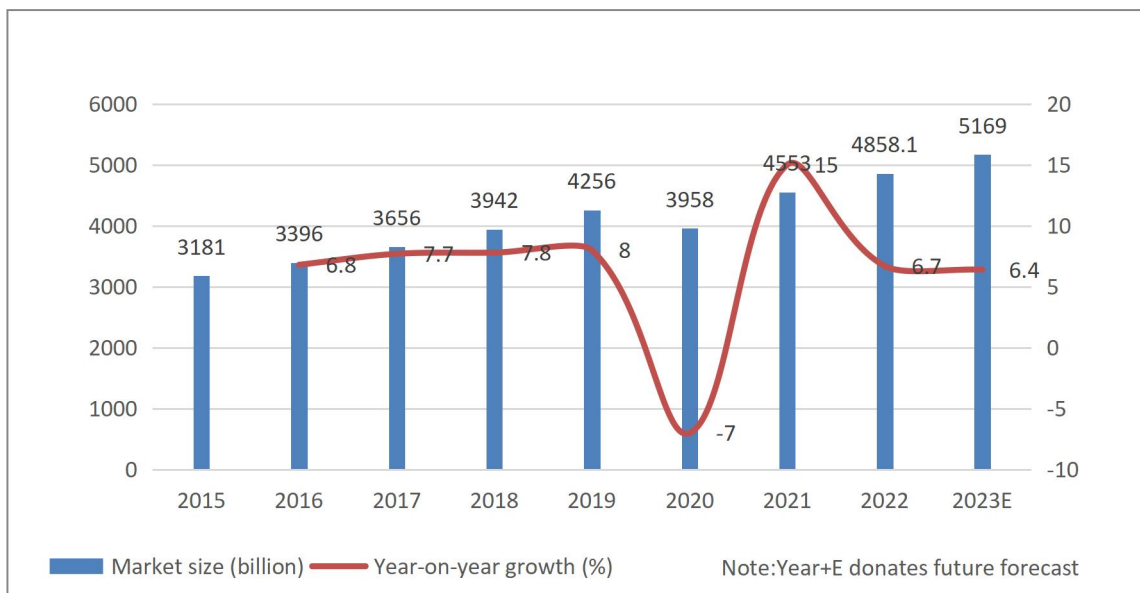


Figure 4 China Cosmetics Industry Market Size and Forecast, 2015-2023

Data source: Aimedia Data Centre(data.iimedia.com)

3.4 Technical Environment

With the development of time and technology, people are demanding more technology in cosmetics. As can be seen from the chart below (Table 3), cosmetic technology has now gone through four stages to come to the genetic age.

Table 3 History of cosmetic technology development

The Times	Technology
The mineral oil era: 1940s-70s	The global economy has undergone a period of recovery and the oil industry has grown exponentially, with products based on mineral oils dominating the market and adding other chemical additives such as flavours and colours to increase the added value of their goods.
The natural ingredients era: the 1980s	Along with the maturation of large-scale extraction and separation techniques for natural substances, natural ingredients gradually became the main focus of product development at the time. However, due to the complexity and diversity of natural ingredients, the technical issues involved, such as blending and preserving, have always been of concern to the industry. In this context, many products began to incorporate natural ingredients or use natural oils such as vegetable and animal oils to replace mineral oils, with the aim of enhancing their product properties while maintaining the ingredients of the mineral oil era, a product that not only has better safety and biocompatibility but also better meets people's needs for environmental protection and health.
The antioxidant era: 1990s - early 21st century	In the context of the "antioxidant era", the free radical theory, which states that free radicals produced during normal cellular metabolism can have a harmful effect on the body and accelerate ageing, is gaining attention. Therefore, during this period, more emphasis was placed on the combined use of internal and external ingredients such as vitamin C/E, grape seed extract, lycopene and lutein.

The Zero Burden Era: 2010 to present	The "Zero Burden Era" is a new era in which more and more skincare manufacturers are using additives that are mild and easily absorbed by the skin, such as hyaluronic acid, collagen and other natural ingredients instead of overused chemical ingredients, in order to reduce the damage and burden of skincare products and to prevent allergies and other problems from occurring, better protect the health of the skin. This trend was not only in line with the pursuit of a natural and healthy lifestyle at the time, but also provided the market with a higher quality choice of skincare products.
The Gene Age: The Future	Today, researchers have successfully deciphered 25,000 genes and explored their use in various fields, including cosmetics, where skin and ageing-related genes are considered an important object of research and where many companies are actively developing and producing products based on genetic concepts.

Data source: Baidu Library

4. L'OREAL CHINA MARKETING STRATEGY ANALYSIS (4PS)

4.1 Product Strategy

4.1.1 Standardisation

(1) Global Brand Positioning, Consistent Products

As far as the different brands of the L'Oreal Group are concerned, the standardisation lies mainly in the original brands, such as Lancôme, Hélène and L'Oreal Paris, which are iconic brands. These brands have a consistent positioning in the global market and are fairly consistent in terms of formulation, product line and product portfolio.

(2) Consistent Brand Image

In terms of brand image, the L'Oreal Group has a reputation for French elegance and romance in the minds of international consumers, who trust the Group's focus on technological innovation. As the brand's slogan suggests: "Luxury, within reach, you deserve it", the L'Oreal Group has promoted the values of French fashion and romance to the world as part of its international development.

4.1.2 Localisation

(1) Developing a Strategy for the Chinese Market

In 2005, L'Oreal China launched three strategies to expand its business in China, including the establishment of the L'Oreal Global R&D Centre in Shanghai to strengthen product development, the relocation of the Asia Pacific Management Training and Development Centre from Singapore to China to strengthen staff training and management, and the establishment of a global brand research and promotion department in China to fully support brand promotion efforts in the Chinese market. These initiatives essentially reinforce the L'Oreal Group's commitment and strength to enter the Chinese market.

(2) Translate the Product Name and Choose Chinese Characters with a Good Meaning

The most significant linguistic difference between the names of products in France and China is the language of the L'Oreal Group, which, as a multinational company, is the first to consider when dealing with different national markets. On its official website abroad, English and French are the main languages; however, after entering the Chinese market, all L'Oreal Group brands have phonetic Chinese names, such as Lancôme, Biotherm and Saint Laurent, which are not only pronounced close to the original English names, but also include "Lan", "Kou", "Bi" and "Quan". The Chinese characters for "Lan", "Kou", "Bi" and "Quan" all have beautiful symbolic meanings in Chinese culture, while the European brand L'Oreal Paris and the New York brand Maybelline have added city name elements with specific symbolic meanings to emphasise their The European brand L'Oreal Paris and the New York brand Maybelline have added city names with specific symbolic meanings to emphasise their "foreign" and international feel, fully preserving the distinctive image of their brands.

(3) Development of New Products and Adaptation of Existing Products for the Asian Population

After entering the Chinese market, L'Oreal found that there was a large gap between the Asian and European races, and therefore set up a special R&D centre in Shanghai, specialising in targeted research relating to Chinese skin tone, the rate of skin ageing, pigmentation formation and damaged hair, the results of which are used in the development of new products and the adaptation of existing product formulations to better meet the needs of Chinese consumers.

(4) Acquire Local Brands to Complete Product Line

In addition to its original brands and product lines, the L'Oreal Group's internationalisation strategy has used significant acquisitions to further broaden its product lines and brand range. Acquired companies include Maybelline in the United States, which focuses on the mass make-up market, and Shu Uemura, a professional make-up brand in Japan, which targets the Oriental and professional make-up markets. In order to improve the Group's lack of brand performance in the Chinese market, L'Oreal Group acquired local brands with a certain degree of market recognition: YUESAI, Meiji and Xiao Nurse, to develop a full range of high-end, mid-range and low-end markets.

As a local Chinese cosmetic brand, the brand focuses on the characteristics of Asian women's skin and adopts the concept of Chinese herbal skincare, infused with ingredients such as lingzhi, wormwood and other valuable herbs, reflecting the deep Chinese cultural heritage[11]. For L'Oreal, the acquisition of YUESAI means that the brand will be repositioned from a popular market to a mid-to-high end market, with a better understanding of the Chinese cosmetics market, and the sharing of formulas with the Hélène brand.

4.2 Pricing Strategy - Category Pricing

The L'Oreal Group has a number of sub-brands that are set up according to their different brand positioning. The prices of the same products of the different brands are selected below for comparison in China and France, as shown in the Table 4 below:

Table 4 Comparison of Chinese and French prices for the same product

Brand name	Product name	Price in China	Price in France
Hélène	Greenbrier Restorative Sleeping Night Cream (50ml)	1750 RMB	160, 00 €
ARMANY	Master Radiance Foundation (30ml)	630 RMB	69, 00 €
Kiehl's	Highly Moisturising Face Cream (125ml)	620 RMB	60, 00 €
L'Oreal Paris	Printed Lip Glaze (7ml)	129 RMB	12, 70 €

Data source: Brand China website, Brand France website

4.2.1 Standardisation

As can be seen from the table above, the L'Oreal Group has adopted a categorical pricing strategy for both the Chinese and French markets, i.e. different pricing strategies depending on the positioning of the brands in the market. In particular, for premium brands such as Hélène and Armani, the company adopts a skimming pricing strategy i.e. a high price strategy to achieve higher profitability, while for mid-range brands such as L'Oreal Paris, it adopts an appropriate pricing strategy. Overall, the L'Oreal Group's pricing strategy varies between brands, but is generally standardised.

4.2.2 Localisation

Of particular note is the fact that the local Chinese brands acquired by the L'Oreal Group, Xiao Nurse and Meizi, are at the bottom of the L'Oreal Group's multi-brand structure and are only sold in the Chinese market, a clear departure from the internationally oriented brands mentioned earlier. In addition, in terms of pricing strategy, these brands have adopted a market penetration pricing approach. The higher price range is often accompanied by an increased supply of products, which are overall very cost effective and able to quickly capture a large market share at a lower price and a higher price/performance ratio.

4.3 Channel Strategy

4.3.1 Standardisation

The L'Oreal Group exists in four main product categories, namely mass cosmetics, professional hairdressing products, premium cosmetics and active beauty cosmetics. The positioning of the different categories determines the different distribution strategies used by the L'Oreal Group. Although the distribution points for premium products are very selective, they use different distribution channels compared to mass-market products. For example, Maybelline, a mass cosmetic brand, is cheap enough to satisfy the needs of the general public and has a wide range of distribution channels through which consumers can buy it, whereas Lancôme, a premium brand, requires consumers to spend more time and effort to buy it and, when selling professional hairdressing products, usually supplies them directly to professional hairdressing salons or professionals, institutions, etc.; luxury products are in most cases sold in major shopping malls. The sale of active beauty products takes place mainly through professional skin care establishments such as pharmacies or beauty salons, and advice on their use is usually provided by dermatologists and professional beauticians. Although these products may be aimed at the European market and possibly also at the Asian market, their distribution strategies are similar and have a standardised character.

4.3.2 Localisation

The size of the mass market in China is significantly different from that of the European market, given the country's vast demographic resources [12-14]. Given this specific situation, the L'Oreal Group's mass positioned products are sold to a wide range of wholesalers and retailers using an intensive distribution strategy in order to achieve distribution in major supermarkets and shops, thus achieving an adequate channel and easy access to products for consumers. The Group responded by acquiring Little Nurse. The 28, 000 sales outlets and 177 distributors owned by Little Nurse at the time provided L'Oreal with an important support to open up channels, broaden them and significantly increase its sales, and the successful acquisition of Little Nurse was an important factor in L'Oreal's success in the Chinese market.

4.4 Promotion Strategy

The L'Oreal Group has emphasised the importance of advertising and marketing in its standardised practice of promotional strategies, with celebrity endorsements as the main means of differentiating advertising films for the Chinese market and overseas markets in order to differentiate the market competition. In addition, the L'Oreal Group has standardised its business promotion in terms of sample giveaways, membership systems, forms of offers and standardised training for sales staff to ensure consistency of the brand in different markets. For its localisation strategy in China, L'Oreal Group has closely followed the current live internet celebrity boom in China, engaging a number of high-profile celebrities, such as Li Jiaqi and Vaia, to access its products on live webcasts and to place extensive promotional advertisements on major online platforms in order to win the favour of young consumers.

5. THE ISSUES FACING THE L'OREAL GROUP

5.1 Inadequate E-commerce Channels

In 2022, the L'Oreal Group's e-commerce sales rose by 8.9% year-on-year to €10.8 billion, while the e-commerce channel accounted for 28% of the Group's sales. Given the rapid growth of the e-commerce sector in China, the L'Oreal Group needs to continue to strengthen its e-commerce channel in order to further enhance its competitiveness in the market.

L'Oreal's main sales channels are still mainly offline brick-and-mortar shops, and its online sales system is not well developed. The e-commerce industry in China is a very popular industry in recent years, and there are various models of e-commerce channels, which can be divided into three categories: direct e-commerce, e-commerce distribution and e-commerce group purchase. L'Oreal's online sales channel is relatively single in type, and only stationed in the net celebrity live. L'Oreal should therefore actively explore new e-commerce channels.

L'Oreal's online channel website is not perfect enough, and the online service is not timely enough, which are the problems that need to be solved.

5.2 Unclear Positioning of Corporate Image and Low Promotion of Local Brands

As a large cosmetics group, L'Oreal has a large number of sub-brands, and while the independent promotion of each brand is conducive to market expansion, it is not possible to effectively integrate and unify the corporate image. This has had a considerable impact on the positioning of L'Oreal's brand image. Consumers' perception of each L'Oreal brand is not complete and clear, and it is also difficult to effectively combine L'Oreal's entire corporate image with the product image of each sub-brand, which will pose certain challenges to L'Oreal's corporate brand image building. Therefore, L'Oreal needs to further optimise and integrate the promotion strategies of each sub-brand, establish a more unified and coordinated corporate brand image and product image, improve consumers' overall awareness, and thus further enhance L'Oreal's brand competitiveness. In particular, most consumers of the local brands acquired by L'Oreal are unaware that these local brands belong to the L'Oreal Group due to a lack of publicity.

L'Oreal has acquired a series of brands with local characteristics, including Little Nurse, Meiji and YUESAI, but YUESAI's awareness is relatively low compared to other brands. In fact, YUESAI is one of the most colourful of the brands with Chinese characteristics that the L'Oreal Group is responsible for developing, especially in the context of today's popularity of Chinoiserie, and whether it is a brand such as Flower West that is widely popular for its unique Chinese elements, or a Chinoiserie line launched by a foreign brand, cultural differences are still one of the main reasons that can lead consumers to express their dissatisfaction with it, as a L'Oreal Group's brand, the Hana West brand has its origins in China and is more in line with the local style line and should be promoted with greater vigour.

5.3 Brick-and-mortar Shops Hit by E-commerce

With the development of e-commerce and the rise of online shopping, a large number of online retail shops have emerged, greatly impacting the development of offline brick-and-mortar shops. The brick-and-mortar shops are restricted by the cost of shop rent, decoration and other costs and the pressure to stock up, and their prices are often higher than those of online shops, in this context, consumers tend to try out products in brick-and-mortar shops and turn to buy them online after they are satisfied with the trial, a situation known as the showroom phenomenon. This consumer behaviour affects the turnover of L'Oreal's offline brick-and-mortar shops.

6. L'OREAL GROUP'S MARKETING PROPOSALS FOR LOCALISATION IN THE CHINESE MARKET

6.1 Improving E-commerce Channels

L'Oreal Group could broaden its e-commerce channels, not just by partnering with popular online celebrities, but also by stocking the brand on major popular apps.

Turning to online services, the L'Oreal Group can further improve the online retail details of its e-commerce platform by taking advantage of current emerging technologies, such as the introduction of premium services like online accurate colour swatches. In the context of more convenient online interaction, L'Oreal could use real-time interactive formats,

such as live streaming and online voting, to allow some of its scientific staff to interact directly with consumers, enabling the researchers themselves to directly address consumer needs, while also building an image of the brand as a profound technological powerhouse and further enhancing consumer recognition of its products. The customer service has been regarded as a "salesman" who communicates directly with consumers, so it is important to strengthen the training of customer service staff to improve their professionalism and communication skills, covering after-sales and return and exchange services, while customer service staff should provide thoughtful and attentive service to improve customer satisfaction and loyalty.

6.2 Strengthening the Promotion of its Local Brands

The L'Oreal Group could strengthen the promotion and publicity of the YUESAI brand through several promotional points - "Chinese style", "backed by the L'Oreal Group" and "sharing the formula with H el ene" - and, in order to further increase the popularity of the YUESAI brand and boost its sales, it would also be necessary to redesign the product packaging by adding some Chinese-inspired elements, such as danting cranes, dragon prints, embroidery and silk, and to consider collaborating with institutions with a Chinese historical and cultural flavour (such as the Palace Museum) to expand its popularity and increase new consumer growth for the Group.

6.3 Spotlight on the Showroom Phenomenon

The L'Oreal Group needs to pay close attention to this consumer showroom phenomenon and consider transforming its brick-and-mortar shops into new types of shops, such as product collection shops and offline experience shops, by improving their positioning in response to consumer demand, thereby enhancing the product experience and brand image of brick-and-mortar shops, and thus shifting their positioning from a sales-oriented to a product experience and brand-building orientation. In these transformed shops, there is no need to stock a large amount of stock, but rather to offer a wide range of products and provide professional, comfortable and attentive service. In terms of pilot shops, L'Oreal Group may give priority to mid- to high-end brands and first- and second-tier cities for experimentation.

7. CONCLUSION

The purpose of this paper is to summarise the successes and problems of the L'Oreal brand in the market by exploring its marketing strategies in China, and to provide useful suggestions for the L'Oreal Group's future development in the Chinese market. At the same time, the paper also provides reference and assistance to similar enterprises in China to enhance their competitiveness and market share in the Chinese market[15]. The contents covered include market positioning, product strategy, channel construction and brand communication to promote the development of the Chinese cosmetics industry.

As an international multi-brand group, the L'Oreal Group faces complex cultural differences in the course of its multinational development. In order to improve the Group's management efficiency and reduce costs, the L'Oreal Group needs to implement standardisation measures, however, with the development of different geographies and the trend towards localisation of markets, the L'Oreal Group also needs to focus on localised operations in local markets in order to maintain a balance in management. Balancing localisation and standardisation is therefore crucial for the L'Oreal Group.

In addition, these brands need to pay attention to the deep integration of online and offline sales channels in order to expand the coverage of their sales network; finally, industrial operators should also pay close attention to consumers' needs, conduct adequate research and produce products that meet the actual needs of consumers. Finally, industry operators should also pay close attention to consumer needs and conduct thorough research to produce products that meet the actual needs of consumers, rather than producing homogeneous products. In general, retailing is no longer restricted to the traditional offline brick-and-mortar shops, but has been further extended through online shopping channels. In order to gain market share in a competitive market, cosmetic brand management needs to consider the rational operation of online and offline marketing channels, pay close attention to changes in consumer demand and national policy updates, and use cutting-edge technology to take the lead in the market.

COMPETING INTERESTS

The authors have no relevant financial or non-financial interests to disclose.

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