

Analysis of Business Digital Marketing under the Situation of Perfectly Competitive Market — A Case Study on Fenty Beauty

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Abstract: As nowadays technology development entered a brand-new stage, digital services and products gradually become the indispensable part of public's life. This paper outlines the digital marketing strategies used by Fenty Beauty with the standard of Consumers' needs and wants, cost of satisfy, community between firms and consumers, convenience, which can also be called 4Cs, within the perfectly competitive market. In the field of translation studies, there are helpful approaches to translating survivor testimonies. In this way, the investigation mainly uses the investigation method and qualitative method to analysis the concept. The outcome of the research is Fenty Beauty, as an example, is the company that focusing on convenience of purchasing products but failing on cost of satisfy compared to its competitors. According to the result, companies can develop the way they used the digital marketing strategies to make profit as much as possible. This essay also illustrates several suggestions towards the brand.

Keywords: consumer needs and wants, community with consumers, cost of satisfy, perfectly competitive market, digital marketing.

1. Introduction

Over the past decades, digital services have been through a profound transformation due to the development in technology. Digital marketing allows companies to track user behavior in real time, following the digital customer journey and creating digital touchpoints through such journey [1]. Digitalization creates opportunities for small and medium-sized enterprises (SMEs) to rethink how they co-create, deliver, and capture value with customers and all stakeholders and change the enterprises, labor and skill demand [2]. The great change took place on the landscape of digital marketing, promoting the need for further research. While numerous studies have analysis digital marketing, a gap that can not be neglected remains regarding under the situation of perfectly competitive market. Given the barren of comprehensive investigations, this paper did the research in order to come up with a synthetical analysis of digital marketing. This research provides a more detailed analysis of the digital marketing which can help improve the understanding of marketing strategies used by businesses during the previous decades. The paper focus on investigation of digital marketing under the situation of perfectly competitive market and using 4Cs as the standard to analysis the business marketing strategy. Using Fenty Beauty as an example, the essay analysis it

with the help of 4Cs which including wants and needs of purchasers, cost of being satisfied, buying convenience and the communication with brand's customers. Employing a mixture of various methods approach, this investigation combined investigative method and qualitative research comprehensively explore the digital marketing within the perfectly competitive market. Our research framework includes qualitative research to investigate digital marketing under different situations. With the help of these methodologies, author found that Fenty Beauty mainly focus on convenience of purchasing products but fail on cost of satisfy compared to its competitor. To be more specific, using digital marketing is more convenient for consumers to buy the brand's products and it is beneficial for them to make the wise choice before purchasing. However, the cost of maintaining the digital services or innovation is relatively high. In this way, it will higher the cost of customers' satisfaction. Using digital marketing while selling can get closer to the consumers' life as technology and social media platform can help the companies to know the target consumers and their features easily. The research on Fenty beauty shows that digital marketing sometimes can lead to scam as some companies will write the information on its interfaces which may lead to misunderstanding and higher the sales. While scam goes against consumer wants and needs.

2. Implication of the Brand as the Case

Despite the focus on the Fenton Beauty's digital marketing, it appears that the concept about perfectly competitive market. William Novshek suggested that a perfectly competitive, partial equilibrium market for a single homogeneous good with a (bounded) continuum of infinitesimal firms is considered [3]. Perfectly competitive market which can also be called pure market, standing for a market structure that competition within the market is not limited by any sources of restriction. This kind of market has an enormous number of firms sailing identical products. However, the structure is ideal which can never be achieved in the reality since perfectly competitive market required every consumer and producer have complete information without trade cost. Ghayth Ali Al Laheebi assumed that 4C marketing mix focuses on the buyer which is the basis of the market, which means making customer needs the pivotal point during the trading, establishing full contacts with customers to have full understanding of customers' demands and convenient services [4]. Although nowadays research represented that perfectly competitive market has intensive competition, the theory of 4Cs can help companies get the first place among the market.

This essay outlines the digital marketing strategy that used by the business during the previous period through the standard of 4Cs, which stands for consumer wants and need, cost of satisfy, convenience to buy and communication with customers. Bob Lauterborn assumed that the previous standard which is 4Ps (price, product, place, promotion) did not work any more and were taken place by 4Cs which can really address the real issues within the market in his essay [5]. As digital platforms and tools are wildly used by the companies' marketing solution across all sort of area, studies on digital marketing represents a growing field. Using the example of Fenty Beauty by Rihana, the pros and cons of the digital marketing can be shown directly.

2.1. Consumer Wants and Needs

The first C stands for consumers wants and needs which focusing on finding the true needs among the customers. To be more specific, the company priorities the consumers. According to the research on Fenty Beauty, Gen Z and Millennials are the core audience. In addition, the gender of its target consumer focus on female (80.9%) since the brand works on beauty products. Data from previous studies suggest that target audience of the brand focuses on interests related to lifestyle, beauty, cosmetics. Resent evidence suggested younger generation has the passion on brand new ideas or high-tech devices, which means this group are willing to spend more time on various kinds of social media

platforms or apps. The author found Fenty Beauty spend a lot of efforts upon its social media profile on digital platform. For example, Fenty Beauty has its own social media account on Tik Tok, Weibo, Little Red Book this kind of platform that younger individuals would like to spend their time on. The brand updates the daily outfit by Rihanna and Fenty Beauty makeup used by her. As Rihanna is popular among the younger generation, the influencer effect will work since the fans will try to copy Rihanna's outfit. In this way, the brand filled younger consumers need through using the digital profile. The need that general consumers have is keeping the quality of the products. With the research on the brand's shopping website, Fenty Beauty provides the digital service that shows the materials that used by producing the beauty products. Consumers who purchased the products are available to comment below the products' buying pages in order to support the potential consumers to make wise choices. However, this may lead to scam towards consumers as the brand can used different ingredients from the website referred. As most of the products provided by the brand are sailed online, it can lead to consumer misunderstanding upon the products.

2.2. Cost of Satisfy

The second C means cost of satisfy as the price that consumers purchase the brand's products. Research on this area has shown that this concept is relatively complex as there are various factors involved, including cost of production, competitors, cost of promotion and brand images. Considering on cost of production, the brand assume that Fenty beauty prefer to use raw materials that is natural grew, so the cost of those will be higher compared to the chemical materials. As Fenty Beauty located within a market that is highly competitiveness, it will be a key factor when the brand is trying to launch the products' price. a great number of Fenty Beauty's competitors are high-end competitors which means they already gain great amount of maker share, such as MAC or NARS. Fenty Beauty need to concern the products' price of other brands in order to give an appropriate price. Cost of promotion is also a key factor that can affect price. Fenty Beauty spend money on promote the brand products by paying to some influencers to add relevant tag in their blogs in order to border its brand publicity. In this way, the cost will be relatively higher compared to those traditional business that do not related to digital platform. Considering on Rihanna's influencer effect and the brand image the Fenty Beauty provided to the public, the price will be higher. As Fenty Beauty consider itself as locating within a high price branch, the cost of satisfy for its purchasers will be high which is actually about 200 - 300 RMB. Higher price does bring greater profit to the company, but it will drive some potential consumers away.

2.3. Convenience to Buy

The third C stands for convenience to buy which can be referred to the frequency of consumers buying the products. As Caitlin Burgess writes for TopRank Marketing, 'Your goal is to deliver the right information, at the right time, to the right person, on the right platform.' This is the essence of convenience [6]. Previous research has established that it is an interesting concept as we live in a 24/7 always-on world. While there are many things you should do to make your business more customer-focused, few are more important than maximizing the convenience you can offer to consumers - especially right now. [7]. The traditional option to get goods and services is to visit shops, warehouses and offices. In this way, digital marketing becomes an option on the premise of convenience [8]. Since Fenty Beauty mainly focus on selling online, it is really beneficial for consumers' convenience. During the research on Fenty Beauty's shopping interfaces, author found Fenty Beauty provides delivery service to every where all over the world which is convenient to all of brand's customers around the world. Fenty Beauty also post its shopping website address on every social media platform which is really easy for purchasers found the place to consume. The brand not only provide online

shopping but also has real life store. As Fenty Beauty forms a strategic partnership such as Sephora and Ulta Beauty. With the help of that, it expands its physical presence and making its products readily available to a broader audience. Consumers get the chance to check the quality of the brand's beauty products offline which will higher sales if the products quality is good enough. By contrast, it can be highly cost to get a good location for the store. If the location of the store is far away from the crowd, it is worthless to have a store offline as it is highly cost. And it is also expensive to keep the brand's shopping interfaces work and update everyday.

2.4. Communication

The last C regarded as communication. Lauterborn viewed 'promotion' as manipulative and described it as a one-way system with communications pushed from company to consumer. His view of communication was that it should be about dialogue, a two-way conversation, between company and customer - an approach that has evolved as digital marketing has grown [9]. The communication within current society need a practice's web site which including online review platforms, email communications, texting service, paid digital ads, podcast, practice app, and even digital reminders all combine to create a multimodal digital marketing presence [10]. Recent evidence suggests that Fenty Beauty has great connection with the brand target consumers. according to the research on target consumers, the brand come up with several promotion strategy to deal with different group. As the brand has consumers across people in diverse skin colors, Fenty Beauty shows great inclusivity. To be more specific, Fenty beauty offer foundation of all the skin color which not only break traditional shade limitations but also meet diverse needs. And the model used by Fenty Beauty have the features of various ethnicities, body types or gender, this promotes a sense of belonging and acceptance.

3. Suggestions

According to the analysis above, author come up with several advice on Fenty Beauty's digital marketing strategy. The main weakness of the study was the paucity of primary research which means the investigation lack of customized information and data. To be more specific, author did not purchase the products from Fenty Beauty's shopping websites. This research has came up with several questions in need of further investigation. If the investigation is to be moved forward, a better understanding of digital marketing needs to be developed. As Gen Z and millennials are the core audience of Fenty beauty, the brand is suggested to expand market positioning to fill the consumers' needs and want. Aiming to expand market positioning, the brand can take more market research on other age groups' preferences. Taking age group of 40-50 (which can also be called gen X) as an example, people in this age group has different skin conditions compared to the youth. In this way, the company can come up with some anti-aging product. This kind of product not only can help with solving the skin problem of the aged group but also can wider the target consumer group of Fenty Beauty. Fenty Beauty can also check the materials the brand used for the production. As the Gen X has a weaker somatic function, they need product with natural ingredients rather than chemicals. Another strategy is to improve the technology that used by the brand's shopping interfaces. According to the research that author takes on Fenty Beauty's shopping pages, the brand is using the function called 'shade it on' which can help consumers to try the color of the beauty product on their face. However, after research we found that the result of using the function is not satisfactory as it looks a bit fake on people's face. Author suggests use the fashion tech with the help of AI.

4. Conclusion

In conclusion, this essay set out to determine digital marketing used by companies within the perfectly competitive market. As is well known, digital marketing involves every representation that is sent or received by a practice using an electronic medium. The study used 4Cs as judging criteria and set Fenty Beauty by Rihanna as example to analysis the marketing strategy. Using the investigative method and qualitative research, the investigation shows the brand is expert at convenience of purchasing products but not good on manage cost of satisfy compared to its competitors. On the basis of the study on Fenty Beauty, author come up with some suggestion, including change the fashion tech into the AI and expand the brand's market positioning. Although the current investigation is based on a small sample of participants, the findings represent consumers' demand, cost of buying, communication and convenience are all the key factors of marketing strategies. To solve the problem within this essay, the author suggests the future direction of the area: first, expand the sample size in order to conduct more in-depth research. In this way, the research results can become more realistic. Also, more information on the effect of digital marketing would help us to establish a greater understanding of accuracy on this concept.

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