Research on the Domestic Beauty Brand Marketing Strategy of Florasis——A Case study of Gen Z consumers

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Abstract. China’s beauty industry has experienced a high degree of prosperity in recent years. Moreover, with the rise of national cultural confidence, Chinese-style beauty brands are increasingly favored by Generation Z consumers. The excellent brand construction of Chinese-style beauty makeup is worthy of reference for the Chinese beauty makeup industry. Therefore, based on the existing theoretical framework, this paper focuses on the Chinese-style beauty giant Florasis to study its brand marketing strategy. This paper uses questionnaires and content analysis to obtain primary and secondary data. The research team found that the “GuoChao” presents a huge development opportunity for the beauty market and the prevalence of Chinese style. Florasis, a Chinese-style beauty brand, caters to Generation Z consumers’ pursuit of trendy and strong national cultural identity through its successful brand marketing strategy: it takes the unique Oriental aesthetic design as the core feature of its products; Construct a “popular product system” to increase product value; Implement customized media exposure (e.g., e-commerce channels) and promotion strategies for cross-border cooperation. In addition, aiming at the problems of Florasis’ single marketing channel and low product quality, this study believes that Florasis can open offline channels to cover consumer groups in various ways and improve the core capability of product development and production to ensure product quality. This paper analyzes the feasible positioning of beauty products under the characteristics of Generation Z consumption for China’s beauty industry and how relevant makeup brands could optimize and combine consumption channels to maximize the marketing effect.

Keywords: Chinese style beauty makeup; Florasis; Generation Z consumers.

1. Introduction

1.1 Research background

Benefiting from consumers’ pursuit of “beauty” nowadays, China’s cosmetics industry has continued to experience high prosperity in recent years. According to data from the Head Leopard Institute, China’s beauty and personal care market continues to grow from 2015 to 2021, with an average compound annual growth rate of 9.5%. The market size will exceed 600 billion yuan in 2024. Since 2011, the market penetration rate of local brands has also shown a steady increase, and more and more domestic beauty brands have started to have a position on the ranking list. According to Euromonitor’s statistics, the domestic market share of Chinese beauty brands has increased from 8.9% in 2011 to 26.8% in 2020. In the case of the highly regarded Flower West, for example, this brand’s domestic market share has increased from 0.3% in 2016 to 5.1% in 2020, ranking fifth in the industry [1].

The rise of domestic beauty is a trend that has emerged only in recent years. For a long time in the past, the survival environment of domestic beauty brands was very difficult. Overseas brands have dominated the domestic beauty and personal care market, and the market share of local brands was very low. The current cosmetics industry is stepping into the brand era from the marketing era. National beauty products have been known for strong marketing. However, with the gradual disappearance of the Internet dividend, high marketing expenses may cause diminishing marginal benefits. At this stage, domestic beauty brands should no longer focus on the original marketing
strategies and channels to compete for market share. Still, they should focus on product composition and efficacy through research and development. Therefore, for domestic beauty brands, now is a great time to improve product quality and cultivate consumer loyalty. The solid basis of technical research and development and an effective communication system can form domestic brands’ brand story to build strong brand competency.

In recent years, overseas recognition of Chinese brands has been strengthened with the rise of the new domestic beauty brand Florasis. Through the brand research of Florasis, we hope to get a deeper understanding of its branding strategy and put forward a few suggestions for further expanding the brand scale and influence both domestically and globally in the Generation-Z economy.

1.2 Literature review

Li and Cheng found that domestic cosmetics should market appropriately in line with the changing times and needs and improve marketing content. By implementing a combination of online and offline channel development and increasing investment in product development, and believe that the new media marketing environment could bring more development opportunities for domestic cosmetics [2].

Wei proposed that new domestic brands have risen rapidly in recent years. Not only because consumers have recognized their brand value but also because their brand culture has inspired consumers’ national pride and increased consumers’ national self-confidence [3].

Huang stated that China had entered the 5G era, and the rapid development of the Internet has facilitated more marketing channels, such as live streaming. Online live broadcast marketing has the advantages of low cost and fast communicating speed. To better adapt to the technology development, cosmetic brands should focus on strategies for live broadcast marketing [4].

Qin found that Florasis has a unique national-style brand positioning and product design concept. In terms of response relationship, it focuses on product authenticity information output. Regarding relationships, marketing focuses on enhancing consumer experience through co-creation and continuously improving customer value and loyalty. Florasis’s personalized network marketing model can provide important marketing decision-making reference for the Chinese cosmetics industry [5].

Lei et al. claimed that the popularity of the Chinese style had brought important opportunities for developing domestic products. Domestic beauty products should further enhance product quality, improve the layout of mid-end products and offline channels, and promote the transformation and development of product design [6].

Most scholars have analyzed the relatively successful brand marketing strategies of Florasis from the perspectives of new media, new technology, and its unique brand positioning of applying and carrying forward oriental elements with the product design. Fewer scholars have studied the marketing challenges that Florasis will face with the rise of the Z-generation economy. In recent years, with the rise of the Z-generation economy and the prevalence of the “national trend”, the national trend beauty market has been expanding. Therefore, it is necessary to focus the study on the marketing strategies based on the consumption characteristics of Generation Z, also the target consumer group of Florasis.

1.3 Research framework

First and foremost, by analyzing the second-hand and consumer data collected from questionnaires, we state the development condition and trends of Florasis in the beauty market. Next, we introduce the behavioral characteristics of consumers in the Z era and propose the many marketing challenges that Florasis faces in the Z-generation economy. Finally, we explore the root causes of the problem and give detailed solutions to promote the future development of Florasis.
2. Method

2.1 Survey method

A questionnaire is a written list of questions, usually answered by people from various backgrounds, to provide the desired information for the study [7]. In this paper, the research team used a questionnaire to obtain Florasis’ customer characteristics, creating an online questionnaire about consumers’ age, income, and fashion preferences and posting it on various social media in China, such as Little Red Book, WeChat, and Weibo. The number of questionnaires received was 140, and the number of valid questionnaires was 130. By summarizing and categorizing, the team found several key indicators of Florasis’ buying group: female (80.77%); 18-30 years old (33.85%); monthly income within 5,000 to 10,000 RMB (46.92%); office workers (54.62%); prefer Florasis’ appearance and design (55.38%); learned about Florasis through social platforms (40.77%), and purchased Florasis’ products from e-commerce platforms (53.08%). This shows that Florasis has successfully hit the middle-income female consumers of Generation Z. These consumers, who have grown up in a rapidly developing Internet environment and are skilled at online shopping, are relatively young and highly receptive to new things while seeking personalization and popularity of products (e.g., “Chinese trends”).

2.2 Content analysis

Content analysis is a research method used to identify communication artifacts. Researchers systematically collect data from various texts, which can be written, audio and verbal [8]. This study adopts textual analysis to identify the challenges Florasis is currently facing in the Z generation economy. First, by analyzing Florasis’ data, we found that Florasis has a single marketing channel and lacks offline reach. Florasis has no offline channels and only sells its products on Taobao and Tmall. At the same time, it mainly markets its products by working with highly popular anchors and popular social media platforms. As shown in the table 1, Li Jiaqi is the key figure of Florasis’ live broadcast. His live streaming is almost three times the number of Florasis’ official live streaming. Also, according to Xue’s statistics, Florasis released six new products in the first seven months of this year. Among them, the monthly sales of the products featured in the live broadcast of the anchor Li Jiaqi are above 10,000 or even 200,000 strokes. However, the monthly sales of the products that have not been sold in Li Jiaqi’s live broadcast are only about 1000 pens [9]. This means that Florasis relies heavily on Li’s live streaming. As Chen mentioned, “Without offline stores, customers lose the opportunity to engage with the brand passively; they cannot try and shop for the products. Without offline stores, we lose the opportunity for customers to be exposed to the brand passively [10].

<table>
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<tr>
<th>Month</th>
<th>Li Jiaqi (Austin)’s live streaming times</th>
<th>Florasis’s official live streaming times</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>8</td>
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<td>7</td>
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<td>5</td>
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<td>Total</td>
<td>118</td>
<td>45</td>
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Secondly, by searching “Florasis quality” on online platforms such as Weibo, Taobao, and Tmall, we found many user comments and posts complaining about the quality not matching the marketing.
such as “poor lipstick moisturization”, “poor foundation coverage”, “fast oxidation”, “not portable, not useful”, and so on. Feng found that 68% of the users complained about the poor quality and impracticality of Florasis, which is just over-marketing [11]. Product quality that does not match the hype undoubtedly damages the brand’s reputation and hinders its further growth.

3. Results

3.1 Development status and trend analysis of generation Z beauty industry

China’s beauty market has grown in the past five years, with total retail sales exceeding 400 billion yuan in 2021. The huge demand potential of China’s beauty market has promoted the rise of “beauty economy”. With the influence of Chinese traditional culture and the enhancement of national cultural confidence, the “Guochao” brand integrating traditional Chinese elements and fashion design has become a new consumption trend. At the same time, thanks to the development of the Internet, beauty brands have maintained steady growth through product research and development and marketing innovation [12].

3.2 Analysis of consumption behavior of generation Z consumers

Generation Z, born between 1995 and 2009, is the main consumer group of “Guochao” products. In the period of rapid economic development, generation Z has a strong sense of national pride and cultural self-confidence. They advocate liberalism and egotism, attach importance to experience, beauty, and personalized consumption, have strong brand communication and grass planting ability, and are keen to pay for “high beauty” products [13]. Therefore, this group began to choose and buy Chinese domestic brands. In addition, the prevalence of “beauty economy” has made makeup a carrier of personalization and self-identity for generation Z. As a tool of “beauty”, cosmetics integrate classical aesthetic culture into the interpretation of beauty. A series of national fashion beauty products have been widely concerned and favored by generation Z consumer groups in recent years [14]. As a representative of beauty brands in the context of the new national trend, Florasis has always adhered to the concept of “Oriental makeup, using flowers to nourish makeup” since its establishment. Deeply integrated Chinese traditional cultural elements into the brand connotation engraved the brand of Chinese style makeup in consumers’ hearts, creating a real “Oriental makeup”.

3.3 Current situation of Florasis

“Florasis” was born on the West Lake in Hangzhou in 2017. As an Internet cutting-edge makeup brand rising with the aid of Internet Ecology and national trend, Florasis actively uses the flow dividends of e-commerce channels to promote the brand [11]. Compared with other Chinese cosmetics brands busy chasing the fashion sense of international brands, Florasis has integrated Chinese style and Oriental aesthetic charm into the brand name, logo, product design, advertising, and other dimensions, and has a complete national fashion beauty brand image. According to the data disclosed by the brand, in 2020, the annual sales of Florasis exceeded 3 billion yuan, with a year-on-year growth rate of 165%; in 2021, the total transaction volume exceeded 5.4 billion yuan. The sales growth trend of vertical increase makes Florasis the first domestic cosmetics brand in only four years and become a model of the rise of Guochao brands.

3.4 Analysis of Florasis brand marketing strategy

3.4.1 Take advantage of the “beauty economy” to strengthen brand characteristics

Florasis’s brand logo integrates the elements of “Oriental Aesthetics” in the overall vision. It uses the outer contour of flowers to combine the creative design of Suzhou garden porch windows, forming an oriental classical aesthetic feeling. By presenting a combination of implicit introversion and modern openness and innovation, elegant, simple, and in line with the Z generation’s identification with traditional culture.
Since Florasis’s inception, its products’ image, name, and story concept have been in line with the consumption aesthetic orientation of generation Z; a full set of three-dimensional national style images have been constructed. Its unique national style aesthetics has become a channel for Florasis to capture users. Regarding product packaging, Florasis constantly integrates various new elements, redefines the national style brand, and excavates more traditional process elements and the quality of product packaging itself. Florasis is well aware of the consumption concept that generation Z is willing to pay for “high beauty”, and creates a national style element that integrates carving and relief into products. In terms of overall color, the packaging design adopts the main color of the brand - black color, which is combined with a more feminine pink collocation. The overall vision shows a clever integration of Oriental classics and fashion elegance [15]. Florasis has implanted many traditional cultural symbols in terms of name, turning the poem “heavy makeup and light makeup are always appropriate” into a brand name. It uses national vocabulary such as “Lotus” and “Concentric lock” as symbols in the product name.

3.4.2 Build a popular products system and accumulate brand value

Florasis advocates the concept of “Oriental makeup” and forms differentiated cognition in users’ hearts. By building a “popular products system”, we have achieved efficient brand communication and gradually supplemented the product matrix by adopting the strategy of bringing popular models with brands. In the early stage, we passed a small-scale test, explored potential products, concentrated resources on building, regularly built popular models, and concentrated on putting potential products. Through the content co-creation process of stars and heads of KOL (key opinion leaders), as well as multi-dimensional matrix marketing promotion in social communication channels such as Weibo and Little Red Book, we can attract the attention of potential users and accumulate social assets. When this product becomes popular, Florasis will iteratively develop more new products and use the same marketing strategy to promote new products. First, the first step in Florasis’s iterative strategy is recruiting many user experience officers and creating a user co-creation model [2]. Recruit user experience products through their own private domain traffic channels. The user experience officer can not only generate a large number of credible consumer production content, create a good reputation for the brand, but also precipitate high-quality new users. At the same time, it can also reduce the brand’s dependence on traffic and improve its value. Moreover, Florasis uses user feedback to realize rapid iteration of products and solve potential problems of products. For example, Florasis’s air honey powder has been updated to the fourth generation.

3.4.3 Media promotion and customization to improve brand exposure

Generation Z, as the target consumer group of Florasis, is mostly concentrated on Tiktok, Little Red Book, and other platforms. Florasis will migrate a large number of exposures to these platforms. The launch of Florasis on each platform will develop different output contents according to the different priorities of the platform tonality planning. For example, Florasis’s operation on Tiktok is mainly aimed at cashing in. In addition to the launch of category words in keywords, it also adds the launch of search keywords, such as coupons and new product recommendations. In terms of promotion, Florasis uses the operation mode of hot topics to expand the communication scope and completes the closed-loop realization through video grass planting and coupon conversion; BiliBili focuses on resonance in many fields. It carries high-quality content and spreads brand culture in the vertical penetration of Chinese style fans such as Hanfu, Biyuan, song and dance, and fake makeup; As a dedicated beauty platform, Little Red Book focuses on experience and sharing. It concentrates mainly on bloggers with a certain degree of professionalism and aesthetics in beauty, sharing product evaluation, grass planting, and makeup tutorials. It is more inclined to the operation mode of accumulating public praise and collecting user feedback [16]. Each platform plays a different role. Through the connection and operation between platforms, we can cultivate consumer-based consumption habits and form high repurchase users.
3.4.4 Cross-border cooperation promotion to stimulate purchase desire

The traditional single and orderly product design is difficult to attract consumers’ desire to buy, so many brands are trying cross-border joint marketing. According to their strength and positioning, we should add innovative ideas to product design and approach the main consumption force with a more positive attitude [17]. Florasis keeps up with the trend and constantly brings forth new ones. For example, it cooperates with the sanzemeng Hanfu brand to jointly brand Hanfu. It jointly launched the “peach blossom drunk” gift box with Luzhou Laojiao, one of China’s four famous wine brands. It integrates many traditional Chinese cultural symbols to realize the value-added of brand culture. It forms a superposition effect with the advantages of bilateral popularity, bringing the advantage of exchanging user groups to Florasis [18]. Taking advantage of the consumption boom of generation Z consumers for domestic products and their recognition of Chinese traditional culture to realize the integration of products and culture.

3.5 Current problems of Florasis

3.5.1 Single marketing channel and lack of offline channels

Under the commercial wave of the Internet economy, the new retail concept of offline FMCG came into being. Under the new retail concept, online traffic will be tilted to offline so that offline stores can provide more practical services for consumers in online stores [19]. Florasis’s sales channels are mainly online, such as Tmall, and offline channels have not been laid out. Florasis’s competitors are steadily promoting the online and offline interactive layout. The perfect diary is conducting an online and offline all-channel layout, has opened 250 stores nationwide and plans to open 600 stores in 2022. Another domestic brand, beauty judydoll, actively cooperates with offline mature retailers. The three dimensions of online and offline are integrated operation, mutual integration of traffic, and mutual complementarity of short boards. These are the business elements of FMCG brands and an important foundation for the sustainable development of enterprises. For beauty products, it is essential to carry out offline physical stores and provide consumers with a consumption experience. However, Florasis is positioned as an online beauty brand, so it also has the problem of over-relying on the live broadcast channel of online celebrities. When the brand’s sales are strongly bound to the live broadcast, it brings much uncertainty to the brand, the relationship between the brand and users is unstable, and the user turnover rate is high. At the same time, everyone’s inherent understanding of “cheap to buy in the live broadcast room” has led some users who pursue quality to avoid the brand [20]. With the continuous increase of Internet marketing costs and the disappearance of online traffic dividends, how to improve brand communication channels and whether it is necessary to layout offline experience stores are urgent issues for brands to solve.

3.5.2 Product quality is criticized, while practicality and marketing do not match

Adhering to the principle of “Oriental Aesthetics”, Florasis has added many traditional Chinese elements to the product packaging design, becoming the highlight and memory of its brand. At the same time, it also coincides with the “national trend” of generation Z, who is keen to pay for “high-value” products. However, with the intensification of the involution in the beauty industry, consumers who have gone through the barbaric growth era are also becoming soberer and begin to take the quality and practicality of products as the main criteria for purchase decisions. Against the backdrop of lower prices and better quality products, consumers were surprised that the seemingly colorful Florasis was left with only flashy packaging. For example, the Eye shadow plate of birds and Phoenix disc was roasted by consumers for its low chroma, insufficient ductility, and flying powder; exaggerated and gorgeous colors are not suitable for daily makeup, and so on. The excessively gorgeous appearance is also inconvenient to carry, and the product’s practicality is greatly reduced. Therefore, Florasis’s proud brand reputation began to suffer Waterloo. Compared with the low pricing of other domestic brands, the high pricing of Florasis makes consumers unwilling to pay for the brand premium, which greatly reduces user loyalty and restricts the further development of the brand.
4. Discussion

4.1 Promote Offline Sales Channel Development

For cosmetics, offline channels are an indispensable part. Offline stores can improve users’ consumption experience and enhance users’ trust in the brand. Offline stores have relatively complete equipment, providing consumers with skin problem detection, skin care, makeup testing, new product testing, and other services. Its core competitiveness lies in service and experience, attracting consumers to in-depth trials in the store, and improving user experience and stickiness. Therefore, Florasis could appropriately add offline sales spots and develop comprehensive marketing channels. Florasis can open offline experience stores and retail stores and advertise on billboards in communities and cities to truly cover the life scenes of the new middle class on multiple levels. Not just give people the feeling of “a brand that anchors only introduce in the live broadcast”. Additionally, we considered the impact of COVID-19 on opening its offline stores and marketing campaigns. This is the time to combine online and offline channels. We proposed a specific idea: create several “one-man stores” in areas with many targeted customers. Florasis would run an online marketing campaign and then invite customers to pick up prizes or products in the stores—ensuring that each location has only one customer per period. Reducing the epidemic’s impact saves on stores’ construction costs and demonstrates Florasis’ interaction with consumers and personalized service. The combination of online and offline can become a mutual help closed-loop, showing the brand culture, corporate image, and other information to customers in an all-around way and strengthening brand cognition [21].

4.2 Enhance Product Quality

Florasis needs to have a clear brand positioning and use its advantages to create more distinctive and higher quality products and pay more attention to product research and development. Chen thinks that good products can provide a brand with better word-of-mouth, improve customer adhesion, and the brand can be better developed [22].

The main problem for most domestic brands’ poor quality is the reliance on OEMs during production. The reasons for the rise of OEMs are not complicated. First of all, the demand of young people for affordable beauty products has created a huge potential market to be filled. At the same time, the diversification of the beauty market structure, the rapid rise of visualization platforms, the increase in consumption levels, and live-streaming have accelerated the integration of the supply chain, allowing the beauty industry chain to enter the dividend period. Beauty consumer goods themselves come with the characteristics of low unit prices and FMCG. Through the beauty foundry, the new niche brands can have the same production line as the international brands but avoid the high cost of research and development and quickly support themselves with “cost-effective”, “big brand flat replacement”, and other labels. OEM is becoming a trend in the cosmetics industry, and “OEM” does not mean poor quality or unreliable, but in the eyes of skeptics, relying on OEM reflects the lack of technology strength.

The serious homogenization of products due to the brand’s upstream supply chain concentration is the most prominent problem brought about by production outsourcing. A typical example is Florasis’s leading product, Carved Lipstick, which launched in April 2019. The brand commissioned this product to be produced by ODM factories, and once it was launched, it sold millions of dollars per month. It was perennially coiled in the TOP list of makeup sales, but within just six months, the market was quickly flooded with prices ranging from 9.90 yuan to 99 yuan for a wide variety of carved lipsticks, blushes, and eye shadows. Some people believe that although the rise of beauty foundries will bring the rise of category and product influence, but also mean the weakness of the brand.

From Florasis’s point of view, as long as the research and development and quality are in control and keep improving, outsourcing some part of the production of a carefully chosen product category is completely reasonable. The maturity of the OEM or ODM model, the growth of market demand, the industry and consumer groups, and the change in consumer attitudes together give rise
to the national beauty boom. However, for now, the national beauty, including Florasis could not compete with high-end international brands; the overall is still in the low and mid-end market.

For Florasis to build up real brand power, the first thing to accomplish is a high degree of fit between product and brand fit so that the brand can maintain long-term, sustainable development capacity. During the production, the brand should pay much attention to the development of product practicality and the control of product quality, improve the core ability of product research, development, and production, and ensure product quality. It means striving to make the product quality proportional to the price, or showing consumers an image of “continuous improvement in quality”, such as promoting the product development patents granted to Flower West. Therefore, Florasis gradually transforms the “Made in China” national trend cosmetics into “Chinese quality” national trend cosmetics, strengthening product competitiveness, establishing a good brand image in the hearts of young consumers, and improving product repurchase rate.

5. Conclusion

5.1 Conclusion of key findings

In the Chinese market, the secret of Florasis standing out from many cosmetics brands is its unique “Oriental aesthetics” brand positioning, personalized media promotion strategy, and original user cooperation to create operation mode, as well as the deep integration of Florasis with Chinese traditional culture. In terms of problem analysis and solution, firstly, the single online marketing channel of Florasis makes consumers have no shopping experience, which leads to the unstable relationship between Florasis and users, which is prone to brand identity crisis and affects the purchase desire. The research team recommends the addition of offline experience stores and “one-man stores” as a vision for Florasis’ offline access to users’ life in the context of COVID-19. Secondly, Florasis has been criticized for the quality of its products, and the mismatch between practicality and marketing makes it difficult to compete with many international brands. According to the research team, it is necessary to enhance R&D and innovation capabilities, considering the design and quality of products, namely “to meet the actual needs of customers with gorgeous design and high-quality products”.

5.2 Research significance

This paper studies the success and problems of Florasis, a national beauty brand, under the consumption characteristics of Generation Z. This provides inspiration and reference for China’s beauty industry. First, beauty brands should be fully aware that with the rise of Guochao, traditional Chinese culture will be a good entry point for product positioning. Secondly, this paper emphasizes the issues that should be paid attention to in marketing the beauty industry. In the context of the Internet has become a necessity, the national style beauty brands should pay attention to the use of differentiated and personalized network marketing and offline channels to integrate customers into the organic brand co-construction system to achieve two-way interaction.

5.3 Limitations

This paper’s research methods (questionnaire and content analysis) are all online, so the data authenticity may not be as good as offline survey methods. In future research, we can use offline methods, such as face-to-face interviews and field research to acquire more accurate and practical primary data.

References


