Discover The Influence of Brand Image for M·A·C Cosmetics

Chunyi Sun¹, †, Shiyao Xu², *, †

¹Hubbard School of Journalism and Mass Communication, University of Minnesota, Minneapolis, US
²Tisch School of The Arts, New York University, New York, US
*Corresponding author: sx2041@nyu.edu
†These authors contributed equally.

Abstract. The beauty industry has been negatively influenced by the COVID-19 pandemic since 2019, and M·A·C Cosmetics also performed a decreasing market share in recent three years. Many factors can have impacts on net sales, but the effects on factors that influence consumers' purchase intention of M·A·C Cosmetics have still not been investigated. Therefore, the purpose of this paper aims to examine the effect of M·A·C Cosmetics' brand image and brand identity on specific consumers' purchase intentions. The research was based on secondary resources and primary information study. For the primary research, a survey was carried out on a sample of 165 participants in China, and most of the respondents were knowledgeable or interested in the beauty industry. All participants in the survey were asked to assess their attitudes and purchase intention toward M·A·C Cosmetics. In order to investigate the relationship between three variables, regression analysis, and an ANOVA analysis were performed on the data. The results showed that both brand image and brand identity had a positive influence on specific consumers' purchase intentions. Additionally, there is no correlation between the declining revenue for M·A·C Cosmetics and its brand image. The research implies that marketers and strategists can focus on M·A·C Cosmetics' brand image and brand identity to achieve purchase intention.

Keywords: M·A·C Cosmetics; Brand Image; Brand Identity; Purchase Intention; Beauty Industry.

1. Introduction

1.1 Background

Human beings have pursued aesthetics since the early eighteenth century [1]. With the universal desire for beauty and the pursuit of attractive appearances, the need for cosmetic products is constantly increasing, promoting the expansion of the beauty industry. M·A·C Cosmetics, a professional cosmetic brand owned by Estée Lauder Companies Inc., is mainly aimed at professionals, such as makeup artists, photographers, and models globally [2]. In 2005, M·A·C Cosmetics gained momentum when entering the Chinese market for the first time. M·A·C Cosmetics quickly became one of the preeminent cosmetic brands in China as customers were intrigued by the wide variety of colorful makeup products.

Unfortunately, the beauty industry has been negatively impacted by the COVID-19 pandemic since 2019. According to Yihan Ma's research from Statista, the Chinese Cosmetics market size in 2020 shrank for the first time since 2012 [3]. The Estée Lauder Companies Inc. annual report in 2021 also states a decreasing net sale for the makeup product category led by M·A·C [2]. Moreover, Daxue Consulting testifies that the growing Chinese domestic Cosmetics brands are gaining more market share. As a foreign brand, M·A·C is at the risk of losing its competitive advantage in the market [4].
Table 1. Estée Lauder Companies Inc. Makeup Report 2021 [2]

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Reported:</td>
<td>$4,203</td>
<td>$4,794</td>
</tr>
<tr>
<td>Net sales</td>
<td>(591)</td>
<td>(1066)</td>
</tr>
<tr>
<td>$ Change from prior year</td>
<td>(12%)</td>
<td>(18%)</td>
</tr>
<tr>
<td>% Change from prior year in constant currency</td>
<td>(14%)</td>
<td>(17%)</td>
</tr>
</tbody>
</table>


Appropriate adjusting marketing strategies are necessary to maintain brands' favorable position during the pandemic. In March 2022, Ma summarized that Statista in Table 1 has shown rapid growth in the percentage of makeup's e-commerce retail sales value [5]. Cosmetic brands started to dilute the limitation of brick-mortar and explore more possibilities through e-commerce and utilize the power of social media influencers. As the pioneer of e-commerce since 2017, M·A·C Cosmetics performs well when promoting itself through various virtual touchpoints, such as reality lipstick trials and virtual anchor interactions [6,7]. When analyzing a brand's market behavior, the issue of customers purchasing intentions has received considerable critical attention. Factors found to be influencing customers' purchase intentions have been explored in several studies. For instance, Genç and Öksüz analyzed the impact of collaborations between beauty YouTubers and cosmetic brands for customers [8]. Priansa and Suryawardani discovered the effect of purchasing decisions on e-commerce sites [9]. Kim and another researcher focused on the rise of social media influencers as a new marketing channel for consumers [10].

1.2 Research gap

Although there is a lot of research related to customer purchase intention, the forcing shift towards e-commerce during the pandemic and the intensive impact of social media have made the promotional methods semblable. Cosmetic brands always employ a direct broadcasting room for shopping or create social media posts with influencers to increase exposure. With similar marketing strategies, the research above is ineffective in discovering the driving force for the consumer to choose a specific brand.

Consequently, an analysis of the brand image is one approach to solve this problem. It is easy to duplicate a brand's marketing strategy, but it is impossible to imitate the brand image. Since the brand image is an essential component in the marketing study, it represents the unique spirituality of the brand and affects consumers' purchase decisions. Research has been conducted on the effects of brand image on customer purchase decisions. For example, Sheeba et al. indicated the effect of brand image on overall satisfaction and loyalty intention in the context of color cosmetics [11]. Agustini et al. analyzed a South Korean cosmetic brand based on the impact of the country of origin and brand image on the purchase decision [12]. Yudistira discovered the effect of brand image and perceived price on consumer buying decisions [13].

Nonetheless, problems still exist in these studies. Instead of focusing on a specific consumer group, previous studies only focus on the general customers. For M·A·C Cosmetics, a brand that targets professionals, it is necessary to specify the consumer group and truly understand their motivation. In addition, the studies also fail to consider how a brand image can have different effects according to regions with diverse cultural backgrounds. The relationship between a specific consumer group,
brand image, and brand identity has rarely been studied directly. Thus, it was interesting to investigate how the brand can adjust its brand image according to the motivations of customers for this study.

1.3 Structure of this paper

This article aims to explore the effect of M·A·C Cosmetics' brand image on the attitude of consumers who are knowledgeable in the beauty industry to purchase M·A·C Cosmetics in China. With decreasing exposure from social media during this special period, it is possible to conclude that M·A·C Cosmetics' brand image is insufficient to motivate and affect consumers' purchasing decisions between 2019 to 2022. To test the hypothesis, a quantitative primary research method is used with a survey approach, adopting online questionnaires from Wenjuanxing (WJX) surveys and integrating several analytical models. In general, this paper involves three major categories. First of all, it will clarify the core conceptions used in the article with their results. Secondly, it will analyze the influence of brand image and the relationship between brand image and consumer purchase choice based on the survey. Finally, some suggestions will be made as the key contribution of this work to help M·A·C Cosmetics to better understand its weakness and perform better in the Chinese beauty market in the future.

2. Literature Review

2.1 Brand Image

2.1.1 Definition

Brand image was initially used in the 1950s and was defined as consumers' perception of products at that time period. From the beginning of the 1990s to the current market, according to Kotler & Keller, brand image refers to consumers' beliefs of a brand which has an association with consumers' internal thoughts [14]. Lee et al. reconceptualized this basic definition, and based on their findings, they explained that brand image was a combination of cognition, affection, and evaluation processing in consumers' minds [15]. In other words, brand image is not simply about association; rather, it covers consumers' psychological and cognitive interaction with collected information of the brands.

Consumers tend to buy products with positive brand images. Agustini & Devita explained that positive brand images had a positively significant influence on consumers' purchase attitudes [16]. Charo et al. also supported that a strong brand image would be easily remembered by consumers [17].

2.1.2 Important Results

Brand image allows consumers to recognize their internal needs, and it is a significant component of designing the marketing mix. With the function of brand image, marketers and strategists are able to implement efficient marketing plans to build or improve brands' image. For example, Bilgin followed 5 brands' social media marketing and found out that these brands utilized effective marketing strategies for developing brand images [18]. In addition, brand image can also help brands position themselves. Kremer & Viot suggested that branding enabled brands to differentiate from their competitors by using methods like making images congruent or adding values to brands [19].

2.1.3 Summary

Collectively, these studies outline a critical role of brand image on consumers' relationships, promotions, or even industries. There has been quite a lot of research to investigate the effects of the brand image in different aspects, and much of the research pays attention to sales or purchase intention of general consumers. Unexpectedly, the negative effects of the brand image have never been discussed. Since brand image may have a positive influence on common customers, it may not have an influence on some specific customers sharing similarities. With the change of customers' internal minds and the rapid development of the external environment, this paper plans to reconsider the effect of brand image on specific customer groups.
2.2 Brand Identity

2.2.1 Definition

According to Mao et al., brand identity referred to a set of strategic tools utilized by companies to increase recognition, develop brand value and strengthen brand loyalty [20]. Wheeler elaborated that the brand identity was tangible and emotionally appealing, and consumers could see or feel it [21]. Jain supported this view by demonstrating that brand identity was how firms planned to be exposed to consumers with exterior expressions like logos or other visual appearances [22]. Different from brand image, brand identity is about the efforts of companies that add meaning to brands. Pusa & Uusitalo explained more that brand identity could be elaborated by symbols and organization-related visions [23]. Koo emphasized that core brand identity should be constant across time periods and environmental changes, and extended brand identity needed to focus on the brand’s personality and positioning [24].

2.2.2 Important Results

According to Jain, current society is rich in knowledge but deprived of time, and therefore, brand visual identity can seize consumers' attention quickly. This is why visual presence is essential to differentiate brands and is why brand identity becomes an important component of marketing strategy [22]. Elikan and Pigneur supported the importance of brand identity by pointing out that a clear brand identity strategy could be regarded as a narrative to define firms' vision, inspire stakeholders, and captivate consumers [25]. Moreover, Koo mentioned that brand identity could also be used to form the relationship between the consumers and the brands by creating a value proposition [24].

2.2.3 Summary

Overall, these studies outline that brand identity is one of the influential factors when determining the brands' values and positions. This feature can allow companies to build their own cultures and then convey them to consumers efficiently. However, though there is research about brand identity, less research is conducted to investigate the cosmetics/beauty industry. The cosmetics industry is highly competitive, so when attracting customers or building brands, companies usually create visual expressions and symbolic images to distinguish themselves. Nevertheless, the overall effect of brand identity on the cosmetics industry has not been carefully studied. As the cosmetics industry rapidly expands, this paper plans to discover how brand identity plays a role in cosmetics brands.

2.3 Purchase intention

2.3.1 Definition

According to Younus et al., purchase intention is the preference of consumers to buy products, which means that consumers would purchase products after deliberate evaluation [26]. Purchase intention involves decision making, and Mirabi et al. elaborated that making a purchase decision is a complex process, and is usually related to the consumers' behaviors, perceptions, and attitudes. Therefore, purchase intention is affected by consumers' internal motivation and perceived value from brands [27]. Purchase intention is the final step before consumers decide to buy products, and according to Brown, consumers with higher intention exhibited more actual behaviors than consumers with no intentions [28]. Basically, consumers' purchase intention follows the Attention, Interest, Desire, and Action (AIDA) model. Tamara et al. supported this view by explaining that this model helped understand how consumers form perceptions and emotions toward brands [29].

2.3.2 Important Results

One method for marketers and strategists to evaluate consumers' purchase behavior is to understand their intention. Haque et al. supported the idea that purchase intention served to be an alternative for measuring consumers' behaviors, and the probability of completing a behavior largely depended on the strengths of consumers' intention [30]. Companies try to understand consumers' intentions and improve their intention through efficient ways. Madahi and Sukati explained that there
were a large number of factors to influence purchase intention, such as demography, geography, and groups' attitude [31]. So, it is important for the brands to realize the customers' tendencies, and to investigate what factors affect such intention.

2.3.3 Summary

In view of all that has been mentioned so far, one may suppose that purchase intention is a significant concept for marketers, firms, and researchers to investigate. Consumers' intention directly determines whether they will buy the products and numerous factors that affect such intention appeal to the researchers. Unexpectedly, not many researchers pay much attention to external factors like brand image and brand identity, and there is a gap between the number of researches on specific brands and customers and researches on consumers and the industry. As technology rapidly develops, the market alters, and COVID-19 outbreaks. Some brands' market shares have greatly changed, which motivates researchers to rethink the purchase intention behind those data. Since customers may have psychological changes, this paper is going to reconsider the important effect of brand image and brand identity on purchase intention.

3. Method

3.1 Research Design

This study applies quantitative primary research to investigate the relationship between brand image, brand identity, and purchase intention when the customer purchases M·A·C Cosmetics products. Since the brand image is mainly generated based on the consumer's mindset, it is important to get feedback and opinions directly from the consumer through short and simple online questionnaires. The influence of brand image and brand identity can be fully analyzed from multiple perspectives by using quantitative case studies. Primary research also provides more flexibility to set up questions to disassemble the characteristic of M·A·C Cosmetics' brand identity and concisely reveals customers' concerns to improve. In order to examine the effect of brand image on an individual's choice, Pars et al. used questionnaires consisting of 23 questions that are rather close-ended or based on a Likert scale [32]. Malik et al. also designed questionnaires into two sections to analyze how customer buying behavior is being impacted by advertising and brand image [33]. The results from both studies provide that a quantitative survey is useful when learning about the influence of brand image and brand identity.

3.2 Data Collection

A total of 165 online surveys in both Mandarin and English were randomly distributed all over China and collected through the WJX surveys. There are 28 questions in the survey using two different types of questions. To process the survey efficiently and demonstrate the results effectively; multiple-choice, involving 2 to 3 options, and scale questions, mostly measured by 5 points Likert scale, are being used. In general, the questionnaire is divided into three major sections. The first section focuses on the basic information of the respondents, such as their age, gender, marital status, income, education level, and career field. In the second section, the survey tries to screen the target respondent by asking about their makeup background and understanding the factors affecting the makeup purchase intentions of a specific customer group. Finally, the third section utilizes brand image and brand identity to find out consumer attitudes towards M·A·C Cosmetics. Out of 165 respondents, 146 individuals are the specific sample population this study is aimed at, and they are people who are knowledgeable or interested in the beauty industry. Among these respondents, 16 of them are males, and 140 are females.

3.3 Descriptive Data Analysis

According to the results of the survey, 165 respondents completed the survey. In terms of age, over half of the respondents ranged from 26 to 35. In addition, approximately 85% of the respondents had
knowledge of the beauty industry. 78.1% of the respondents owned a strong brand loyalty when choosing makeup, and 67% of them would spend time investigating brands before purchase. Meanwhile, 84% of the respondents were familiar with M·A·C Cosmetics, and 77% of the respondents considered purchasing M·A·C Cosmetics when they need to buy makeup. Overall, 68% of the respondents had bought M·A·C Cosmetics. As for the factors of purchase, quality (72.73%), brand (42.42%), and reviews (42.42%) are the most important factors among the respondents.

In order to specify the relationship between the brand image & brand identity and purchase intention, questions related to brand image, brand identity and purchase intention were selected, and the average of the answers were calculated. Liang and Zeger explained that regression analysis was a useful strategic tool to describe the relationship among different variables. The basic assumption of regression analysis was that all variables were independent or unrelated [34]. Hence, this study used regression analysis and an ANOVA analysis in Excel to show the connection between three variables.

Here are the hypotheses to be validated:

H0: M·A·C Cosmetics’ brand image and brand identity are insufficient to motivate customers with knowledge of the beauty industry to purchase

H1: M·A·C Cosmetics’ brand image can motivate customers with knowledge of beauty industry to purchase

H2: M·A·C Cosmetics’ brand identity does have an effect on customers with knowledge of beauty industry to purchase

4. Results

4.1 Definition

The coefficient of determination (R Square), according to Mbete & Tanamal, is used to measure how much the ability of independent variables in explaining the dependent variables [35]. Based on Table 2, R Square of 0.713 shows that both the independent variables, brand image and brand identity, can explain the purchase intention of 71.3%. Other independent variables, which can influence purchase intention, are not included in this data.

<table>
<thead>
<tr>
<th>Regression Analysis</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>0.844447427</td>
</tr>
<tr>
<td>R Square</td>
<td>0.713091456</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.709549375</td>
</tr>
<tr>
<td>Standard Error</td>
<td>0.335552134</td>
</tr>
<tr>
<td>Observations</td>
<td>165</td>
</tr>
</tbody>
</table>

4.2 ANOVA & Coefficient Table

The ANOVA test of overall significance indicates whether the regression model fits better to the data than a model with no independent variables. Significance F is the critical value of Fa at the significance level, and is used to validate type I error. Based on Table 3, the P-value for the overall F-test is 1.1946E-45, which is largely < 0.05 (α=0.05), and consequently, the regression model as a whole is statistically significant.
Table 3. ANOVA Table

<table>
<thead>
<tr>
<th></th>
<th>DF</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>Significance F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2</td>
<td>45.33532955</td>
<td>22.66766477</td>
<td>201.3199299</td>
<td>1.1946E-44</td>
</tr>
<tr>
<td>Residual</td>
<td>162</td>
<td>18.24042803</td>
<td>0.112595235</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>164</td>
<td>63.57575758</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4 displays the parameter for the independent variable, along with the constant intercept value. Based on Table 4, following statistical equation can be concluded to represent the relationship between the brand image (X1), brand identity (X2) and purchase intention (Y):

\[
Y = 0.415211033X1 + 0.308006021X2 + 0.078140576
\]  

(1)

There are two different coefficients to show the relationships. The coefficient for brand image is approximately 0.415, and this positive number indicates that as the brand image is more positive, the more likely the consumers will purchase. Therefore, a positive association between two variables can be derived from Table 4. It also illustrates that if brand image changes with the assumption and brand identity remains constant, the purchase intention increases by 0.415. The P-value demonstrates whether the dependent variable is statistically significant. Table 4 displays that the P-value, 5.1082E-07, is far less than 0.05. It can be inferred that the independent variable accurately predicts the change of the dependent variable, which means that brand image of M·A·C Cosmetics does have an influence on specific consumers' purchase intentions. This data results reject the H0 and H1 is accepted.

The coefficient of brand identity is around 0.308, a positive sign that indicates a positive association between the brand identity and purchase intention. It can be summarized that the stronger the brand identity is, the more likely the consumers will purchase. Therefore, these two variables also have a positive correlation. It also illustrates that if brand identity changes with the assumption and brand image remains constant, the purchase intention increases by 0.308. Table 4 displays that the P-value, 2.68425E-07, is also far less than 0.05, and therefore, the conclusion can be inferred that that brand identity of M·A·C Cosmetics has an influence on specific consumers' purchase intention, which rejects the H0 and H2 is accepted.

Table 4. Coefficient Table

<table>
<thead>
<tr>
<th></th>
<th>Coefficients</th>
<th>Standard Error</th>
<th>T Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Lower 95.0%</th>
<th>Upper 95.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.07814</td>
<td>0.12125</td>
<td>0.64440</td>
<td>0.52022</td>
<td>0.16131</td>
<td>0.31759</td>
<td>0.19475</td>
<td>0.31759</td>
</tr>
<tr>
<td></td>
<td>0576</td>
<td>9277</td>
<td>9055</td>
<td>1615</td>
<td>2033</td>
<td>3185</td>
<td>2033</td>
<td>3185</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.41521</td>
<td>0.07934</td>
<td>5.23277</td>
<td>5.1082E-07</td>
<td>0.25852</td>
<td>0.57190</td>
<td>0.25852</td>
<td>0.57190</td>
</tr>
<tr>
<td></td>
<td>1033</td>
<td>8111</td>
<td>7804</td>
<td>2033</td>
<td>1066</td>
<td>0999</td>
<td>1066</td>
<td>0999</td>
</tr>
<tr>
<td>Brand Identity</td>
<td>0.30800</td>
<td>0.05734</td>
<td>5.37064</td>
<td>2.68425E-07</td>
<td>0.19475</td>
<td>0.42125</td>
<td>0.19475</td>
<td>0.42125</td>
</tr>
<tr>
<td></td>
<td>6021</td>
<td>9896</td>
<td>658</td>
<td>6277</td>
<td>5765</td>
<td>6277</td>
<td>5765</td>
<td>6277</td>
</tr>
</tbody>
</table>
5. Discussion

The study shows that the brand image and brand identity of M·A·C Cosmetics have a positive effect to motivate customers who are knowledgeable in the beauty industry. The result provides that the decline in revenue for M·A·C Cosmetics in recent years is not directly caused by its brand image, and as a foreign company, the cultural difference is not affecting customers' purchase intentions. However, since consumers are very sensitive to racism accusations and territorial integrity in China, M·A·C Cosmetics should avoid certain behavior which can damage its brand image and negatively affect Chinese consumers' purchase intention.

Previous studies also find out that brand image and consumer purchase intention have a positive relationship, and after a thorough examination, this study has reached a substantial agreement. Nevertheless, this study shows a precise verification with a specific cosmetic brand and a target customer group rather than being general for the cosmetic brands. Moreover, previous studies have included multiple factors that will affect consumer buying tendency, and this study only focuses on the effect of brand image and brand identity.

Although the study is representative of cosmetic brands to examine the influence of brand image, a few limitations still exist in the survey for improvements. As M·A·C Cosmetics is targeting all ages, all races and all genders, the number of male customers is not large enough to represent a comprehensive consumer group, causing the survey to focus on female consumers' perspectives. The study also fails to measure the buying tendency from previous years to demonstrate the changes through time. Finally, instead of narrowing down to a specific career, the survey is faced with all consumers who are educated or interested in the beauty industry in order to collect enough responses. The result will be more precise and direct if the study can focus on a particular occupation, such as makeup artists or social media influencers.

Future studies for M·A·C Cosmetics can focus not only on how brand image and brand identity affect consumers' behavior but also on how to utilize brand image to further motivate the customer to make purchases consistently. In the beauty industry, research for understanding what kind of brand image and brand identity gains more attention and support can be studied for adjusting existing brand identity or creating a new brand to be successful.

6. Conclusions

In summary, this paper focuses on the effect of brand image and brand identity of M·A·C Cosmetics on the purchase attitudes of Chinese consumers who are interested in the beauty industry. Contrary to the previous hypothesis, the result from the online questionnaire indicates a positive relationship between consumer purchase intentions and the brand image of M·A·C Cosmetics. This means that the decreasing revenue of M·A·C Cosmetics in the Chinese beauty market recently is not directly impacted by outdated or inappropriate brand identity. On the other hand, the result also indicates that the cultural difference of a foreign cosmetic brand will not generate a clear boundary preventing customers to make the purchase when entering the Chinese beauty market. However, other influences such as the restriction of brick-and-mortar and the rise of Chinese domestic makeup brands are affecting the market behavior of M·A·C Cosmetics in recent years.

In addition, the finding is important as it helps to demonstrate how clear, unique, and positive brand identities can deepen a customer's impression of a brand and motivate the customer to choose the brand when making purchase decisions. Cosmetic brands should be concerned with the findings when promoting themselves. Apart from the brand, social media influencers can also utilize the brand identity of a brand to attract audiences, creating an intriguing brand image. Furthermore, examination of the chosen tendency affected by brand image and the factors that contribute to developing a positive brand image might prove a few essential areas for future research for cosmetic brands to improve their brand identity.

Since the online survey shows that consumers have a positive attitude towards M·A·C Cosmetics based on its brand image, M·A·C Cosmetics should maintain and even emphasize its competitive
advantage on its brand image during the COVID-19 pandemic while exploring more possibilities for e-commerce to pull through. Therefore, M·A·C Cosmetics can make use of the concept of diversity and inclusiveness through color and graphics on its social media posts and avoid racist behavior. To effectively increase the number of advertisements in China, M·A·C Cosmetics should put efforts on platforms that have a large number of Chinese users, such as Taobao, Wechat, and Little Red Book. Moreover, it is necessary for M·A·C Cosmetics to pay attention to word of mouth and investigate customer reviews regularly. Overall, M·A·C Cosmetics is gaining market share in the Chinese beauty market at a decent pace. Future developments focusing on its brand image can help M·A·C Cosmetics better maintain its position and further increase its profits after the COVID-19 pandemic.

References


