Analyzing Proya's Online Competition Strategy on Douyin

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Abstract: With the rapid advancement of science and technology and the increasing popularity of the Internet, traditional offline sales have failed to satisfy the needs of consumers. This trend has caused concern and competitiveness in the cosmetics industry. In the second and third-tier markets, Proya is a fast-growing brand that has undergone three stages of development: establishing the brand, exploring external expansion, and strategic upgrading. To cope with fierce market competition, Proya needs to seize the Internet development trend, strengthen brand building, transform and upgrade from a channel brand to a consumer brand, and enhance online sales channels for strategic upgrading. Proya has successfully rebuilt its brand image, expanded its consumer base, and captured market share for its future development by expanding Douyin's e-commerce business and launching the low-cost Ruby Essence. To become a century-old brand, Proya must adhere to high-quality products and services and strengthen communication with consumers.

Keywords: online competition strategy, Proya, Douyin

1.   Introduction

In today's era of rapid development in science and technology, the internet has become increasingly advanced [1, 2]. Traditional offline sales are just one of many ways to sell products [3, 4]. With the emergence of many new cosmetics brands and the competitive pressure faced by established cosmetics brands, Pelaia needs to find a way to highlight its advantages and seize sales opportunities in order to stand out in the fiercely competitive market. Fang Yuyou, CEO of Proya, once said: "If you ask me why I am still working hard, I will tell you that I want to build Proya into a century-old brand. The first ten years were just the beginning of Proya. Now, the most important thing is the future. Where will Proya go?".

2.   Theoretical Background

In the decade of development of the franchise store channel, Proya has made brilliant achievements. However, the brand's path in the next decade is at stake. It remains to be seen if Proya will successfully stand out from the crowd. According to the Five Forces model of Proya port, the competition that Proya faces mainly comes from suppliers. To break the industry's status quo, Proya needs to seize the opportunity of the Internet's development and formulate corresponding competitive strategies. First, it should start with the brand and dedicate itself to the transformation and upgrade from channel brand to consumer brand. Then, it should expand sales channels outwardly to carry out strategic upgrading.

The development process of Proya Company can be divided into three stages. The first stage is the brand precipitation period, which was founded in 2003 and established in 2006. During this period, overseas brands dominated the cosmetics market in China's first-tier cities, and Proya expanded its business by setting up specialty daily chemical stores in second and third-tier cities [6]. The second stage is the exploratory period of external expansion. The company focused on multi-dimensional development and set up a scientific skincare laboratory while building its production base in Huzhou for product research and development. In terms of brand, Proya signed contracts with local TV stations to enhance its brand strength and launched several sub-brands to explore collectivism. Regarding channels, the company established Meiligu E-commerce Company in 2012 and began to lay out online media. However, the company still primarily focuses on offline channels [7]. The third stage is the period of strategic upgrading, in which the company actively promotes reform and upgrading after going public. In 2018, the company launched the "troika" strategy, focusing on developing the leading brand Proya and its online channels. In 2020, the company will expand on its "6*N" strategy. This includes launching single large products at the product end, powering Douyin e-commerce at the channel end, and upgrading the brand end to the platform. In 2022, the leading brand Proya ranked first in the "38" and "Double 11" promotion, which marked the initial results of the company's transformation from channel-driven to product-driven [8, 9].

3. Proya Online Competitive Strategy Analysis: Douyin

3.1. Online Competition Strategy

With the advent of the Internet era, the Proya brand seized the opportunity of Internet development, especially in recent years with the rapid growth of social media. Proya now uses internet social media marketing to recreate its brand image, expand its consumer base, and gain a competitive edge in the market. The following is a strategic analysis of Proya's online Jitterbug competition. Proya's online Jitterbug competition strategy is mainly reflected in the following five aspects [10].

First, Proya adopts the layout of the Douyin matrix account. Currently, there is only one official flagship store of Proya in Jitterbug, and nine blue V accounts are laid out. These mainly operate the official flagship store of Proya. Proya Time Secret is especially dedicated to doing short video promotion, Proya Brand Lives does live streams with goods and live clips, and Proya Supreme Youth does live clips.

Secondly, the Proya brand mainly operates through live broadcasts. The brand's official account has a total of 3.717 million fans, with 75 live broadcasts featuring goods in the past 30 days. The live sales for these broadcasts amounted to 36.1016 million, with a conversion rate of 0.9%. On average, each live broadcast showcases 27 products, and the brand usually broadcasts for more than 4 hours. The live broadcast strategy is primarily focused on self-broadcasting, where the anchor emphasizes limited-time discounts and showcases products without being too pushy. The brand also offers various online benefits to attract new and retain old users. Additionally, Proya has implemented an all-day self-broadcast strategy as part of its live broadcast matrix.

Thirdly, Proya has strategically placed their head KOL with goods experts on each layer of experts, with the number of placements decreasing step by step. The 10 million fans of the head KOL contributed 49% of Proya's sales, making the effect of top talents on Proya's sales significant. One super headmaster with 100 million followers taught me how to apply foundation, emphasizing its suitability for oily and normal skin and the creaminess and non-fluidity of the powder. The new version of the product shows a noticeable difference from the old version, with the makeup effect being more visible in close-up shots. The product has better oil control power and concealing power, but the disadvantage is that it oxidizes and darkens faster, which is still acceptable.

Fourthly, the official account continues to output content. So far, Proya's official flagship account has released a total of 4,511 works and initiated and participated in topics such as "Fearless Self". Regarding daily content, Proya Douyin's account follows Douyin's popular issues, such as "What girls won't find out" and "Welcome back to the 80s", etc. Additionally, it classifies video collections and implants product information in funny clips or popular science content. This study introduces our products in entertainment and keeps up with the development trend.

Fifth, to create momentum and help out of the circle, Proya should seek the assistance of celebrities. On July 28, 2021, which was Douyin Super Product Day, Proya invited artist Fan Chengcheng to conduct a special live broadcast. The company heavily invested in the soft and hard advertising resources of Douyin station, connecting online and offline through large-scale momentum to help Douyin activities out of the circle. According to data, the sales of Proya peaked that month on that day, with 64,000 units sold in a single day, and GMV reaching 1432.3W.

3.2. Research Insights

This study analyzes the differentiation strategy of Proya's products with the help of Proya. The first strategy is the differentiated positioning and dislocation competition in efficacy. The second strategy involves locking the relatively blank mass price band essence market after having a price advantage. Proya's competitive advantage is to create brand value through leading content marketing. Proya's operation on Jitterbug is extremely refined and targeted to highlight the focus and differences. The company organized a "Super Brand Day" event on the Jitterbug platform, with spokespeople dropping in live to connect with fans. Additionally, Proya used online third-party platforms to analyze user traffic and improve user experience, activity, and loyalty to the brand. We utilize the Jitterbug platform's big data algorithm to screen users and deliver personalized, product-related short videos. We continuously provide product information to the user group to establish brand recognition until purchase. Due to the normalization of daily live broadcasting and diversification of activities, broadcasting for six hours a day, every day of the year, will become the standard for attracting potential consumers promptly and comprehensively. The brand's self-broadcasting requires a rich live broadcast room to retain the audience's attention. Additionally, we adopt a comprehensive layout from a single breakthrough point, allowing Jitterbug e-commerce to encompass short video e-commerce, live e-commerce, search e-commerce, small store e-commerce, and private domain e-commerce. The period of brand growth requires a comprehensive layout to break the product out of the circle. Brand maturity, on the other hand, requires a comprehensive layout to reduce costs and create a sustainable competitive advantage. Good content attracts a lot of traffic and can trigger interest. Therefore, there is a growth flywheel for Jitterbug e-commerce: first, generate traffic overflow with seeding and short videos; second, harvest the overflow traffic with live streaming; third, increase the weight of the search, and overlay the optimization of search keywords to further increase traffic overflow. Lastly, there are ample opportunities for the waist of the matrix type of Daren to bring goods: many small and medium-sized Daren can collect and match their products, conduct extensive promotion layout, and concentrate accurately to seize the target user group's mind.

4. Conclusion

Proya expanded its reach by launching a cost-effective ruby essence through the Jitterbug store and revitalized its brand image using internet social media marketing to attract new consumers and capture a larger market share. The enterprise spirit of "diligence, pragmatism, aggressiveness, honesty, and gratitude" helped Proya stand out for its product strength. Although Proya is known for high-performance products, improving a single product's effectiveness can lead to profit compression. Proya expanded its brand by developing mid-to-high-end secondary brands; however, self-

construction-based Proya will face higher incubation risks and marketing costs compared to acquisition-mode expansion by international brands like L'Oreal, P&G, and Amore Pacific. Furthermore, Proya's products' appearance and packaging, customer service communication issues, and adverse reactions have received an incredibly high number of negative reviews. With the increasing competition in the industry, more attention needs to be paid to product and service details, as well as addressing the challenges posed by new and established domestic and foreign brands.

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