

Psychological Analysis of Chinese Women When Buying Cosmetics

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Abstract: The 21st century is the age of the Internet, especially in China. During the covid-19 period, people's lives are mainly supported by e-commerce. Therefore, e-commerce not only has brought a lot of commercial values in the new era but also driven the rise of a series of industries, and cosmetics is the most important one. However, more and more cosmetics industries emerge, but many of them just blindly making products without knowing the target groups and their preferences. Exploring the psychological activity of consumers will point the way for cosmetics companies in developing new products and promoting them. In the essay, SWOT analysis (Strengths, Weakness, Opportunities, Threats) will be applied. According to this essay we will know about the influencing factors when Chinese women are buying cosmetics, and this paper will also segment customers and analyze their mental activities when buying, and use three brands, high-end, middle and low-end, as examples to better demonstrate. Nowadays, China's total consumption has surpassed Japan to become the second largest cosmetics market after the United States. According to Shiseido, China's "core cosmetics population" stood at 100 million in 2010 and is expected to reach 400 million by 2020. Now more and more companies are seeing this opportunity and becoming more interested in the cosmetics industry and investing in it. However, most of the articles now are aiming at analyzing the marketing strategies or market researches of various cosmetics companies, but few of them analyze consumers. Whether cosmetics companies have effectively solved customers' troubles when buying and whether they have guessed customers' preferences should be the issue that the cosmetics industry should consider now. This essay will analyze the psychological factors affecting consumers when buying cosmetics, segment the client base, and provide case analysis to help enterprises determine customer groups, so as to develop targeted products.

1. Introduction

According to the survey, the global cosmetics market is developing rapidly and showing a strong growth momentum. In 2004, the sales volume of cosmetics in the United States reached \$247 billion in 2008. According to the authoritative survey data, the sales volume of China's cosmetics industry has been increasing at an average annual rate of 25% in the past 10 years, and now it has become the eighth largest cosmetics market in the world and the second largest in Asia. Experts predict that the total sales of cosmetics in China alone will reach 110 billion yuan by 2015. This means that the Chinese cosmetics market still has huge development potential. Except for the current background of society, women's special features are important too. Different types of women actually have different features and different psychological activities when they purchase. In the consumption of cosmetics, consumers may judge products from four aspects: safety, price, packaging and use feeling. However, except these four aspects, there are also other different psychological factors, which I will analyze later, that affect their purchase. In conclusion, people will understand what women consumers are really thinking about when they are buying cosmetics, and cosmetic industries can know how to confirm their target customers, so they can better produce new products.

2. Psychological Factors Affect People When They Are Doing Purchases.

2.1 Motivation Describes the Customer's Willingness to Buy.

A consumer's motivation is the basic degree of the psychological drive behind a specific purchase. If the consumer's motivation is high, that basically means that the level of need, or the consumer's perception of that need, is strong. Given a high degree of motivation, the individual will actively seek to satisfy that need by making that purchase.

2.2 Perception Influences the Way a Consumer Sees the World.

Consumers also have perceptions of themselves that may affect a particular purchase. For example, people who view themselves as having exquisite taste are willing to pay more for a specific brand or product that is perceived to be "the best." By the same token, consumers who pride themselves on being great bargain hunters may choose a lesser-priced product, even though they might otherwise prefer the pricier option.

2.3 Experience Describes the Impact of Familiarity on Decision Making.

Consumers are above all human beings, and all human beings are products of their experiences. We catalog each experience we have as either good or bad. Then we recall that experience and how we categorized it when a similar situation arises. These experiences influence a shopper's behavior by changing the way the consumer reacts to products similar to those they're familiar with.

2.4 Belief Describes the Consumer's Attitude Towards a Brand.

Consumer's beliefs and attitudes greatly influence the buying decisions that consumer makes. Beliefs are the way people think about a particular product or brand, while an attitude is the individual's consistently favorable or unfavorable evaluation, tendency or feeling about a product or brand.

3. Psychological Factors That Only Affect Female Consumers.

Women are easily influenced by the atmosphere such as advertisements. Under the influence of advertisements, women are more likely to buy things that do not usually buy.

Women are more easily be affected by other people. Different from men, females are more likely to be influenced and are more likely to have group interaction and group psychology. Therefore, when selling cosmetics, salespeople can appropriately praise customers thus can trigger infectious consumption.

Women are more prone to emotional spending. They often consume in extreme situations, such as being really sad or happy. But excessive influence may backfire and make customers reluctant to buy.

Women can also be affected by excessive discounting. If the product is on sale, women will buy things they wouldn't normally buy.

4. Ways to Distinguish Target Customers (Consumer Segmentation)

Start with the problem. A good way to determine who is likely to become your customer is to clarify the problem that your product or service addresses. For example, you run a housecleaning service. The problem that you solve is doing cleaning for people who cannot or do not want to do these jobs themselves.

Define your customer's characteristics. Listing out the characteristics of your typical customer is another good step towards identifying your target market. These characteristics need not be personal ones; they can pertain to lifestyle, income earned, disposable income, geographical location, hobbies, and many other things. For example, for a gardening service, one type of target customer is people who live in neighborhoods with well-manicured lawns, attractive plantings and colorful flowers around their homes.

Study your current customers. Assessing your current customers and identifying the common characteristics they share is a great way to learn who else could be a potential customer for you. Ask them what they like about your company, how they use your products, how they heard about

you (if they are new) and what they prefer about buying from you. The more you know about your current customers' buying preferences, the better you'll be able to target your marketing to prospects with similar needs, preferences and characteristics.

Who buys and why? Surprisingly, knowing the kind of customer who needs your service may not be enough to win sales. For example, the elderly widow who lives by herself may need to have someone do the cleaning for her but can't afford the service herself. The real customer in this case would be the widow's 50-year old daughter who chooses and pays for the service. Similarly, while many adults in the US think they should go to a gym to work out, a lot don't because they are worried about being embarrassed, or don't want to spend a lot of money, and then not use the service.

5. Benefits to Help People Better Understand What Consumer Segmentation Can Help Us Do.

Better products and services. By understanding the needs of different customer groups, your products and services can evolve to better meet those needs. This improves customer satisfaction and sales growth.

Increase in revenue and profits. As Williams Sonoma notes, customer segmentation not only improves products and services, it also improves your bottom line. This is because segmentation identifies the customer base that best meets your business needs. Through segmentation analysis, the business objectives are achieved more effectively. So you can target the most likely customers to transform, improve customer management and return on investment. Therefore, a higher profit will be obtained.

Improve marketing strategy. Customer segmentation is critical to creating a strong marketing strategy and achieving marketing KPIs. For example, personalized marketing messages targeted at specific market segments lead to better response rates and conversion rates. Segmentation is used to group customers in the customer lifecycle to improve personalized messaging. As you can see, customer segmentation applies to almost all areas of marketing.

Costs can be lowered. Another benefit of market segmentation is its ability to reduce costs. By doing this, you avoid wasting sales and marketing efforts chasing potential customers who don't fit into your product, or who aren't your most profitable customers. Market segmentation analysis reveals the characteristics of those long-term customers, as well as the types of strategies, such as loyalty programs, that best retain different customer groups.

6. Example

This paper will then introduce three brands, high-end (Chanel), middle (Perfect Diary) and low-end (YMJ), with SWOT analysis to discuss how they segment their customers and how they apply their costumers' psychology to marketing.

6.1 Case Study: Chanel

Chanel adheres to the route of global high-end luxury goods. Since it entered the Chinese market more than ten years ago, all its products have been imported from France with the original packaging. There is no sub-brand or any agent in China currently. The Chinese market of Chanel is very optimistic, its sales volume keeps rising, and its profit margin is in double digits. In 2017, Chanel had sales of \$9.62 billion, up 11.5 percent from 2016, surpassing Gucci and Hermes, but probably falling behind Louis Vuitton, the world's largest luxury brand. The net income last year was \$1.79 billion, up 18.6 percent from a year earlier. Chanel in 2017 said that Europe remained the largest market with sales of \$3.9bn, while Asia, including China, was the second largest, up 16 percent year on year to \$3.75bn. It can be seen that China's market is getting larger and larger, Chinese women are also particularly enthusiastic about buying luxury cosmetics. Chanel has 34.9 million followers, which overtook Gucci (34.26 million) and Dior (28 million) in 2019, while this also means that Chanel has one absolute advantage over other brands when advertising. Most of the buyers of Chanel are between 20 to 40 years old and have high incomes and are generally highly

educated. Since the consumption motivation for luxury goods is not only limited to product quality but also focuses on the customer experience. Chanel's counters are usually in the high-end business district with an elegant and fashionable consumption atmosphere, so that customers are willing to come. Moreover, it pays great attention to after-sales service. It has a very perfect customer information management system, so its customer base will gradually become more and more stable. And since Chanel is an old brand, it also has a loyal customer base. Chanel will regularly remind their customers that they have designed new products and will give samples of cosmetics to win customers' favor when they buy products. Chanel is very clear about its target customers, and it will not lower prices to open the market, so that it can stick to its high-end brand line.

6.2 Swot Analysis Chanel:

Strengths: Advantages of tangible assets: Chanel has advanced production lines, top technology, abundant resource reserves, and it different products to deal with different skin types and different skin problems. Intangible assets advantages: Chanel has an excellent brand image, good business credit and aggressive corporate culture. Chanel is a famous brand with more than 80 years of experience. It sets up an excellent brand image for the company with excellent and elegant quality. **Weaknesses:** 1. Chanel lacks competitive intangible assets; its corporate culture is not universally familiar; it is only popular among the upper class. There is still a large market to be explored. 2. Chanel's competitiveness is being lost in key areas. Luxury brands like Dior or Armani keep launching new products, and with the rapid development of the cosmetics industry, many later emerging affordable brands have launched cost-effective products. That puts Chanel in a precarious position. **Opportunity:** Expanding the customer base or product market segment. The consumer group of Chanel can also be expanded. In order to stabilize the position of Chanel luxury goods, it can create a subsidiary that specializes in selling affordable cosmetics to the middle-end customer group, so as to meet the needs of more consumers. **Threat:** 1. Adverse changes in exchange rates and foreign trade policies. 2. Demographic characteristics. Compared with western women, Chinese women have very different requirements for cosmetics, such as the color, the sense of use, and the smell.

6.3 Case Study: the Perfect Diary

Perfect Diary was officially launched in 2016. However, it only took less than five years to become one of the TOP 10 cosmetics brands. Perfect Diary is now valued at 2 billion yuan. Perfect Dairy uses major media platforms to do content marketing across the web. For example, Tiktok or Microblog. In addition, Perfect Dairy's marketing strategy is most associated with the key opinion consumer (KOC). The KOC is closer to consumers, and consumers are more likely to believe what they say. Perfect Dairy will send its cosmetics to different KOC and let them evaluate them then recommend them to consumers. In this way, Perfect Dairy does not have to spend a lot of money and invite stars to do the advertisement, but can also attract a lot of consumers. Perfect diary uses a specific set of WeChat accounts to apply KOC to this concept. Through the analysis of those WeChat accounts' data, it can be seen that they usually post advertisement on their Moments in three main time point: 9a.m.-10a.m., 4p.m.-5p.m., and 10a.m.-11a.m. in the evening (sometimes at other times as well), this time is more in line with the habit of commuter when they are browsing: this is the time when they are having breakfast or going to the toilet or when they just arrive at the company, so they can check their Moments. At 4p.m.-5p.m. in the afternoon, and 10a.m.-11a.m. before going to bed, people usually check their Moments to have a rest. And in order to prevent user's aversion, the same product less than 3-4 times, and when they are advertising, they are not a blunt send a link, but to guide users to actively express the purchase intention. Most of the Perfect Dairy's buyers are women aged between 20 and 30, who are students or commuters who do not have a lot of money. Therefore, the consumers of Perfect Diary pay more attention to the price of the product when they buy, and they will care more about the colors of cosmetics. In addition, women in their 20s and 30s also pay attention to the elegance of products' design. And Perfect Diary is also very clear about its customer groups, so it focuses on making affordable cosmetics. The packaging of its products can always catch people's attention. The unique creativity is reflected

in the packaging design, rather than following the market trend, with rich connotation and aesthetic feeling.

6.4 Swot Analysis of Perfect Diary:

Strengths: The best way to understand consumers is to approach them. Most of the employees of Perfect Diary are aged from 20 to 30, which is the highest consistent of the target consumers. Perfect Diary's target consumers are very young, so it pays attention to its products' individuation. **Weaknesses:** Perfect Dairy's excessive advertisement causes the consumer's disgust. Perfect Diary always occupies all kinds of media for a long time, inevitably arouses people's antipathy. In addition, perfect Dairy also exaggerates the effect of its products which may eventually reduce the brand credibility. These exaggerations have been criticized by some consumers now which cause a negative impact on the reputation of the enterprise and products. **Opportunity:** Perfect Dairy can reduce the degree of publicity to avoid consumers' disgust and improve its products' quality to increase consumer viscosity. **Threats:** The rise of other Chinese cosmetic brands cause threats to Perfect Dairy.

6.5 Case Study: Ymj

YMJ is an old Chinese brand that mainly focuses on baby and child skincare products. Chinese people pay a lot of attention to the care of infants and children. With the rapid development of the infant products market, a variety of baby and children products have emerged. However, when people purchase, YMJ is always the first brand that comes into mind. YMJ's group has more than 50 scientific researchers with senior professional technical titles, and has hired biophysics, dermatologist, and professors at medical universities with rich clinical experiences as t committee members of the YMJ technical center. With advanced scientific research achievements and core technologies, the R&D center has applied for 247 patents, including 7 international invention patents, 9 domestic invention patents and 14 utility model patents. YMJ's total assets evaluated as 166 million yuan, and with the rapid economic growth, sales revenue increased by 20% for eight consecutive years. YMJ's customer group is mainly children, and children's skin is delicate, so the products only need to do basic hydration. And because YMJ's products are usually skincare product for children, Yu Mei Jing's products are very safe and affordable. And since safety is the most important consideration for women when buying low-end brands like Yu Mei Jing, a lot of adults are attracted to buy the cosmetics of YMJ.

6.6 Swot Analysis of Ymj

Strengths: YMJ usually sells safe and high-quality products at low price, and since it is an old Chinese brand, it has a good reputation of consumers and years of development have obtained consumer recognition for YMJ. **Weaknesses:** YMJ has simple types of cosmetics, and insufficient promotion, which cannot let it open its market. **Opportunities:** YMJ can build brand value through consumers' feelings towards old brands. **Threats:** The strong publicity of other Chinese cosmetic brands.

7. Conclusion

In conclusion, makeup has become a new fashion trend. Relying on the huge population base, China has become one of the largest cosmetics markets in the world. Women of different ages and different social statuses are willing to improve themselves through makeup. Therefore, it is particularly important to analyze the purchase of cosmetics by Chinese women. This essay carries out customer segmentation and psychological analysis of cosmetics buyers, and introduces three high-end (Chanel), middle-end (Perfect Diary), and low-end (YMJ) brands to better discuss how does each company applies consumer behavior analysis, or say consumer phycological analysis, to marketing. For Chanel, its products correspond to its customers' strict requirements on product quality, and at the same time satisfy female consumers' satisfaction of vanity; its customers also have the capital to pay for high-end products like Chanel. However, Chanel did not fully combine

the female characteristics of various regions to launch products, and the popularizing rate of customers was too low to open the market, so it did not use irrational consumers to the maximum. For Perfect Dairy, it has a very accurate position of its target consumer and has made a very detailed analysis of them. However, since it fails to grasp the characteristics of consumer behavior analysis that consumers should not be overly influenced, Perfect Dairy should reduce marketing to avoid antagonizing. For YMJ, YMJ has always been very clear about its main customer group -- children, and because of its safe ingredients, consumers will have less worry when buying, while the reason of its low price will encourage more people to buy. However, YMJ's product quantity is limited, so its products cannot solve different kinds of problems of different customers. According to this, cosmetics companies will be able to combine the advantages and disadvantages of each company with the psychological factors that affect people's purchases that are discussed in the essay and learn from these then develop their new products. Understanding the needs and psychological activities of consumers can help today's cosmetics market to subdivide their target groups, understand their consumers' preferences, and then design products. This essay can provide help for the prosperity of the cosmetics market and lay a solid foundation.

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