

A Study on the Factors Affecting Brand Competitiveness of Cosmetics Enterprises: A Case Study of Shanghai Pechoin[†]

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Abstract

China's economy has been growing, and the level of national consumption is rising rapidly. Chinese cosmetics enterprises ushered in a new era of rapid development. However, since the foreign well-known cosmetics enterprises have successively entered the Chinese market, the huge gap between Chinese cosmetics brands and foreign cosmetics brands makes Chinese cosmetics brands in a weak position in market competition. With their advantages, foreign well-known cosmetics enterprises have begun to gradually take the market share of Chinese cosmetics brands. Therefore, for cosmetics enterprises, only with strong brand competitiveness can survive and ensure the profit margin. In order to enhance and maintain a strong brand competitiveness in the competitive market, it is necessary to do in-depth research on the factors affecting the brand competitiveness of cosmetics enterprises.

By adopting the method of case study, this paper takes Shanghai Pechoin company as a case. Through quantitative analysis of the competitiveness of this iconic national brand, the paper tries to clarify the relationships between brand competitiveness and brand market ability, brand management ability and brand basic ability. This paper also tries to point out the existing advantages and disadvantages of Shanghai Pechoin brand, and hence puts forward suggestions on the improvement of brand competitiveness. Based on the actual situation of China's cosmetics market, from the three aspects of brand market ability, management ability and basic ability, this paper puts forward strategies and suggestions to improve the competitiveness of cosmetics brands, specifically, expanding sales channels, optimizing marketing strategies, expanding product functions, improving product quality, increasing market research, developing new products, optimize the internal structure of the enterprise and improve the production efficiency.

Keywords: Cosmetics enterprises, Cosmetics brands, Shanghai Pechoin, Brand competitiveness

Introduction

The cosmetics industry is highly dependent on brands. With the continuous deepening of reform and opening up and the entry into WTO, more and more foreign cosmetics giants began to come into Chinese market, such as L'Oreal of France, Shiseido of Japan, P&G of the United States, etc. The strength of multinational cosmetics enterprises and rich product lines have led to great changes in China's cosmetics market. At the same time, with the improvement of the living standards of the Chinese people, Chinese consumers are willing to pay more and more attention to the popularity and quality of commodities. Due to the rapid development of the Internet economy, consumers' purchasing channels have been broadened. Many domestic cosmetics brands have been gradually faded out of the cosmetics market by foreign well-known brands such as foreign cosmetics brands mentioned above. As domestic cosmetics brands are mainly middle and low-end brands, middle and high-end cosmetics brands are seriously lacking. The characteristics of single product and low technology content lead to the disadvantage of Chinese local cosmetics brands in the fierce market competition. Low cost and low-end have become the positioning of

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Chinese cosmetics brands in the mind of consumers. Chinese cosmetics brands have lost most of their market share in the impact of foreign cosmetics giants. Therefore, Chinese cosmetics enterprises must attach great importance to their own brands and enhance their brand competitiveness in order to have the strength to compete with foreign well-known cosmetics brands.

Along with the global economic integration, the competition among enterprises in various countries is becoming more and more fierce. The creation of internationally renowned brand by has risen to the level of national strategy, and has also become an important indicator to measure national economic strength. At present, there is few research on the influencing factors of the brand competitiveness of cosmetics enterprises. At the same time, many domestic cosmetics enterprises lack the understanding of the importance of the brand, which makes them lack the long-term vision and awareness of the overall situation. Under such a background, this paper tries to understand the influencing factors of cosmetics enterprises' brands, and aims at improving the competitiveness of Chinese cosmetics brands by analyzing various factors affecting the competitiveness of cosmetics enterprises' brands from both theoretical and empirical perspectives. To explore the influence of different factors on the brand competitiveness of cosmetics enterprises, combined with the current situation of China's cosmetics market, this paper puts forward appropriate suggestions and strategies to enhance the competitiveness of China's cosmetics brands, so as to provide reference for the long-term development of Chinese cosmetics enterprises. The main research objective of this paper is to find out the factors influencing brand competitiveness of cosmetics enterprises. Specifically, the research objectives are:

- 1) To study the relationships between brand market ability and brand competitiveness;
- 2) To study the relationships between brand management ability and brand competitiveness;
- 3) To study the relationships between brand basic ability and brand competitiveness.

Literature review

Many enterprises begin to pay attention to the methods and countermeasures to enhance the brand competitiveness of enterprises, laying a solid foundation for the long-term development of enterprises. Many scholars have studied the factors that affect the brand competitiveness of enterprises from different angles. Lin (2012), believes that private enterprises should position their brands based on market feedback, strengthen the publicity of their brands, and create a good brand image to enhance their brand competitiveness. Pan (2010), pointed out that in order to improve the brand operation competitiveness of retail chain enterprises, it is necessary to improve the brand basic competitiveness of retail chain enterprises, effectively optimize the customer experience and enhance the experience competitiveness of consumers. Zhang (2018), studied the impact of technological innovation on the competitiveness of enterprises, and pointed out that enterprises must constantly improve their independent innovation and R&D capabilities, increase their support for technological innovation, and more accurately grasp the future market development in order to continuously enhance the competitiveness of brands. Liu (2017), studied the impact of corporate culture on brand marketing, and pointed out that consumers' loyalty, perception, satisfaction and sales execution directly affect the brand competitiveness of enterprises. Li (2014), conducted a structural analysis on the influencing factors of brand competitiveness of manufacturing enterprises, pointing out that the brand awareness and brand literacy of leaders have a crucial impact on brand construction. Wang (2017), studied the factors influencing the brand competitiveness of Liaoning equipment manufacturing enterprises, and pointed out that Liaoning equipment manufacturing enterprises should start from environmental, resource, corporate culture, product quality and brand operation ability factors and other external factors, so as to continuously improve the brand competitiveness of enterprises. Li (2014), studied the impact of corporate culture factors on corporate brand competitiveness, and pointed out that the creation of an excellent brand has a direct connection with the creation of an excellent corporate culture, so as to further enhance the competitiveness of the brand. Xu (2005), pointed out that the brand competitiveness of enterprises has 2 sources: Internal and external. The internal sources are mainly market sources and product sources. The external sources are mainly industry, government policies, education culture and strategic alliances. The brand competitiveness of enterprises is mainly the organic integration of brand competitive assets, brand environment and competitive process. Yu (2007), pointed out that the

brand competitiveness of enterprises is the result of the interaction and mutual restriction between the subject and object. As the subject of brand competitiveness, enterprises effectively tap the internal needs of consumers with the help of their products, various media and sales channels, so as to continuously improve the brand competitiveness of their products. Luo (2017), pointed out that the image of an enterprise's brand is processed by advertisers and various media platforms, and is reviewed, filtered and reprocessed by consumers. Han (2008), analyzed the indicators that affect the brand competitiveness of enterprises, including brand awareness, brand awareness, brand reputation, brand loyalty and brand association. Qian (2017), studied how to increase the competitiveness of enterprise brands from the perspective of enterprise brands and product brands, and pointed out that enterprises can improve the competitiveness of enterprise brands through the organic combination of enterprise brands and product brands in the process of development. Qiu (2016), studied the product sales data of an underwear enterprise with the help of smart PLS software, and pointed out that product quality and product brand reputation have a crucial impact on the loyalty of underwear customers to buy products online. Only by continuously improving product quality and product reputation can customers' loyalty to the enterprise be continuously improved, so as to establish a good corporate brand image among the vast number of consumers. He (2019), pointed out that the brand of an enterprise has both national and regional differences. Therefore, in order to improve the brand competitiveness, an enterprise must strengthen the regional recognition ability of its own brand and establish its own characteristic culture in combination with the local regional characteristics.

Cosmetics enterprises have developed rapidly with the continuous improvement of national living standards and the growing demand for cosmetics. At the same time, with the rapid increase in the number of cosmetic enterprises, the competition among cosmetic enterprises is becoming more and more fierce. As far as cosmetics enterprises are concerned, they should strengthen brand building, establish a good brand image in the minds of consumers, and constantly enhance the brand competitiveness of cosmetics enterprises. With the improvement of consumption level, Chinese consumers' demand for cosmetics is increasing day by day. The brand awareness of cosmetics has become a standard for consumers to measure when they buy cosmetics products. At present, the well-known cosmetics brands in China's cosmetics market are mainly foreign brands, while the domestic cosmetics have low popularity, production technology and low market share. Based on this, this paper studies the factors that affect the brand competitiveness of cosmetics enterprises, and more objectively understands which factors have a crucial impact on the brand competitiveness of cosmetics enterprises, so as to provide a practical reference for Chinese cosmetics enterprises to enhance the brand competitiveness.

Hypotheses development

In this paper, the factors influencing the brand competitiveness of cosmetics enterprises are divided into 3 parts: Brand market ability, brand management ability and brand basic ability, and the following research hypotheses are made:

Hypothesis 1: Brand market ability and brand competitiveness are positively correlated.

In the process of operation and development, enterprises actively explore new markets and constantly improve their market share, so as to attract more consumers to understand the enterprise's brand, become the loyal customer resources of the enterprise, and ensure that the enterprise occupies a favorable position in the fierce market competition. Therefore, this paper makes the research hypothesis that "brand market capability and brand competitiveness are positively correlated".

Hypothesis 2: Brand management ability and brand competitiveness are positively correlated.

Enterprises should not only establish brands, but also strengthen the management and maintenance of brands. Only by improving the brand management ability and product quality can the enterprise's brand be more popular, and the enterprise can have the advantage of sustainable and long-term development in the market competition. Only by relying on efficient brand management ability, scientific brand positioning, and effective operation of brand communication, can consumers continuously improve their brand loyalty, and further enhance the competitiveness of the brand. Therefore, this paper makes the research hypothesis that "brand management ability and brand competitiveness are positively correlated".

Hypothesis 3: Brand basic ability and brand competitiveness are positively correlated.

The enterprise culture, technological innovation ability and management ability are the three elements to measure the basic ability of the enterprise. From these three elements as the starting point, improving the basic ability of the enterprise brand can make the enterprise brand win the recognition of the society and the trust of consumers. Therefore, this paper makes the research hypothesis that “brand basic ability and brand competitiveness are positively correlated”.

Methodology

In order to better understand the factors that affect the brand competitiveness of cosmetics enterprises, questionnaires were conducted from the perspective of market ability, management ability and basic ability. After analyzing the results of the questionnaire, it can get the accurate data of the study. There are many cosmetic enterprises in China. As the situation of each cosmetic enterprise is different, the factors affecting its brand competitiveness are not completely the same. But from a macro perspective, the difference is not significant. Based on this, this paper uses the case study method to find out the factors to understand the brand competitiveness of cosmetics enterprises through the analysis of case, and carries out correlation analysis and regression analysis on the factors that affect the brand competitiveness of cosmetics enterprises.

Data collection

This study adopts convenient sampling method to collect data. Due to the outbreak of Covid-19, the questionnaire is distributed mainly in the form of online questionnaire. The questionnaire is distributed on the Questionnaire Star survey APP (sojump). Through the Questionnaire Star, the objects of the questionnaire can be more diversified, and the factors affecting the brand competitiveness of cosmetics enterprises can be better reflected. A total of 226 questionnaires were received in this questionnaire survey. After removing 6 invalid questionnaires, 220 valid questionnaires were actually received. There were 51 male respondents, accounting for 23.1 % of the total, and 179 female respondents, accounting for 76.9 % of the total.

Results and discussion

Market share

Market share reflects consumers' trust and loyalty to products. The market share is mainly measured through 3 indicators, namely, “Establishing new channels (A11)”, “Improving market share (A12)” and “Improving product satisfaction (A13)”. The statistical results of the 3 indicators are as follows:

Table 1 Descriptive statistics of market share.

| | | Mean | S.D. |
|-----|--------------------------------|------|-------|
| A11 | Establishing new channels | 3.11 | 1.560 |
| A12 | Improving market share | 2.68 | 1.455 |
| A13 | Improving product satisfaction | 3.11 | 1.286 |

It can be seen from the above table that the standard deviation of the three indicators is greater than 1, indicating that the current market share ability of cosmetics enterprises is relatively weak. Consumers' expectations of “Increasing market share (A12)” are low, which are all 3.11 it shows that compared with foreign well-known cosmetics enterprises, consumers are generally not optimistic about the market share of Chinese cosmetics enterprises.

Profitability

The profitability of cosmetics enterprises is mainly measured by four indicators, namely, “Improving advertising strategy (A21)”, “Improving pricing strategy (A22)”, “Innovating customer relationship (A23)” and “Improving promotion strategy (A24)”. The survey results of the four indicators are as follows:

Table 2 Descriptive statistics of profitability.

| | | Mean | S.D. |
|-----|---------------------------------|------|-------|
| A21 | Improving advertising strategy | 2.58 | 1.261 |
| A22 | Improving pricing strategy | 3.26 | 1.284 |
| A23 | Improving customer relationship | 2.74 | 1.327 |
| A24 | Improving promotion strategy | 2.95 | 1.177 |

It can be seen from the above table that the standard deviation of the three indicators is greater than 1, indicating that the current profit making ability of cosmetics enterprises is still relatively weak. The average value of “Improving advertising strategy (A21)” is the lowest, indicating that consumers are skeptical about the ability of Chinese cosmetics brands in advertising and marketing. For cosmetics enterprises, although they have made great efforts to publicize through the Internet, television and other media, there is a large gap between the use feeling of many consumers and the publicity effect of advertising, which makes consumers no longer believe in the publicity of advertising, and also has a negative impact on cosmetics brands. Pricing strategy plays a crucial role in improving the brand competitiveness of cosmetics enterprises. The impression of Chinese cosmetics brands in the minds of consumers is mainly “Low price, often discounted”, which is one of the reasons why the average value of “Improving pricing strategy (A22)” is the highest. In the market economy environment, cosmetic enterprises should implement scientific promotion strategies to attract more consumers. From the survey results, the domestic cosmetics enterprises are generally in the promotion strategy. They often equate the promotion of cosmetics with the sales at reduced prices, which cannot improve the profitability of cosmetics enterprises.

Growth

Only cosmetic enterprises with strong growth ability can create competitive cosmetic brands. The growth capacity of cosmetics enterprises is mainly measured by three indicators, namely “Assessment of market potential (A31)”, “Assessment of new market potential (A32)” and “Expansion of product functions (A33)”. The statistical results of the three indicators are as follows:

Table 3 Descriptive statistics of growth.

| | | Mean | S.D. |
|-----|--|------|-------|
| A31 | Assessment of current market potential | 2.58 | 1.261 |
| A32 | Assessment of new market potential | 3.26 | 1.284 |
| A33 | Expansion of product functions | 2.74 | 1.327 |

It can be seen from the above table that the current growth capacity of cosmetics brands is still relatively weak. From the data point of view, consumers’ expectations of “Evaluating market potential (A31)”, “Evaluating new market potential (A32)” and “Expanding product functions (A33)” are relatively low. It shows that although China’s cosmetics industry is a sunrise industry, the overall strength of Chinese cosmetics enterprises is too low compared with foreign well-known cosmetics enterprises. Chinese cosmetics enterprises must make an assessment, and make more scientific decisions based on their own business status and business advantages, so as to make the enterprises grow faster, so as to further enhance the brand competitiveness of enterprises.

Brand positioning

For the cosmetics industry, consumers are highly dependent on cosmetics brands, and pay more attention to selecting their favorite brands in the process of choosing cosmetics brands; Therefore, there is a very close relationship between brand competitiveness and brand positioning. The brand positioning ability of cosmetics enterprises is mainly measured by 5 indicators: “Discarding outdated knowledge (B11)”, “Improving product quality (B12)”, “Improving product qualification rate (B13)”, “Improving production and manufacturing capacity (B14)” and “Enhancing quality management ability (B15)”. The statistical results of the 5 indicators are as follows:

Table 4 Descriptive statistics of brand positioning.

| | | Mean | S.D. |
|-----|---|------|-------|
| B11 | Discarding outdated knowledge | 3.16 | 1.015 |
| B12 | Improving product quality | 2.79 | 1.548 |
| B13 | Improving product qualification rate | 3.00 | 1.106 |
| B14 | Improving production and manufacturing capacity | 3.11 | 1.560 |
| B15 | Enhancing quality management ability | 2.89 | 1.121 |

It can be seen from the above table that the current brand positioning of cosmetics enterprises is not scientific, which indicates that Chinese cosmetics enterprises have not well combined their own business advantages and target markets to carry out their own brand positioning, which makes their brand positioning ability relatively weak. The average value of “Discarding outdated knowledge (B11)” is the highest, which on the other hand reflects the impression that Chinese cosmetics brands are “Old-fashioned and outdated” in the minds of consumers. The average value of “Improving product quality (B12)” is the lowest, indicating that consumers are very satisfied with the quality of Chinese cosmetic products. The quality of the product is directly related to the positioning of the product. The high-end consumers are more inclined to choose high-quality cosmetics, while the product quality is relatively poor or the product functions are not complete. Its positioning must be low-end consumers. The level of consumer groups directly affects the sustainable development of enterprises.

Brand communication

In the process of brand communication, cosmetics enterprises can use multimedia, TV media and other means to communicate, so that more consumers can understand the brand of cosmetics enterprises. The brand communication ability is mainly measured by 5 indicators, namely “High sales growth rate (B21)”, “High return on investment (B22)”, “Timely adjustment of department structure (B23)”, “Improvement of business process efficiency (B24)” and “Profitability (B25)”. The statistical results of the 5 indicators are as follows:

Table 5 Descriptive statistics of brand communication.

| | | Mean | S.D. |
|-----|--|------|-------|
| B21 | High sales growth rate | 3.00 | 1.599 |
| B22 | High return on investment | 3.16 | 1.344 |
| B23 | Timely adjustment of department structure | 2.68 | 1.565 |
| B24 | Improvement of business process efficiency | 2.95 | 1.311 |
| B25 | Profitability | 2.37 | 1.212 |

It can be seen from the above table that the current brand communication ability of cosmetics enterprises is relatively weak. Since the cosmetics enterprises have not spread their brands well after the cosmetics enterprises have established their brands, the sales growth rate of the enterprises is not high, and the return on investment of the shareholders of the cosmetics enterprises is not high, which is extremely detrimental to the healthy and sustainable development of the cosmetics enterprises. Brand communication is the key measure for cosmetic enterprises to establish a good corporate brand. Only by continuously spreading and maintaining the brand, can more potential consumers understand the brand of the enterprise and choose the brand in the process of cosmetic selection.

Technological innovation

In the process of operation and development, enterprises must increase the research and development of new technologies and implement technological innovation, so as to make their products better meet the needs of consumers. There are many factors that affect the technological innovation of cosmetic enterprises. The technological innovation ability of cosmetic enterprises is mainly measured by four indicators: “Mastering cutting-edge technology (C11)”, “high R&D personnel ability (C12)”, “Identifying new technological opportunities (C13)” and “Developing new products (C14)”. The statistical results of the four indicators are as follows:

Table 6 Descriptive statistics of technological innovation.

| | | Mean | S.D. |
|-----|---|------|-------|
| C11 | Mastering cutting-edge technology | 2.68 | 1.376 |
| C12 | High R&D personnel ability | 2.79 | 1.273 |
| C13 | Identifying new technological opportunities | 2.58 | 1.261 |
| C14 | Developing new products | 2.74 | 1.485 |

It can be seen from the above table that the current technological innovation capability of cosmetics enterprises is still relatively weak. The data of the four indicators are low. For many cosmetics enterprises, their own investment in new technology research and development is insufficient, resulting in the lack of R & D personnel’s ability, and the lack of timely popularization of various cutting-edge technologies, which leads to the lack of R&D ability of the whole enterprise and the inability to develop products that better meet the needs of consumers. For domestic cosmetics enterprises, their production technology and innovation ability are at a disadvantage.

Corporate culture

Corporate culture is formed in the long-term development process of an enterprise. The corporate culture of cosmetics enterprises is mainly measured by three indicators: “Good service (C21)”, “Wide publicity (C22)” and “High value (C23)”. The survey results of the three indicators are as follows:

Table 7 Descriptive statistics of corporate culture.

| | | Mean | S.D. |
|-----|------------------------------|------|-------|
| C21 | Providing good service | 2.89 | .937 |
| C22 | Extensive and wide publicity | 2.89 | 1.524 |
| C23 | High value | 2.58 | 1.017 |

It can be seen from the above table that there are still many problems in the construction of the corporate culture of cosmetics enterprises. Only when the enterprise culture integrates the service

consciousness of the employees and the quality and value of the products, can the consumers be more satisfied. If the sales personnel of cosmetics enterprises do not pay attention to the after-sales service after selling the products to consumers, and the problems that consumers encounter after purchasing cosmetics cannot be solved in a timely and effective manner, consumers will have an aversion to the corporate brand. It is not conducive to the healthy development of cosmetics enterprises.

Management ability

Scientific enterprise management plays a vital role in the operation and development of enterprises. The implementation of scientific management system can make the work of enterprises more orderly. The management level of cosmetics enterprises is mainly measured through three indicators: “Developing new business processes (C31)”, “Obtaining important technical information (C32)” and “Improving production efficiency (C33)”. The survey results of the three indicators are as follows:

Table 8 Descriptive statistics of management ability.

| | | Mean | S.D. |
|-----|---|------|-------|
| C31 | Developing new business processes | 3.05 | 1.649 |
| C32 | Obtaining important technical information | 2.79 | 1.084 |
| C33 | Improving production efficiency | 2.89 | 1.487 |

It can be seen from the above table that the current management level of cosmetics enterprises is not high, and the data of “Obtaining important technical information (C32)” and “Improving production efficiency (C33)” are low, which is also the current problem of most small and medium-sized cosmetics enterprises in China.

The brand market ability is measured by three indicators: Market share, profit making ability and brand growth ability. The higher the market share of the brand, the higher the consumers’ recognition of the brand. Consumers’ recognition of the brand reflects the level of brand competitiveness in some way. The increase of operating profit of an enterprise can increase the investment of the enterprise in maintaining and managing the brand. Therefore, the profit making ability of the brand also reflects the market ability of the brand to a great extent. The growth ability of the brand reflects whether the brand can effectively adjust according to the changes of the market, making the brand always follow the pace of the times, so as to maintain the brand vitality in the industry. The brand management of cosmetics enterprises is mainly reflected in two aspects: Brand positioning and brand communication. The brand basic ability is reflected in the technical content of the products represented by the brand. At the same time, the corporate culture and corporate management level have a crucial impact on improving the quality of products and services.

Correlation analysis between brand market ability and brand competitiveness

It can be seen from the above table that there is a significant correlation between brand competitiveness and market share at the level of 0.01. The correlation coefficient between the two is the largest, 0.939. The market share of cosmetics enterprises has a great impact on brand competitiveness.

Table 9 Correlation between market share and brand competitiveness.

| | | A11 | A12 | A13 |
|-----|--|---------|---------|-----|
| A11 | Pearson correlation Sig. (2-tailed) | | | |
| A12 | Pearson coefficient Sig. (2-tailed) | 0.848** | | |
| A13 | Pearson coefficient | 0.852** | 0.820** | |

| | | |
|-----------------|-------|-------|
| Sig. (2-tailed) | 0.000 | 0.000 |
|-----------------|-------|-------|

Table 10 Correlation between profitability and brand competitiveness.

| | | A21 | A22 | A23 |
|-----|--|---------|-------|--------|
| A21 | Pearson correlation Sig. (2-tailed) | | | |
| A22 | Pearson coefficient Sig. (2-tailed) | 0.552* | | |
| A23 | Pearson coefficient Sig. (2-tailed) | 0.627** | 0.369 | |
| A24 | Pearson coefficient Sig. (2-tailed) | 0.545* | 0.414 | 0.311 |
| | | 0.016 | 0.078 | 0.1205 |

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with A21 - A23 at the level of 0.01, and with A24 at the level of 0.05. The correlation coefficient between brand competitiveness of cosmetics enterprises and “Improving advertising strategy” is 0.894. Therefore, for cosmetics enterprises, in the process of continuously improving their brand competitiveness, they must improve their advertising strategies, so that more consumers can understand the brand of the enterprise through advertising, so as to choose the cosmetics brand in the process of purchasing cosmetics.

Table 11 Correlation between growth ability and brand competitiveness.

| | | A31 | A32 | A33 |
|-----|--|---------|---------|-----|
| A31 | Pearson correlation Sig. (2-tailed) | | | |
| A32 | Pearson coefficient Sig. (2-tailed) | 0.464* | | |
| A33 | Pearson coefficient Sig. (2-tailed) | 0.835** | 0.659** | |
| | | 0.000 | 0.002 | |

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with A31 - A33 at the level of 0.01. The correlation coefficient between cosmetics brand competitiveness and “Expanding product functions” is 0.939. In order to better meet the diversified needs of consumers, we should constantly expand the functions of products on the basis of the original brands.

Correlation analysis between brand management ability and brand competitiveness

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with B11 - B15 at the level of 0.01. The correlation coefficient between brand competitiveness of cosmetics enterprises and “Improving product quality” is the largest.

Table 12 Correlation between brand positioning and brand competitiveness.

| | | B11 | B12 | B13 | B14 |
|-----|--|------------------------------|------------------------------|------------------------------|------------------------------|
| B11 | Pearson correlation Sig. (2-tailed) | | | | |
| B12 | Pearson coefficient Sig. (2-tailed) | 0.482 [*] 0.037 | | | |
| B13 | Pearson coefficient Sig. (2-tailed) | 0.644 ^{**} 0.003 | 0.584 ^{**} 0.009 | | |
| B14 | Pearson coefficient Sig. (2-tailed) | 0.621 ^{**} 0.005 | 0.861 ^{**} 0.000 | 0.644 ^{**} 0.003 | |
| B15 | Pearson coefficient Sig. (2-tailed) | 0.655 ^{**} 0.002 | 0.707 ^{**} 0.001 | 0.840 ^{**} 0.000 | 0.601 ^{**} 0.006 |

Table 13 Correlation between brand communication and brand competitiveness.

| | | B21 | B22 | B23 | B24 |
|-----|--|------------------------------|------------------------------|------------------------------|-----------------------------|
| B21 | Pearson correlation Sig. (2-tailed) | | | | |
| B22 | Pearson coefficient Sig. (2-tailed) | 0.646 ^{**} 0.003 | | | |
| B23 | Pearson coefficient Sig. (2-tailed) | 0.777 ^{**} 0.000 | 0.711 ^{**} 0.001 | | |
| B24 | Pearson coefficient Sig. (2-tailed) | 0.504 [*] 0.028 | 0.604 ^{**} 0.006 | 0.560 [*] 0.013 | |
| B25 | Pearson coefficient Sig. (2-tailed) | 0.660 ^{**} 0.002 | 0.713 ^{**} 0.001 | 0.797 ^{**} 0.000 | 0.537 [*] 0.018 |

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with B21 - B25 at the level of 0.01. The correlation coefficient between the brand competitiveness of cosmetics enterprises and “Timely adjustment of department structure” is the largest. For cosmetics enterprises, in the process of implementing brand operation, they should pay attention to the adjustment of the original organizational structure, so that the adjusted structure is more suitable for the development of brand operation.

Correlation analysis between brand basic ability and brand competitiveness

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with C11 - C14 at the level of 0.01. The correlation coefficient between the brand competitiveness of cosmetics enterprises and “Developing new products” is the largest, 0.853. Cosmetics enterprises’ brands must better reflect the diversification and constantly develop new products, so as to continuously attract consumers’ attention to cosmetics brands.

Table 14 Correlation between technological innovation and brand competitiveness.

| | | C11 | C12 | C13 |
|-----|--|------------------|------------------|------------------|
| C11 | Pearson correlation Sig. (2-tailed) | | | |
| C12 | Pearson coefficient Sig. (2-tailed) | 0.436 0.062 | | |
| C13 | Pearson coefficient Sig. (2-tailed) | 0.879** 0.000 | 0.392 0.097 | |
| C14 | Pearson coefficient Sig. (2-tailed) | 0.691** 0.001 | 0.763** 0.000 | 0.650** 0.003 |

Table 15 Correlation between corporate culture and brand competitiveness.

| | | C21 | C22 | C23 |
|-----|--|------------------|------------------|------------|
| C21 | Pearson correlation Sig. (2-tailed) | | | |
| C22 | Pearson coefficient Sig. (2-tailed) | 0.459* 0.048 | | |
| C23 | Pearson coefficient Sig. (2-tailed) | 0.709** 0.001 | 0.687** 0.001 | |

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with C21 - C23 at the level of 0.01. The correlation coefficient between the brand competitiveness of cosmetics enterprises and “Extensive publicity” is 0.874. It shows that only by vigorously promoting their own corporate culture can cosmetics enterprises build their own brand characteristics.

Table 16 Correlation between management ability and brand competitiveness.

| | | C31 | C32 | C33 |
|-----|--|------------------|------------------|------------|
| C31 | Pearson correlation Sig. (2-tailed) | | | |
| C32 | Pearson coefficient Sig. (2-tailed) | 0.659** 0.002 | | |
| C33 | Pearson coefficient Sig. (2-tailed) | 0.750** 0.000 | 0.675** 0.002 | |

It can be seen from the above table that the brand competitiveness of cosmetics enterprises is significantly correlated with C31 - C33 at the level of 0.01. The correlation coefficient between cosmetics brand competitiveness and “Improving production efficiency” is the largest, 0.920. In order to improve the basic ability of the enterprise brand, we must improve the production efficiency of the enterprise in order to establish the brand competitive advantage.

Regression analysis of brand competitiveness

Through the correlation analysis between brand market ability, brand management ability, brand basic ability and brand competitiveness of cosmetics enterprises, it is known that the eight factors of improving market share, improving advertising strategy, expanding product functions, improving product quality, timely adjusting department structure, developing new products, extensive publicity and improving enterprise production efficiency have a great impact on the brand competitiveness. In order to make quantitative analysis, regression analysis is used to obtain the relationship between brand competitiveness and these eight factors, and the regression analysis results are obtained as below.

Factors affecting brand competitiveness

| | Coefficient | t |
|-------------|-------------|--------|
| A12 | 0.168*** | 5.580 |
| A21 | 0.152*** | 4.605 |
| A33 | 0.273*** | 5.379 |
| B12 | 0.128*** | 4.834 |
| B23 | 0.010*** | 7.054 |
| C14 | 0.152*** | 8.019 |
| C22 | -0.005*** | -7.028 |
| C33 | 0.246*** | 6.653 |
| F | 17.69*** | |
| Adjusted R2 | 0.077 | |
| N | 220 | |

It can be seen from the above table that the factors in the regression analysis results are sorted according to their coefficients, and the greater the coefficient, the greater the impact on the brand competitiveness of cosmetics enterprises. It can be seen that the major factors affecting the brand competitiveness of cosmetics enterprises are A33 (Expanding product functions), C33 (Improving production efficiency), A12 (Improving market share), A21 (Improving advertising strategy), C14 (Developing new products), B12 (Improving product quality). In contrast, B23 (Timely adjusting department structure) and C22 (Widely publicized) have a lower impact on the brand competitiveness of enterprises.

Through the correlation analysis and regression analysis on the brand competitiveness, brand market ability, brand management ability and brand basic ability of cosmetics enterprises, the following 2 conclusions are drawn:

In terms of brand market ability, market share, profit making ability and growth ability are significantly correlated with brand competitiveness at the level of 0.01. Among them, the factors that have a greater impact on cosmetics brand competitiveness are “Expanding product functions”, “Improving market share” and “Improving advertising strategies”.

In terms of brand management ability, the 2 indicators of brand positioning and brand communication are significantly related to brand competitiveness at the level of 0.01. Among them, the factor that has a greater impact on cosmetics brand competitiveness is “Improving product quality”, while the impact of “Timely adjusting department structure” is relatively low.

In terms of brand basic ability, technical innovation and management level are significantly correlated with brand competitiveness at the level of 0.01. Among them, the factors that have a greater impact on the competitiveness of cosmetics brands are “Improving production efficiency” and “Developing new products”, and the factors that have a lower impact on the competitiveness of “Extensive publicity”.

Summary of hypotheses testing

| Hypotheses | Results |
|---|----------|
| H1: Brand market ability and brand competitiveness are positively correlated. | Accepted |

| | |
|---|----------|
| H2: Brand management ability and brand competitiveness are positively correlated. | Accepted |
| H3: Brand basic ability and brand competitiveness are positively correlated. | Accepted |

Conclusions

Brand is the most important resource of an enterprise, and the implementation of brand management is the inevitable trend of the future development of an enterprise. This paper studies the influencing factors of cosmetics brand competitiveness, which is composed of 3 parts: Brand market ability, brand management ability and brand basic ability. In the process of operation and development, enterprises should establish a good corporate brand, so as to better win the trust of consumers, and consumers' loyalty to the brand. At the same time, through the correlation analysis, it is concluded that the enterprise brand competitiveness is positively correlated with the enterprise brand market ability, brand management ability and brand basic ability. At the same time, it is found that the factors that have a great correlation with the enterprise brand competitiveness are expanding product functions, improving production efficiency, improving market share, improving advertising strategies, developing new products, improving product quality, and timely adjusting department structure. The paper points out that the major factors that have a great impact on the brand competitiveness of cosmetics enterprises are to expand product functions, improve production efficiency, enhance market share, improve advertising strategies, develop new products, and improve product quality. In contrast, timely adjust the department structure, the wide publicity has slightly lower impact on the brand competitiveness of the enterprise. In order to better enhance the brand competitiveness of cosmetic enterprises and enable them to have market shares in the fierce international market competition, cosmetic enterprises should effectively seize the domestic and foreign markets, actively strive for national policy support, strengthen the construction and protection of cosmetic brands, position the brands based on the market, implement the brand internationalization strategy, and increase the introduction and training of talents, strengthen the construction of corporate culture and expand corporate financing channels. The research of this paper has certain practical value for the influencing factors of cosmetics enterprises' brand competitiveness and improving the brand competitiveness of Chinese cosmetics enterprises.

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