

L'Oréal Paris Consumer Loyalty Research Based on the Chinese Market

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Abstract. As an important aspect of marketing strategy, customer loyalty plays a vital role in brand building. This paper takes customer loyalty as the research object, and conducts theoretical research on consumers, cost, convenience and communication based on the 4C marketing theory. This paper combines 104 actual and effective survey data, and uses the regression analysis method of the data. In the context of the rapid development of 2019-nCoV in the past five years, Chinese consumers' loyalty to Paris consumers, changes in consumption patterns, changes in the loyalty of young consumers, and new changes faced by L'Oréal Paris. Under this circumstance, the brand should deal with its own characteristics, deal with new changes, strengthen the building of brand customer loyalty, and promote brand building.

Keywords: L'Oréal Paris; 4C; Consumer Loyalty; SWOT.

1. Introduction

1.1 Introduction

In the past five years, two reasons particularly affect the customer loyalty of L'Oréal pairs. One is the fast development of domestic cosmetics and the other is the COVID-19 that change the way people shopping.

The development speed of domestic cosmetics showed a concentrated growth in 2018 China skin care market brand companies ownership pattern distribution: 29.7% domestic European state 18.8%, Japan and South Korea 12.7%, the United States 14.9%, others 23.9%. In the market share ranking of the domestic skin care industry in 2018. Domestic brands hundred lark gazelle with an annual sales volume of nearly 10 billion yuan. Market share of 4.5% ranked first. In the third quarter of 2019, the China Institute of Commerce and Industry tracked the popularity of the domestic skin care brand market in the top 10 popular skin care brand heat index, Local companies, Spring and Summer, gazelle, PROYA and Eve on the list, can see the rapid growth and development of state-owned brands through the past five years [1]. In the continuous development until 2020, There are more than 4,000 certified cosmetics manufacturers in China, and several excellent enterprises have emerged in all links of the industrial chain. From the perspective of market share, no local cosmetics company entered the top 10 market share in 2009. By 2020, Shangmei, Pechoin, and Jialan have entered the TOP10. In 2020, the retail sales of China's cosmetics market grew by 9.5%, becoming the fast-growing category among non-essential consumer goods [2].

Due to the impact of the 2019-nCoV outbreak, consumers, especially young female consumers, will tend to buy the skin care products they need. Domestic skin care products seem to be able to discover the marketing advantages of the Internet more quickly, and use their own local advantages to quickly gain the attention of a large number of consumers. Taking the domestic brand PROYA as an example, PROYA adopts a multi-dimensional youth marketing strategy. With TikTok as the

mainstay, the layout of Weibo, Xiaohongshu, Bibili, WeChat and other social media platforms has created high unit prices of star products and high sales of explosives [3].

In the development of product concentration in five years, L'Oréal Paris in the Asia-pacific region in a global market share of about 41%, which means China is very important to L'Oréal [4]. Therefore, how to ensure that under the impact of stable market share, is also very important, including customer loyalty is very important.

1.2 Research Gap

Although there are many studies on customer loyalty, a new situation has emerged in the traditional brand loyalty research due to the rapid growth and development of domestic brands and the change in people's shopping habits caused by the epidemic.

According to the latest survey report, L'Oréal Paris, despite its own sales growth, can hardly be seen in the overall consumption list of Chinese consumers. Take Kuaishou as an example, according to the flying melon data on November 11 from 8 to 8 the next day, in the skin care list, domestic brand Han Shu's turnover reached 17.54 million yuan, ranking first; MiRui, Royal mud square, Winona, Donginbi and other local skin care brands have also achieved good results [5]. Moreover, for brands, customer loyalty has also become a very important factor in the skin care industry with fast changes and low entry threshold. From the perspective of applied psychology, researchers believe that customer loyalty not only shows repeated purchase behavior, but also includes the strong emotional trend of customers to products. Some researchers define customer loyalty as the repeated purchase of products or services in the expected consumption, and becomes an unbreakable commitment, which can reflect customer loyalty and support to the brand [6]. As customer loyalty plays a vital fundamental role in stabilizing the market, combined with the changes in the cosmetics market in the past five years and the changes in the overall economic environment, how to improve customer loyalty to stabilize its market share has become a topic worth research.

1.3 Structure of this Paper

This research question is how L'Oréal Paris can improve consumer loyalty in the Chinese market. In order to further explore and understand this research question, this paper will further demonstrate this through the research method of a questionnaire survey. This paper refers to the theory of marketing mix, mainly using the 4C theory to help us conduct in-depth research. In the concept of the marketing mix, the 4C is driven by consumer needs. Emphasizes that businesses should prioritize customer pleasure before attempting to lower client buying costs. Rather than deciding on a sales channel plan from the standpoint of the company, focus entirely on the customer's convenience during the purchasing process. Finally, effective marketing communications should also be consumer-centric. This helps us to further understand and analyze how L'Oréal Paris improves customer loyalty. This article will refer to the marketing mix marketing theory, collect the questionnaire data through the questionnaire star platform, and use the regression model to analyze the questionnaire collection data. This article will further discuss and summarize the current stage, the rise of domestic products, L'Oréal Paris' current brand loyalty in the Chinese market, and how to improve customer loyalty in the future.

2. Literature Review

2.1 Definition & Development

In 1953, Neil Boden first proposed the marketing combination of product positioning [7]. It is a set of marketing tools or strategies to make products sell at the right place, price and time according to the needs of the target market, and comprehensively consider the environment, ability and competition. In the 1990s, Robert Lauterbur, an American Marketing scientist, put forward an enterprise marketing strategy with "4C" as the main content-marketing mix [7]. 4C theory includes customer, cost, practice and communication. 4C theory replaces 4P into the modern era. Customer

mainly refers to the needs of customers. Cost is not only the production cost of an enterprise, but also the purchase cost of customers [8]. Convenience refers to providing customers with the greatest shopping and uses convenience [8]. Communication means that enterprises should establish a new enterprise customer relationship based on common interests through active and effective two-way communication with customers [8]. This theory holds that the concept of marketing should be “please pay attention to consumers” rather than the traditional “please pay attention to consumers” [9]. In terms of product strategy, people should pay attention to the price that customers are willing to pay for a certain commodity or service [9]. It also emphasizes that the application of the promotion process is a process of maintaining two-way communication with customers [8]. Under the guidance of the 4C concept, more and more enterprises pay more attention to the market and consumers and establish a closer and dynamic relationship with customers.

2.2 Important Results

In recent years there has been an increasing amount of literature on customer loyalty and customer value. Customer satisfaction is a source of profit for a company and customer satisfaction tends to create a sense of loyalty to the company. Research studies have found that there is a non-negligible relationship between customer value, customer satisfaction, customer needs, and customer satisfaction. This theory has been applied in Harida's study of convenience snacks, Randeni et al.'s study of private hospitals and lam et al. study of the corporate service environment [7, 8, 10]. They hypothesized by the premise that customer satisfaction is a mediator between customer value and customer loyalty and that there is a present interaction between customer satisfaction and customer loyalty. To confirm the test results, they collected data mainly through questionnaires. Based on correlation results and regression results, variable relationships, and B2B environment, the authors finally confirmed the existence of the hypothesis by collecting a large amount of data as well as survey research that there is a strong link between customer value, customer satisfaction, customer demand, and customer satisfaction.

A large and growing literature has begun to investigate the relationship between cost and customer loyalty. Price and quality increase customer loyalty when they cross in the same direction, and quality increases while price decreases increase customer loyalty. This finding has been used by many authors in studies such as Latha for the study of customer loyalty perceptions and price fairness in Indian airlines, Kaura et al. for the study of the extent to which service quality, perceived price, fairness, and service convenience affect customer satisfaction and customer loyalty in the Indian retail banking industry and Martin et al. for the study of price perceptions and customer loyalty in a retail environment. perceived fairness and customer loyalty [9, 11, 12]. For the accuracy of the study, the authors conducted an in-depth survey and study of customers by collecting data through a structured questionnaire and by formulating hypotheses and using an experimental design to test these hypotheses. the collected data were analyzed using spss software, factor analysis and regression analysis of the questionnaire answers. According to the results of the survey, customer loyalty is determined by the level of the price increase and the reason for the price increase, when the price increase is low, it has a positive effect on customer loyalty and when the price increase is high, it has no positive effect on customer loyalty.

When analyzing the scientific literature, the relationship between factors such as service convenience and customer loyalty seems obvious. This can be seen in the work of reference [13], which analyzes the relationship between different service conveniences and customer loyalty, and finally the results reveal that service convenience dimensions have a positive impact on customer satisfaction and customer loyalty. In other disciplines, examples include the exploratory work in marketing in art museums of Geissler et al., authors' internet services in Colwell et al., those of online purchases of Dai, and those of the last five years in India of Mathur et al, as well as the service convenience of electronic retailers [14-17]. Managers of sports and fitness centers must be aware of the user's service convenience because it is highly dependent on the intents of users' behavior. As a

result, to confirm the relationship established in the previous papers listed. The convenience of service and client loyalty have a beneficial link.

Loyalty over the past decade has become a crucial construct in marketing. The author analyzes the two factors of customer satisfaction and communication through the ECSI model. This can be seen in the work of reference, which proposed that communication was an antecedent of trust, along with shared values and a lack of opportunistic behavior [18,19]. Therefore, direct impacts of communication on trust, satisfaction and loyalty were considered.

2.3 Summary

The marketing mix plays a vital role in the development of marketing strategies for companies. A good marketing strategy not only ensures that a company meets the needs of its customers as a whole, but it is also an important conceptual tool that helps a company win in the face of competition from its peers.

More and more companies are realizing the importance of customer perception for their brands. Companies with a high level of customer loyalty receive more benefits, such as lower production costs, lower risk, and higher productivity. Customer satisfaction is an important source of profit, and there is an inextricable relationship between customer satisfaction, customer value, and customer loyalty. Customer loyalty is also influenced by cost, and the lower the price increase, the more positive the impact on customer loyalty. In addition, there is also a positive relationship between service convenience and customer loyalty. Communication also has a direct impact on trust satisfaction and loyalty.

3. Methods

3.1 Research Design

This article uses a quantitative approach to research. Previous studies have based their criteria for selection on 4C. Previous studies have based their criteria for selection on 4C. For example, the article 4C Theory & Marketing Practice, by using the 4C theory, has made a preliminary discussion on how to create high satisfaction and loyalty in terms of the marketing concept, strategy development, and customer communication [20]. Taking the customer as the center and the market as the starting point, this research can discover and explore the individual needs of customers, and use these needs to formulate a comprehensive marketing mix strategy to achieve a win-win situation for customer value and corporate interests. Therefore, choosing the 4C theory is a good way to research and analyze the customer loyalty of the L'Oréal Paris brand.

3.2 Data Collection

This paper uses the Questionnaire Star platform to issue questionnaires and collect sample data. The content of the questionnaire was designed with reference to other people's literature and related questions in related questionnaires, combined with the specific topics studied in this paper and the details of the current Chinese market. This questionnaire is further designed based on the customer loyalty of L'Oréal Paris and the basic elements of the 4C theory, which specifically reflects the mutual understanding between the L'Oréal Paris brand and customers. After passing some basic questions, an initial screening was carried out, and then using a scoring method, those who achieved the research objectives of this paper were asked to answer the questions that this research wanted to know about the combination of L'Oréal Paris and the 4C theory and customer loyalty, ranging from agree to disagree score. In order to improve the accuracy of the research data in this paper and understand the opinions of more people, it is estimated that the sample size to be collected is not less than 100 people. At least 80 people and above are consumers in the Chinese market, and they need to meet the needs of people aged 18-30 who use L'Oréal Paris products. The sample for this study was chosen because it was relatively small and could allow for further detailed analysis.

3.3 Date Analysis

This paper adopts the regression analysis method. The research of this paper is to analyze the influence and connection of four aspects of L'Oréal Paris: consumer, cost, convenience, communication, and customer loyalty. This study uses excel software to design sample templates, summarize and export questionnaire data, and use model formulas and statistical testing methods for further calculation, comparison, and analysis. The study only included Chinese people aged 18-30. This questionnaire filters out a data sample of the target population needed for this research through some question settings related to basic information such as age and whether you have used L'Oréal Paris products. A total of 105 samples were collected. The sample size originally expected for this study has been met. The base frequency of respondents was also consistent with the initial expectations of this study. This satisfactory sample size supports the continuation of this study.

4. Results and Discussion

4.1 Results

4.1.1 The establishment of model

Based on 104 real survey data, the article classifies the questions according to the 4C theory to form 4 independent variables in different aspects, and studies the relationship between these four independent variables and the dependent variable of customers' overall perception of L'Oréal Paris, using data The regression analysis of the data analysis is carried out, and the specific data is used to judge 4C's views on the customer's brand.

4.1.2 Analysis of experimental results

This table selects the 4C's customer, convenience, communication, and cost as independent variables. The dependent variable is the overall rating of customers for L'Oréal Paris, fitted with a correlation of approximately 0.99. Therefore, this data shows that the 4C factors are positively correlated with the overall evaluation of L'Oréal Paris. With the improvement of the four aspects of the 4C, customers' evaluation of L'Oréal Paris is also showing an upward trend.

In the coefficient of determination, the value is also close to 1, indicating that the model of this survey has a high degree of similarity with the actual data, and the judgment and analysis of the data is of great reference value, as shown in Table.1.

Table 1. Regression statistics about the correlation of the 4C and the total score of L'Oréal Paris

Regression statistics	
Multiple R	0.99960233
R Square	0.99920482
Adjusted R Square	0.99917301
standard error	0.28284338
observation	105

The degree of freedom, significantly less than 0.05, indicates that the significance level is relatively high, which proves that the influence degree of 4c has a greater impact on customers 'final rating of L'Oréal Paris, as shown in Table 2.

Table 2. The significance level of the date

	df	SS	MS	F	Significance F
regression	4	10052.6285	2513.15713	31414.3152	5.377E-154
residual	100	8.00003795	0.08000038		
total	104	10060.6286			

It can be seen from the table that the linear regression of 4C on customers 'influence on L'Oréal Paris is:

$$y = -0.185964 + 0.97x_1 + 1.029x_2 + 1.04x_3 + 1.0029x_4. \quad (1)$$

Through the linear expression, it can be seen that the 4C factor and the evaluation of L'Oréal Paris are positively correlated. However, the degree of impact is slightly different, and the overall level of impact is basically the same, as shown in Table.3.

Table 3. The linear relationship between the dependent variable and independent variable

	Coefficients	standard error	t Stat	P-value	Lower 95%	Upper 95%	Lower limit of 95.0%	Upper limit of 95.0%
Intercept	-0.185964	0.15334313	-1.2127314	0.22808969	-0.4901924	0.11826438	-0.4901924	0.11826438
X Variable 1	0.96509116	0.01383281	69.7682541	1.2526E-86	0.93764726	0.99253507	0.93764726	0.99253507
X Variable 2	1.02912433	0.0153923	66.8596694	8.1046E-85	0.99858644	1.05966223	0.99858644	1.05966223
X Variable 3	1.03693674	0.02360883	43.9215634	3.5188E-67	0.99009749	1.08377598	0.99009749	1.08377598
X Variable 4	1.0028736	0.02286584	43.8590307	4.0295E-67	0.95750842	1.04823877	0.95750842	1.04823877

4.2 Discussion

Through regression data analysis, this paper takes four aspects of 4C as independent variables, and these four factors are positively correlated with L'Oréal Paris evaluation. The first choice in order to better enhance customer value and improve their satisfaction with the brand, the analysis found in this paper can strengthen the publicity to people who are not familiar with the brand. There are some L'Oréal Paris product selectors among young consumers. Enterprises still need to further strengthen the publicity of young consumers to consolidate and enhance their loyalty. On this basis, people should strengthen the publicity to large, middle and elderly consumers. China's cosmetics consumption market is already the largest in the world and is expected to grow to 145 billion US dollars by 2025, twice that of 2019 [21]. In order to attract more young consumers, digital marketing is very important. Well, first of all, people should have a detailed understanding of young consumers. Young consumers in China are not only keen on a selfie but also many apps help them better display and express their beautiful images. Therefore, L'Oréal Paris can combine with an app to allow users to try hundreds of makeups and share them on various social platforms. This app also cooperates with TV programs and adds the interactive mode of "shaking" of Wechat to expand the audience. If the digital marketing strategy is continuously integrated into the target customer group, the efforts made by L'Oréal Paris today are the reserves made for a larger market tomorrow. With the development of China's economy and GDP, consumption has grown into a powerful engine [22]. This article witnesses a new category of consumers, a new group of consumers, and their consumption patterns are also different. Among this new group, young consumers, consumers in third- and fourth-tier cities, new male consumers, target consumers, and middle-aged and elderly consumers were learned in this survey. All these ethnic groups have different expectations for life. However, L'Oréal Paris did not

effectively distinguish the audience groups, nor did it formulate corresponding marketing strategies according to different types of consumers. Therefore, L'Oréal Paris can focus on the difficulties and hot topics faced by consumers, such as the middle-aged crisis. Make targeted publicity to attract a wider range of consumer groups. In addition, L'Oréal Paris did not carry out corresponding product designs for each region, but only distinguished the functions of its brands, allowing consumers to choose appropriate products by themselves. Therefore, customers will inevitably have errors in product functions, so there will be some blindness when buying. These points can also positively affect consumers' attitudes and preferences, weaken the formation of solidified thinking in consumers' hearts, which is the communication in 4C theory. This time, while analyzing and understanding consumers, people should put the convenience of customers first, not the convenience of the enterprise itself. This is the Convention in 4C theory. From the analysis of cost factors and brand influencing factors, the two factors have a positive relationship. People's needs have broadened as China's economy has grown and their living standards have improved, making it simpler to accept daily chemical goods. At this time, L'Oréal Paris should improve product quality and strengthen R & D. Moreover, the market has shifted its attention from speed to innovation and quality. Consumers are consuming with a more responsible attitude. L'Oréal Paris can put forward more products in terms of environmental protection and ecological impact and increase customer loyalty.

The above conclusion is similar to the previous 4C theory. Through the expression of linear regression data, it can be seen that the factors of 4C are positively correlated with L'Oréal's evaluation, but the degree of influence is slightly different. The overall impact level is basically the same, and consumers and communication have the greatest impact on brand loyalty.

5. Conclusions

In the past five years, cosmetics brands in the Chinese market have grown and developed rapidly, and the arrival of coronavirus disease in 2019 has changed the consumption mode. Aiming at Chinese consumers aged 18-30, this paper further studies how to improve customer loyalty to stabilize their market share by referring to the 4C theory in marketing mix theory and combined with the data research method of questionnaire survey. This paper analyzes the history of the 4C theory, collects a large number of documents, and connects the four factors with customer loyalty. According to the regression data analysis, the 4C factors are positively correlated with L'Oréal's evaluation, and the degree of influence is slightly different, but the overall level of influence is basically the same, which is consistent with the previous hypothesis of this paper. And Consumers and communication have the greatest impact on brand loyalty. Therefore, in order to better improve customer value and increase their satisfaction with the brand, people should have a more detailed understanding of consumers and make targeted publicity based on digital marketing.

The 4C theory involved in this paper is widely used in the field of marketing and real life. Combined with the contents of previous researchers, this paper analyzes the data again to find out the relationship between several factors and product loyalty. And it is found that consumers and communication have the greatest impact on brand loyalty. If the brand increases its research in these two fields, it will greatly improve brand loyalty. However, the research results of this paper are limited to the past five years. In the past five years, the time range is limited, and the traditional brand loyalty research has appeared a new situation. In the future, the article can expand the research time range, reduce the impact of time limitations on the final results, and make the data more objective and persuasive.

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