

Comparative Analysis of Marketing Strategies of Estee Lauder and Lin Qingxuan in Response to COVID-19

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Abstract: The multibillion-dollar cosmetic sector may suffer monetary damages as a consequence of COVID-19 in 2020. Employment had decreased by 3.91% and sales had plummeted by 7.4%. Marketers must understand the shifts in customer behavior and attitudes in order to develop new tactics when revenue and jobs are declining. The author will compare the online data, related literature and past paper to investigate the application of different marketing strategies used by two typical cosmetic brands during the pandemic. The two examples are Estee Lauder and Lin Qingxuan respectively. They both recognized the benefits of social media, live streams, and advertisement. However, Estee Lauder focused more on advertisements whereas Lin Qingxuan paid more attention to the social media factor. Such differences also lead to the differ of increasing sales. As a result, due to the tactics used, the sales income of both brands has increased a lot. However, further steps needed to be taken by Estee Lauder and Lin Qingxuan to maintain the leading positions in the cosmetic industry due to the competitive environment and uncertain future.

Keywords: pandemic, cosmetics, marketing strategies, Estee Lauder, Lin Qingxuan

1. Introduction

The pandemic has had great impact on people's daily life since they were being lockdown and wearing masks. Therefore, not only social opportunity has decreased, but the need and opportunity for makeup as well as the overall demand for cosmetics has reduced dramatically. In a survey conducted by a recent paper, participants rated that wearing cosmetics was mildly essential to them at 35.2% (N = 603), totally unimportant at 31% (N = 531), and fairly important at 24% (412) [1]. This leads to the financial suffering of the cosmetic industry in 2020 as a result of COVID-19. The industry is now uncertain as to future customer intention and behavior due to the decline in cosmetic usage. Employment had decreased by 3.91% and sales had plummeted by 7.4% [1]. Moreover, there have been more rational decisions due to the reduction of income during the period of COVID-19. Some service-based businesses have been severely impacted by the epidemic, aside from secure occupations like physicians, teachers, and government employees. In the first two months of 2020, the hotel industry suffered an income loss of more than 67 billion yuan. In the first quarter of 2020, China's three main industries all showed a negative year-over-year growth trend: the GDP growth rates in the first quarter of 2020 were -6.8 year over year and -9.8 sequentially, respectively; the urban unemployment registration rate rose quickly in 2020; and the year over year disposable income

decreased as well. All these reductions have led to the dramatic decrease in people's income and hence affecting the cosmetic industry.

People's purchasing locations have also changes. Prior to COVID-19, customers had the option of shopping at big-box stores, the pharmacies, grocery stores, discount internet merchants, subscription services, or any other available retailer. The online shopping options like the drug store purchasing behavior is the least popular one [1]. However, after pandemic, the results turned out that people intend to go to e-commerce more often than ever [1]. However, not all components for cosmetic industry have decreased, due to the situation of prolong-period of mask-wearing, more people have suffered from acne, and they were paying more attention to skin-care products. Such situation has led to the increase sales of skin-care products [2].

Still, the cosmetics business is a highly lucrative, active, and quick-moving field. Innovation is crucial for success given the brief typical product life cycles and ferocious rivalry in the makeup business. Many cosmetic businesses compete with one another for a share of the multi-billion dollar cosmetic industry, raising their level of competition globally, including Estee Lauder, Lin Qingxuan, Avon, and Revlon etcetera [3]. Two typical examples are Estee Lauder and Lin Qingxuan. They have noticed these changes and taken several innovative tactics so far, including social media, live broadcasting and advertisements. The author aims to investigate these strategies by comparing and analyzing past paper. The author will compare Estee lauder and Lin Qingxuan and find out the adaptations that other brands can also apply to increase their sales in response to obstacles and challenges.

2. Estee Lauder Introduction

One of the top producers and sellers of high-quality skincare, makeup, fragrance, and most recently, hair care items in the world is Estee Lauder Companies. Under well-known brand names like Estee Lauder, Aramis, Clinique, Prescriptives, Origins, MAC, La Mer, Bobbi Brown, Tommy Hilfiger, Jane, Donna Karan, A veda, Stila, Jo Malone, and Bumble, the company's products are distributed internationally in more than 120 nations and territories [4]. The pandemic has a negative impact on Estee Lauder's sales generally. Due to the COVID-19 pandemic's effects, sales of true beauty items have decreased, but demand for toiletries like soaps and sanitizers has increased across the nation. Yet, due to the following strategies applied, Estee Lauder's income was not significantly impacted by the COVID-19 epidemic.

2.1. Social Media Factor

Estee Lauder has adopted the use of social media and applied it quite successfully as a marketing strategy. In Estee Lauder's "Let us Play Makeover" campaign, the fundamental goal is to leverage social media as the primary point of purchase while simultaneously providing options for customers to make purchases, allowing them to eventually completely connect with their products and services anyway they like [5].

With widespread information access, improved social networking, and improved communication skills, electronic media have revolutionized consumers, society, and organizations. Millions of people from all over the world who have similar hobbies, opinions, and pastimes are brought together by social media. Social media platforms that are popular with users of all ability levels include blogs, YouTube, MySpace, and Facebook [4]. People interact utilizing a variety of online forms, such as blogs, podcasts, and social networks. They often check notifications to keep in attachments with all these social media. While checking, the news about brands and products can also pop out and distract people's attention. As a result, posting has also become a vital role in marketing strategies. For instance, Estee Lauder sends notifications to its follower's accounts regularly on Facebook.

Whenever an event takes place, a post from Estee Lauder will be sent prior to the event, dragging consumers' attention and also increase its brand popularity. For instance, it once said that "Last night Tom ' Pecheux and Emily from Into the Gloss hosted our Fashion's Night out Party at Saks Fifth Avenue..." This notification not only successfully introduces the people hosting their 'fashion night', but increases its brand awareness among social media users.

In addition, During the particular 'black Fridays' in Eastern culture, Estee Lauder made most of its skin-care products on discount, including its creams, lotions, sunscreens, cleaners, moisturizers, and self-tanning items to increase its sales. The use of discount is able to promote product sales especially during the period of COVID-19. Because of the lockdown policy, people are often staying at home and checking their electronic devices. Hence, the news about discount will be extreme obvious and easy to notice during this period. Estee Lauder has realized this condition and made its products on sales. As a result, the sales increased largely. And in terms of Chinese market, in its 6.18 discount shopping day, its online sales tripled and ranked second among all premium beauty brands [6].

2.2. Advertisement Factor

Estee Lauder has successfully marketed its products with the help of four male endorsers and has seen incredible market sales. For instance, Over 40 million pieces of the cosmetics that Xiao Zhan was promoting on Chinese Singles' Day were sold in a single hour [7].

The symbols Estee Lauder used can be mainly referred as romantic. Take the example of Wang Kai in its advertisement. In the video, he was sitting behind a computer and saying something sweet, 'I want your eyes only focusing on me instead of work.' This advertisement focus on Estee Lauder's products that can be used to repair body tissues, making people convince that once they put up the essence, they are capable of having romantic relationship as shown in the video. As a result, due to the famous popularity of the celebrity Wang Kai and its advertising strategy, its sales rises dramatically in response.

Furthermore, Estee Lauder not only uses male representation, it also adopted female characters in its advertisements as well to meet the goal of increasing sales. Also takes the lipstick advertisement as an example. The women who wears Estee Lauder's lipsticks are always confident and courageous in the advertisement. This implies that if a woman uses Estée Lauder lipstick, she will instantly feel rejuvenated, regain her confidence, and look radiant. In other words, it is the usage of lipstick that makes people pretty. This further exemplifies the concept of "strong and confident." The Estée Lauder commercial, "I adore my femininity as much as I depend on my fortitude," suggested how Chinese women view femininity in its display. [7].

Apart from the use of gender representations in Estee Lauder's advertisements, in general, the business routinely promotes its goods via billboards, direct mail, upscale publications, esteemed newspapers, television, and radio. In addition to its effective advertisement, Estee Lauder is also running various helpful promotion programs [6].

2.3. Live Stream Factor

As the world's most well-known skin care and cosmetics brand, Estée Lauder has long based on a large number of loyal consumers. And because of its good corporate image and effective implementation of multi-brand strategy, it has also successfully increased its brand awareness. As a result, as soon as Estee Lauder opened the live broadcast room, a large number of viewers poured in in a short period of time and followed to become fans. Estée Lauder every time live broadcast, the number of viewers is often hundreds of thousands, and during the popular event, it is 60,000 or 70,000 per day per session [8].

Moreover, Estee Lauder has clear picture about the benefits of celebrity endorsement. Every year Double 11 or other major events Estee Lauder's live broadcast room has occupied the top position on Taobao live all year round. Except for inviting well-known actress Yang Mi as its brand spokesperson, it also invited a large number of popular stars, such as Chen Kun, Tong Yao, Song Qian, Wang Kai, etc [8]. These well-known celebrities in China are capable of attracting a huge number of people to watch Estee Lauder's broadcast and help the brand achieve the sales goal.

3. Lin Qingxuan Introduction

Lin Qingxuan, founded in 2003, is a cosmetic brand focusing on skin-care products in China. It is committed to researching camellia flower, a gem of skin care for thousands of years in China. Lin Qingxuan anti-aging "Little Emperor bottle" (Camellia repair essence oil) was a hot seller when it was released in 1.0 in 2014, and won the first place on Tmall's Double 11 facial essence oil hot seller list when it was released in 4.0 in 2022. Its annual production and sales have exceeded 20 million bottles, and it has been far ahead in China's high-end oil skin care market for 9 consecutive years. Lin Qingxuan also adheres to the development mode of the whole industry chain, and realizes the control of the whole link from the raw material end, product end and sales end.

3.1. Social Media Factor

During the epidemic, Lin Qingxuan's offline store shopping guide applied intelligent shopping guide tools such as "DingTalk + Hand Tao" and "WeChat + Mini Program Mall" to sale its products online and carried out online live broadcast and short video production through the live broadcast platform, creating a new sales path, while expanding the online market, while retaining the advantages of the real experience of traditional offline stores. The crisis forced Lin Qingxuan to further open up and innovate.

During the pandemic, sales for the company fell by 90% during the pandemic, and half of its locations had to be temporarily closed. However, noticing the emerging of ecommerce, using Alibaba Cloud's online platform, LinQingxuan was capable of transforming its business model. It transformed all 80 offline stores originally planned for 2020 into digital stores, displaying store information to online customers in the form of store live broadcasts, inviting customers to experience in stores, and forming an exchange of online and offline resources [9].

Lin Qingxuan's digital stores include intelligent skin testing area, self-service experience area, VIP in-depth customized care area and offline live broadcast area. Customers walk into the store, stay in front of the "magic mirror" intelligent skin tester at the door for a few seconds to measure the state of the skin, and the glass curtain wall on both sides of the product display replaces the shelf display area of the early store, and displays the brand through the digital large screen, making it seems more technological and advanced and thereby plumping new consumers to Lin Qingxuan's current consumer base.

3.2. Advertisement Factor

Lin Qingxuan is always well-known for its ingredient camellia and has transformed camellia as its brand symbol, applying camellia in most of its advertisements to increase sales. Take its most popular repair essence oil as an example. In the advertisement, the product was placed in the middle of a pink camellia, with the slogan 'camellia repairing your skin'. In this way, once people see the word 'camellia', they can recall go to by Lin Qingxuan's product. Therefore, not only the brand symbol was reinforced, but its sales increase accordingly.

3.3. Live Stream Factor

Lin Qingxuan began its Taobao live on the first of February in order to increase brand awareness and recover from the financial loss during pandemic. The prevalence of high-speed internet and high-definition cameras in laptops, tablets, and mobile phones in recent years has increased the number of people and businesses who broadcast live. Software that enables people to share their experiences at live events powers these live videos. Unlike to YouTube advertisements and finely crafted Instagram posts, live broadcasts are unedited. Live streaming adds a human element to the operation that no other digital marketing platforms can since its broadcast is real-time. Social media sites like Facebook, Snapchat, and Instagram have quickly embraced live streaming due to its rapid development. Around 200 million people in China watch live streamers perform in person every night due to live streaming's enduring popularity, which has boosted sales for firms that use it.

Lin Qingxuan realized the issue and moved 400 employees and all 1600 offline guides to the online livestreaming department. The business began doing live-streaming events to provide product recommendations on e-commerce platforms. Due to this, there were even more than 60,000 people present for the Valentine's Day session. They sold over 400,000 bottles of their camellia oil during the webcast. Sales are up 45% over last year after half a month of full broadcast. The live broadcast featured Sun Laichun, the company's founder, on February 14. By employing this tactic, Lin Qingxuan was able to draw in over 60,000 viewers and generate sales of around 400,000 yuan [10].

4. Comparison Analysis

Social media, advertisements and live stream factors were adopted by both Estee Lauder and Lin Qingxuan in response the changing world. The two brands decided to switch from offline to online to increase its sales and to minimize the loss causing by the epidemic. While Estee Lauder provided other options than just online shopping, Lin Qingxuan chose to close a great number of its offline stores and paid most of its attention to ecommerce. Estee Lauder also uses notification on Facebook and other social media to attract people's attention and increase its brand awareness.

Moreover, both brands have its distinct tactic of advertising. Estee Lauder applied gender representations in its ads, convincing to people about the effectiveness of its product. As soon as people wear the repair essence and the lipstick, they are capable of having romantic relationship as shown in the video advertisement. At the same time, Lin Qingxuan's advertisements often serve as symbols for camellias to reinforce its brand image and thereby increasing sales. However, Lin Qingxuan's main target consumers are still women, it lacks men consumers in the market. In order to maintain Lin Qingxuan's leading position in the cosmetic industry, it should also adopt different gender representations especially male characters as Estee Lauder did.

Noticing the significance of livestream broadcast, Estee Lauder and Lin Qingxuan both opted for this factor. Estee Lauder particularly endorsed famous celebrities for livestreaming to advertise its product, including Wangkai, Chen Kun, Tong Yao, Song Qian [8]. Lin Qingxuan, on the other hand, opted to invite its cofounder on the livestream broadcast to attract consumers. Although the two brands both received positive feedback, they should still improve by learning each other's strategy. It will be higher sales if Estee Lauder invites one of its cofounders and Lin Qingxuan endorse many more famous celebrities in the broadcast room.

However, today's world is changing rapidly. A large number of cosmetic brands have entered the e-commerce, bringing more competitiveness to the digital market. Giving response to such changing environment, both brands should include more innovative marketing strategies for furthermore improvement. Here are some examples. Innovative ingredients and eco-friendly packaging are further major factors. Cosmetic firms have to develop as long as they keep spending money in the market. They should ask themselves about the next step to take and the key concern for the industry today.

According to the current trend, the author believes that there may be more collaborative ventures involving pharmaceutical, cosmetic, and food/nutrition industries in the future of cosmetics. Innovations must take place for Estee Lauder and Lin Qingxuan. Other brands maintain or improve their positions in the market to increase their income.

5. Conclusion

The results show that the cosmetic industry will continue to involve in the future. In response to the changes in the past, Estee Lauder and Lin Qingxuan have set good examples for other brands. They both recognized the benefits of social media, advertisements and livestream broadcast, while Estee Lauder focusing more on notifications on social media and celebrity endorsements, and Lin Qingxuan focusing more on the authority effects in broadcasting and its brand symbol camellia. Through the use of these strategies, they have increased their sales. However, future is full of uncertainty, with increasing competitiveness and unknown risks. To further improve, there is a need for Estee Lauder and Lin Qingxuan to take steps to explore the industry. The author believes that the future of cosmetics might foresee nutritional and environmental-related products, as well as the application of intriguing and innovative packaging styles. However, this paper still lacks of precise statistical models to provide detailed analysis of the cosmetic industry due to its rapid changing environment. In the future, however, the author believes that accurate models will be built to help understand the trend and the factors evolved in the cosmetic industry.

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