

# *Analyzing the Importance of Building Positive Brand Image*

**Xuexi Ma<sup>1,a,†</sup>, Shaoling Zheng<sup>2,†</sup> and Yi Zhou<sup>3,†</sup>**

<sup>1</sup>*College of Tourism Management, Shenyang Normal University, Shenyang, Liaoning, 110000, China*

<sup>2</sup>*College of Foreign Languages, Nanjing Forestry University, Nanjing, Jiangsu, 210000, China*

<sup>3</sup>*College of Electronic and Electrical Engineering, Shanghai University of Engineering Science, Shanghai, 201620, China*

*a. 412411039@caa.edu.cn*

*\*corresponding author*

*†These authors contributed equally.*

**Abstract:** After getting a lot of praise for being a sales champion, Perfect Diary's reputation went downhill because of a number of problems with the brand itself. On the other hand, there are not many articles that discuss how to improve this issue and construct a positive image for the business. This paper addressed this subject in more detail. Using an examination of marketing mix theory and a SWOT analysis, the purpose of this paper was to investigate how Perfect Diary creates a favorable image for its brand. According to the findings of the study, Perfect Diary's brand image will suffer if the company maintains its low-price approach for an extended period of time, does not pay attention to place expansion, and engages in excessive promotion. Nonetheless, consumers will be drawn to the brand due to the packaging and other characteristics of its products, which will have a beneficial effect on the brand's image. As a result, in order to create a favorable public perception of their brand, Perfect Diary needs to implement the four pillars of the marketing mix theory.

**Keywords:** Perfect Diary, marketing mix theory, SWOT analysis, brand image

## **1. Introduction**

### **1.1. Research Background**

Through the rapid development of the Internet and the internet celebrity economy, Perfect Diary stood out from the national products through the rapid rise of online marketing technology. It created a lot of net celebrity products, is affordable, and has a beautiful appearance, which makes the Perfect Diary famous on the internet. Besides, the emphasis on cultural confidence has made domestic brands more and more popular. On the other hand, nowadays, China has fully entered a well-off society, and the increase in economic income has made people pay more attention to the quality of products. With the improvement of China's comprehensive national power, national brands have gained more support from the people. Nowadays, with the change of the social epidemic policy, people can go out freely, and the offline consumer market is picking up, which is intensifying the competition in the makeup market at the same time but also bringing new opportunities and challenges to the makeup industry.

Moreover, Perfect Diary's main target market is young women between 18 and 28 years old, which is an age group that places relatively more importance on product quality and brand culture. In addition, China's cosmetics market has been maintaining a relatively stable growth trend, and is currently, behind the United States, the second-largest consumer of cosmetics worldwide.

Since its inception, Perfect Diary has been rapidly gaining customers through online marketing and has quickly become the "light of national products". However, the continuous online money-burning marketing is not a long-term solution, and the over-promotion and over-single marketing method have made Perfect Diary go downhill continuously. In the "Double Eleven" shopping carnival in 2022, Perfect Diary, which had twice won the top spot in the Double Eleven makeup category, disappeared from the ranks of the top 10 makeup pre-sales this year.

People gradually recognize this problem, for the majority of makeup brands assert that such solutions as analyzing the risks and trends of the beauty market environment, developing marketing, establishing brand image, and so on.

## 1.2. Research Gap

Taking Perfect Diary as an object of exploration, Wei et al. investigate the current situation and countermeasures of online marketing for domestic beauty brands [1]. The paper analyzes the strategic analysis of Perfect Diary's online marketing, which has become a hot brand since its creation in 2017, as well as the problems that arise in online marketing today and the discussion of countermeasures [1]. Li and Shi take Perfect Diary as an object of exploration, examine its development history, and analyze the strategy of the Chinese beauty brand Perfect Diary to become a marketing myth by seizing the online marketing windfall, the reasons for its failure due to long-term extreme marketing, and the brand strategy that needs to focus on exploration and development in order to realize long-term development [2]. This has led to much academic analysis of how Perfect Diary realized its success through online marketing and the problems and countermeasures that arose from excessive marketing in the later years.

Today, the Perfect Diary brand is deeply troubled by its negative effects. "The quality of the product is not good enough, and the brand is not spending its money on the product but on marketing!" The overwhelming negative reviews have cemented this image in the minds of consumers, and once a stereotype is formed, it is difficult to reverse.

A brand's long-term growth is always based on its good reputation, which needs to be carefully kept up. It is difficult to believe that the same marketing strategy that brought Perfect Diary success and praise from academics could also cause Perfect Diary to experience a crisis. Based on the issues explored, as summarized above, and the content explored, there is a need to examine the phenomenon that this thesis needs to explore. How can The Perfect Diary maintain a credible brand image and reverse the image crisis that has emerged in the face of today's situation? becomes an exploration gap.

Such a question could help Perfect Diary overcome its current predicament, reverse its brand image, and become a true 'light of the nation' in the huge Chinese cosmetics market.

## 1.3. Fill the Gap

The next part of this paper is dedicated to helping the Perfect Diary brand develop a more authentic brand image and reverse the current brand image crisis. This paper will review the marketing mix theory, apply qualitative analysis to validate it, and ultimately draw conclusions that will lead to an in-depth discussion and solution to Perfect Diary's current image crisis.

## 2. Literature Review

### 2.1. Definition & Development

The investigation of marketing mix theory has a long history. Neil Borden's first proposal, "Mix Marketing Theory," in the inaugural speech of the American Marketing Association in 1953 means that the so-called 'marketing variables' or 'marketing factors' affected market demand to some extent. Professor Jerome McCarthy of Michigan State University in the United States summarized these elements into four categories in his 1960 book *Basic Marketing*, namely, product, price, place, and promotion [3]. Philip Kotler further confirmed the marketing mix method with 4Ps as the core in the first edition of his best-selling book *"Marketing Management: Analysis, Planning, and Control"* [3] in 1976, namely, product, which means paying attention to the function of development, requiring the product to have unique selling points, and putting the functional appeal of the product first [4]. Price: according to different market positioning, different price strategies are formulated. The pricing of products is based on the brand strategy of the enterprise, focusing on the gold content of the brand. Placed enterprises do not directly face consumers but focus on the cultivation of distributors and the establishment of sales networks. Contact between enterprises and consumers is carried out through distributors. Promotion: many people narrowly understand "promotion" as "promotion", which is very one-sided. Promotion should include a series of marketing behaviors such as brand promotion (advertising), public relations, promotion, etc. The marketing mix theory studies marketing issues from the perspective of management decision-making.

### 2.2. Important Results

#### 2.2.1. Price

Before, most people thought that low prices were good for building up a new market at first, but not in the long run, and that continuing to offer low prices could hurt the reputation of a brand.

Liang came to the same conclusion when she explored the status of omnichannel marketing by analyzing the marketing strategies of Chinese beauty brands [5]. Liang concludes that in today's competitive cosmetics market environment, the "low-price competition strategy" is not a long-term solution, as competing in the market through low prices in the long term will generate irreversible damage to the brand image [5]. Tu and Guo explore the crisis brought about by Shenzhou's continuous low-price strategy and reach the same conclusion [6]. The authors argue that brands need to carefully formulate long-term plans for their business strategies and that the low-price strategy can be applied for initial market expansion, but a continuous low-price strategy will have a bad impact on the brand's image [6]. Song comes to the same conclusion by analyzing branded mobile phones and exploring the impact of the "apparent rule" of brand warfare in the mobile phone industry today on the brands themselves and the branding opportunities [7]. The author argues that while the low-price strategy may increase product sales in the short term for top-tier mobile brands, it also inadvertently damages their premium brand image and affects their long-term development [7].

#### 2.2.2. Place

From the product aspect, many explorations have applied Marketing Mix Theory and found that product design, product concept, and product packaging have a great impact on brand image.

To find out how product packaging affects a brand's image, Li Suyan showed that Muji's products with different features are packaged in a standard, uniform way, and that the company doesn't bother with fancy packaging [8]. As the senior designer of Muji Nakazawa emphasized, the highest state of an article is that people can't leave it for a moment and often utilize it, but often can't feel its existence,

that is, 'invisible', 'close,' and 'intimate' [8]. In 2007, Pan et al. published a paper about product visual image and brand image [9]. The visual image of the product is different from the price characteristics of the product, which only affect the psychology of consumers when purchasing [9]. It affects consumers in the long-term application of the product, together with its performance, quality, and service. That is to say, the visual image of the product conveys the brand image imperceptibly [9].

When Sun and Zhang were trying to figure out how to keep the brand's style while adapting to regional culture, product extension design were the main things they looked into [10]. For the design of a product's extension in a certain region, keeping the business's core idea in mind, people should take into account the local market situation, add cultural or aesthetic features that local consumers like, and explain the business's core idea in a way that consumers like [10]. In addition, for enterprises that implement a single brand strategy, the overall uniformity of the product image is relatively high, and it is also difficult to plan. For enterprises that implement a multi-brand strategy, the product image is mainly consistent within the scope of a single brand, while the overall requirements for all brand products of the enterprise are relatively low [10].

### 2.2.3. Promotion

Promotion is an activity in which the marketer conveys various information about the company and its products to consumers in order to persuade or attract them to buy them and expand sales.

In a questionnaire survey, Jiang and Guo found that free sample promotion has a significant positive impact on brand image [11]. Zhao and Song also utilized the questionnaire method to conclude that the "value-adding" and "value-enhancing" promotions influence customer perceived value, customer satisfaction, and brand loyalty positively and directly [12]. Gao combined with price promotion, perceived value, brand image, and purchase intention scales. It concludes that frequent price promotions are unfavorable to the brand image and will make consumers lower the overall price positioning of the brand [13].

To sum up, promotion to a certain extent has a positive impact on brand image, but frequent promotion beyond this extent will hurt brand image.

### 2.3. Summary

Overall, these studies outline the critical roles of promotion, product, price, and promotion in building brand image. For the brand of Perfect Diary, online and offline full linkage promotion was conducted, giving full play to all available resources online, including official accounts and applets. Although the low-cost competition strategy in the early stage made Perfect Diary open a mouth in the makeup market and buy products from relevant factories for less money, which is undoubtedly a strong attraction for consumers, With the continuous development of the Perfect Diary brand, the sales growth rate has slowed down, and there is an embarrassing situation on the road for big brands. Perfect Diary integrates the concept of sustainability into the brand in terms of the product concept and truly realizes high-quality development. As the predecessors have said, the richer the channels, the better the impact of consumers on the brand image. The Perfect Diary can be said to have completed a lot of work in terms of channels. Its marketing covers almost all popular marketing channels and then stands out from the public.

### 3. Method

#### 3.1. Research Design

In this essay, a SWOT analysis of the Perfect Diary brand will be done using both empirical and qualitative analysis.

SWOT analysis is the most basic method of empirical marketing analysis, which is a combination of strengths (S), weaknesses (W), opportunities (O), and threats (T). A brand can make the most of its marketing strategy by considering its market and its factors in combination with a SWOT analysis [18]. Perfect Diary needs to apply SWOT analysis to explore new marketing strategies and find new ways to build its brand image.

Zhang et al. applied the SWOT analysis method when marketing the Yongjia Wuniu morning tea brand. The main analysis content of this article is to enhance the brand's influence by building the brand image and grasping the brand positioning to help the Yongjia County Wuniu morning tea brand develop rapidly and steadily in the long run, and the analysis topic is similar to this article, which shows that the SWOT analysis method is also applicable to this article [14].

#### 3.2. Perfect Diary

Perfect Diary is a brand of Guangzhou Yixian E-commerce Co., Ltd. It was started in 2017 and sells cosmetics, beauty facial masks, cotton pads, skin care products, and cosmetics tools.

Since its inception, Perfect Diary has been rapidly gaining traction through online marketing and has become the "light of the nation". Established in 2017, Perfect Diary has become the No. 1 beauty brand among T-mall's young followers of domestic products in 2019 through online marketing. Within three years, Perfect Diary has become the most popular domestic beauty brand in China. In 2019, Perfect Diary was ranked the No. 1 color cosmetics brand and the Top 3 beauty brand on T-Mall.

However, online marketing all the time is not a long-term solution, and the "over-promotion and over-single" marketing strategy has caused Perfect Diary to keep getting worse. According to the annual report of Yixian Electric, the listed company to which Perfect Diary belongs, in 2022, Perfect Diary's revenue dropped by 36.54% compared to 2021, and from the stock quotation of Yixian Electric in 2022, Yixian Electric's issue price of US\$10.5 per share continued to fall below US\$1 per share from March 10, 2022, but fortunately, on June 24, 2022, the opening price of US\$11.50 per share was higher than the closing price of US\$1. The price rose back above US\$1 on June 24, 2022; otherwise, it would have been at risk of delisting. During the Double 11 promotion, Perfect Diary had been the first Chinese brand ever to win the championship in the beauty category, as well as in the categories of color palette, lipstick, mascara, and eyeliner. However, in 2022, Perfect Diary, which had twice won the top-selling makeup category, also disappeared from the top 10 makeup pre-sales for the year.

#### 3.3. SWOT Analysis

##### 3.3.1. Strength

The strengths of Perfect Diary are price, product, and promotion. According to the sales list of the official flagship store of Perfect Diary, the price of cosmetics such as lip glaze and lipsticks is around 70 or 80 yuan, and eyeshadow is around 100 yuan. Perfect Diary's "extreme cost performance" ripped open the beauty market competition and led to a breakthrough. It collaborates with the world's most trusted cosmetics manufacturers and has caused a stir among its customers by offering "affordable



alternatives of international brands" at a low price. Therefore, in the early days of sales, the perfect diary did increase a lot of sales because of its low price.

Perfect Diary products are packaged with a high level of appearance, such as the animal plate in the eye shadow plate and the business card lip glaze in the lip glaze. These are the keys to catching consumers' eyes. The Perfect Diary did, and it benefited.

Perfect Diary combines the publicity on Little Red Book, Tiktok, Weibo, Bilibili, and other social platforms with WeChat private marketing, which has played a very good publicity effect in the early stage.

As was already said, the low-price strategy, good product packaging, and the right kind of advertising will boost sales in the short term, and Perfect Diary has definitely benefited from this. In addition, this enables consumers to have a good impression of the brand in the early stages.

### 3.3.2. Weakness

The weakness of Perfect Diary is still with price, promotion, and placement as well. Starting with online stores, Perfect Diary mainly focuses on online stores. Although it has opened some offline stores in succession, it still lacks long-term planning and financial support.

Even though Perfect Diary's early low-price strategy helped it, it now makes people think of it as a low-end product, which isn't good for building the brand's image. In its early days, marketing of the Perfect Diary got it a lot of attention on the Internet. However, marketing of the Perfect Diary has become saturated and even too much, which has made customers unhappy.

As mentioned above, the more channels there are, the more favorable it will be to building the brand's image. Continuously low prices will damage the brand image, and frequent promotions will hurt the brand image. These are the weaknesses of Perfect Diary.

### 3.3.3. Opportunity

Some external factors provide Perfect Diary with a brand image. Under the leadership of the parent company Yatsen, Perfect Diary, together with the charity for the disabled project of the public welfare association, sold products on the live-streaming platform with special charity prices and gifts, and all the profits were invested in public welfare activities. By combining public service activities with "product" and "promotion", a positive and warm brand image is established in front of the public.

Using the International Consumer Goods Expo as a stage, Perfect Diary showed off a number of well-known products. Build a brand image with a global vision from "product" and "place". With the help of these external forces, Perfect Diary, through the four aspects of marketing mix theory, creates a positive brand image.

### 3.3.4. Threaten

The threats to Perfect Diary are the place, price, product, and promotion. The success of Perfect Diary's online marketing has led international makeup brands and many small brands in the United States to try to copy it. Its promotion model is not unreplaceable, and other brands have learned from its strategy. And this is no longer its exclusive advantage.

Since the type of promotion is no longer unique, Perfect Diary can't get the same benefits from blind network promotion as it did before. Moreover, as this kind of promotion has been learned by many brands, consumers will see more and more identical promotions, thus producing negative emotions that hurt the brand image of Perfect Diary.

Besides, other brands have reasonable positioning and pricing of high- and low-end products and complete online and offline channels. However, the low-price strategy adopted by Perfect Diary and

the disharmony between online and offline sales will cause consumers to question the product quality and brand capability, thus damaging the brand's image too.

## 4. Results & Discussion

### 4.1. Results

The results lead to a similar conclusion where the biggest advantage of the Perfect Diary brand is that the price is very moderate, which can allow many ordinary office workers to realize the freedom of makeup and can completely compete with the big brands. However, the disadvantage of Perfect Diary is that it pays too much attention to the effect of marketing and the promotion of channels, resulting in a serious lack of investigation and development. The trend of emphasizing marketing over the investigation and development of Perfect Diary is obvious.

### 4.2. Discussion

Products power brands. Good brands need good products to enter the market. Channels push marketing, brands pull. Branded products are consumed and promoted. A good distribution channel lets channel members and marketing professionals boost product sales and migration from upstream manufacturers to end consumers based on their interests. Companies invest extensively in brands and channels to boost sales.

The Perfect Diary survives on product excellence. Protecting product quality is like protecting life. Like multinational beauty brands, gold shines. Do a complete makeup analysis of the target group, grasp consumer wants, and target product analyses and development to determine each product's target market. Do not rush to introduce new products, but calm down repeated polishing, trial and error, and improvement; strengthen the cooperation with a few makeups head-to-toe KOLs, which extends to product development; and make sure each product is the best it can be. A product's core competitiveness depends on its problem-solving depth and efficacy.

Perfect Diary must play the function of fundamental makeup materials, continually solve product difficulties, and surprise consumers to break into the beauty sector. Advanced cosmetics will boost product competitiveness. The Perfect Diary brand is successful online, but retaining customers requires multi-dimensional advertising, customer review of items, classic, representative products, and products that suit consumers' changing beauty needs ahead of time.

Low-cost competition is risky. Cheap prices can boost Perfect Diary sales temporarily, but once it reaches peer profitability, it will lose most clients. Customers care about price, even if product quality can be enhanced later. Changing this consumption behavior is hard. Excessive marketing ignores customer consumption mood and is short-term and harmful to brand development. Perfect Diary cannot become a peer-only marketing brand, which will correct itself.

Ideal Diary should set long-term development goals, achieve sustainable development, and increase smooth, orderly performance without rushing. Second, any product should start with consumer demands rather than large names. Another is to use marketing mixes to choose a holistic and systematic strategy combination. Successful brands innovate.

Comparing the results of the proposed method with those of the traditional methods. The low-price competition strategy will indeed have a great positive effect on the early development of the brand's market, but long-term competition in the market through low prices will bring irreversible damage to the brand. By comparing the results from product and brand image, this paper hopes to determine that product concept, product design, and product packaging play a vital role in terms of brand image. As previously said, promotion has a certain positive effect on brand promotion, but excessive marketing will lead the brand astray. However, when comparing the results to those of older studies, it must be pointed out that the sales channel of Perfect Diary used to be pure e-commerce, gradually evolved

into online as the main offline auxiliary sales channel, Perfect Diary's online sales accounted for the vast majority, Perfect Diary opened stores are mainly concentrated in first-tier cities, and other cities, especially some underdeveloped transportation areas, cannot make up for the shortage of online sales and cannot respond in time. Perfect Diary offline stores do not play a role in collecting first-hand information, and product development often seems unsatisfied. What the brand needs to do is open up offline sales channels and work on management.

## 5. Conclusion

This article explores how to construct the favorable brand image of Perfect Diary against the backdrop of the Internet celebrity economy's rapid growth, rising consumer demand, and Perfect Diary's fall from brilliance to dilemma. This work identifies, evaluates, and fills up one part of the research gap on this topic in recent years. Marketing theory is defined simply, and its development process is detailed, so that the prerequisite for theoretical study can be met. Then, a literature search is undertaken on the four parts of marketing theory—price, place, product, and promotion—in order to investigate the rules and combine the positive and negative effects of these four points and the brand image gleaned from recent studies. In conjunction with the brand analysis and SWOT analysis, the current "strengths," "weaknesses," "opportunities," and "threats" of the Perfect Diary are summarized from the four perspectives of pricing, place, product, and promotion. To rebuild a favorable brand image, it is concluded that Perfect Diary should concentrate on addressing the present problems with promotion, placement, and pricing.

This paper explains, in the problem position of the Perfect Diary, how to begin establishing a favorable brand image in order to recover its losses and become a domestic brand with attitude and aptitude. Similarly, the study in this paper on the combination of pricing, place, product, and promotion — the four parts of the marketing mix theory — and the SWOT analysis offers other brands in the cosmetics industry insight into how to enhance their brand image.

Yet, this paper has its limitations. As the solution focuses solely on brand image, there may be insufficient consideration for other factors. In addition, due to time and resource constraints, this theoretical assumption cannot be implemented in practice, hence the actual effects of this strategy cannot be evaluated. It is also hoped that these shortcomings can be addressed in future research in order to achieve a thorough examination of this issue.

## References

- [1] Wei,W.Q., Li, X., Wang,T.Z.: *Discussion on the current situation and countermeasures of online marketing of domestic beauty brands--Taking Perfect Diary as an example*. *Enterprise Reform and Management* 417(4), 38-40 (2022).
- [2] Li,T., Shi,D.: *Perfect diary:Without R&D, the high light will eventually fall apart*. *Business School* (01), 61-63(2022).
- [3] Jerome McCarthy. *Basic Marketing*. Michigan State University,(1960).
- [4] Philip Kotler . *Marketing Management: Analysis, Planning and Control*(1967).
- [5] Liang,Z.L.: *Research on the status of omni-channel marketing in beauty brand marketing strategy*. *Trade Show Economics* (01), 37-39 (2023).
- [6] Tu,M., Guo,J.: *Low price strategy and brand image of Shenzhou computer*. *Business Culture(Academic Edition)* (07), 159 (2007).
- [7] Song,Y.Q.: *"Low price is about to go out" can't get through*. *China Brands*151(01), 48-53 (2020).
- [8] Li,S.Y.: *Analysis of the relationship between MUJI product packaging and brand image establishment*. *Art Science and Technology* 27(2), 1 (2014).
- [9] Zhang,Z.H., L,X., Guo,W.J.: *On Unity in Industrial Design*. *Packaging Engineering* 26(04), 131-133 (2005).
- [10] Sun,D.M., Zhang,H.: *Product Image Design under the Influence of Brand Strategy*. *Corporate Vitality* 8 (08), 32-33(2007).



- [11] Jiang,Z.B., Guo,X.W.: *An empirical study on the influence of free sample promotion on brand image and consumer purchase intention in food industry. Advertising Grand View (Theoretical Edition)* (06), 29-41(2016).
- [12] Zhao,X.Z., Song,Y.Y.: *The influence of full discount promotion and full gift promotion on brand loyalty. Enterprise Economics* (01), 20-24(2016).
- [13] Shan,G.: *Research on the influence of price promotion on corporate brand image and customer purchase intention: A case study of garment industry. Market Economy and Price*(08), 16-20(2014).
- [14] Zhang,B.P., Huang,L.Y., LV Hailin.: *SWOT analysis of brand marketing of Yongjia Wuniu morning tea. China Tea* 44(09), 54-59 (2022).