Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management

Diploma Thesis

Improvement of the Brand Development Strategy (on the example of L'Oréal Paris in Moscow)

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

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Economics and Management
Economics and Management

Thesis title

Improvement of the Brand Development Strategy (on the example of L'Oréal Paris in Moscow)

Objectives of thesis

Based on an analysis of a survey of the younger segment of the cosmetic and fragrance market in Moscow, the aim of this thesis is to identify the current position of the L'Oreal Paris brand in the Russian market in Moscow.

To identify how the L'Oreal Paris brand can maintain and improve its position on the Russian market in Moscow.

Methodology

The thesis consists of two parts:

The theoretical part contains a basic overview of current thinking of brand development strategy and brand marketing audit technology, gained from a study of relevant sources.

The empirical part consists of identifying the characteristics of the existing brand development strategy of L'Oréal Paris, and an analysis of the quantitative research and possible recommendations on the basis of results of the survey and methods from the theoretical part.

The main sources of data will be from a survey of a group of potential Russian customers of the brand (women 15-40 years old, place of living: Moscow), together with a more detailed interview with selected participants.

In addition, some secondary data from the internet, including the official L'Oréal website will be used.

The proposed extent of the thesis

Approx 60 – 80 pages

Keywords

Brand development strategy, cosmetics,

Recommended information sources

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Declaration

I declare that I have worked on my diploma thesis titled "Improvement of the Brand Development Strategy (on the example of L'Oréal Paris in Moscow) " by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break any copyrights.

In Prague on 31.03.2021 _____

Improvement of the Brand Development Strategy (on the example of L'Oréal Paris in Moscow)

Abstract

In today's environment, when digital technologies have a strong influence on consumer behavior, companies producing and selling cosmetics need to integrate online promotion tools into the overall strategy of promoting their brands. For these purposes, it is necessary to investigate how Russian consumers of decorative cosmetics perceive certain tools of online promotion and how these tools affect the brand's equity from the consumer's point of view.

The aim of the thesis is to determine how the use of online promotion of cosmetics brands affects the equity elements of a brand from a consumer's perspective (on the example of L'Oréal Paris in Moscow).

The structure of this work logically follows from the set tasks. The first part of the thesis presents the literature review on the topic of research and analysis of the methodology of the thesis. The second part presents the analyses of L'Oréal Paris brand and its online promotion tools. In addition, the main trends in the Russian cosmetic market and the most commonly used online promotion tools in this market were analyzed. Then, hypothesis about the positive impact of these tools on the elements of brand equity from the consumer's point of view was formulated.

A structured direct online survey using a formalized questionnaire was then conducted. The results of the quantitative survey were presented in tables and figures, with subsequent analyses and results.

In the end, the possible marketing campaign to drive consumer loyalty and engagement was developed.

Key words: brand, marketing, online promotion, cosmetic line, consumer analysis, management.

Vylepšení strategie rozvoje značky (na příkladu L'Oréal Paris v Moskvě)

Abstrakt

V dnešním prostředí, kdy mají digitální technologie velký vliv na chování spotřebitelů, musí společnosti vyrábějící a prodávající kosmetiku integrovat online propagační nástroje do celkové strategie propagace svých značek. Pro tyto účely je nutné prozkoumat, jak ruští spotřebitelé dekorativní kosmetiky vnímají určité nástroje online propagace a jak tyto nástroje ovlivňují hodnotu značky z pohledu spotřebitele.

Cílem diplomové práce je zjistit, jak použití online propagace kosmetických značek ovlivňuje hodnotové prvky značky z pohledu spotřebitele (na příkladu L'Oréal Paris v Moskvě).

Struktura této práce logicky vyplývá ze stanovených úkolů. První část práce představuje literární rešerši na téma výzkumu a analýzy metodiky práce. Druhá část představuje analýzy značky L'Oréal Paris a jejích online propagačních nástrojů. Kromě toho byly analyzovány hlavní trendy na ruském kosmetickém trhu a nejčastěji používané online propagační nástroje na tomto trhu. Poté byla formulována hypotéza o pozitivním dopadu těchto nástrojů na hodnotové prvky značky z pohledu spotřebitele.

Poté byl proveden strukturovaný přímý online průzkum využívající formalizovaný dotazník. Výsledky kvantitativního průzkumu byly prezentovány v tabulkách a obrázcích s následnými analýzami a výsledky.

Nakonec byla vyvinuta možná marketingová kampaň na podporu loajality a zapojení zákazníků.

Klíčová slova: značka, marketing, online propagace, kosmetická řada, spotřebitelská analýza, management.

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1 Introduction

In the face of fierce competition, as well as a rapidly changing situation in today's market, marketing is one of the most important subsystem of general management, aimed at meeting the needs and building customer loyalty. Often, business leaders believe that marketing results cannot be measured in specific metrics, and the marketing department is seen as costly. Many factors justify the importance of evaluating and improving the performance of marketing activities in a company.

Currently, the usage of marketing methods to promote goods, as well as its scientific and theoretical bases are not developed enough. That is why research in this area has a certain theoretical and practical significance, as deep analysis and study of various facts is required.

The specificity of consumer behavior in the cosmetic market is that when considering products in this category, the key factor for the consumer has always remained the opportunity to try cosmetics on themselves.

Thus, traditionally buyers came to the cosmetics store, tried the brand's products and only then formed their impressions about it. Today, the Internet is the main means for buyers to collect and analyze information about cosmetics and, the formation of attitude to the brand often takes place without any contact with the product in an offline environment. In other words, the online environment has become an important channel for communication between brands and consumers.

Therefore, it is especially important for cosmetic companies to be integrated into the online environment, to use digital technologies, to create high-quality online content that can interest and deter the consumer. In addition, according to a survey of the cosmetics industry in Russia, published in May 2019 by Euromonitor International, companies in the field of beauty and personal care are increasingly trying to attract consumers of the younger generation, targeting them with their marketing campaigns.

The topic of this thesis is relevant for foreign cosmetic manufacturers selling their brands focused on the digital generation in Russia, because understanding how online promotion affects Russian consumers of cosmetics will help them to properly adapt the strategy of online promotion for their brands in Russia. In addition, this thesis will be useful for Russian manufacturers, who are just beginning to realize the importance of integration into the digital environment and are still inactively using the tools of online promotion.

In today's environment, when digital technologies have a strong influence on consumer behavior, companies producing and selling cosmetics need to integrate online promotion tools into the overall strategy of promoting their brands. For these purposes, it is necessary to investigate how Russian consumers of decorative cosmetics perceive certain tools of online promotion and how these tools affect the brand's equity from the consumer's point of view.

The object of the thesis is the tools of online promotion.

The subject of the thesis is the influence of online promotion tools on the equity elements of the L'Oréal Paris brand from the consumer's position in the cosmetic market (in the example of the Moscow market).

The aim of the thesis is to determine how the use of online promotion of cosmetics brands affects the equity elements of a brand from a consumer's perspective (on the example of L'Oréal Paris in Moscow).

The thesis sets the following questions:

• How does advertising influence potential customers of the cosmetic brand L'Oréal Paris?

• How does the online promotion of the L'Oréal Paris brand affect the equity elements in the Moscow market?

The structure of this work logically follows from the set tasks. The first part of the thesis presents the literature review on the topic of research and analysis of the methodology of the thesis. The second part presents the analyses of L'Oréal Paris brand and its online promotion tools. In addition, the main trends in the Russian cosmetic market and the most commonly used online promotion tools in this market were analyzed. Then, hypothesis about the positive impact of these tools on the elements of brand equity from the consumer's point of view was formulated.

A structured direct online survey using a formalized questionnaire was then conducted. The results of the quantitative survey were presented in tables and figures, with subsequent analyses and results.

In the end, the possible marketing campaign to drive consumer loyalty and engagement was developed.

2 Objectives and Methodology

2.1 Objectives

Based on an analysis of a survey of the younger segment of the cosmetic and fragrance market in Moscow :

1. to identify the current position of the L'Oréal Paris brand in the Russian market in Moscow., with focusing on online promotion tools.

2. to identify how the L'Oréal Paris brand can maintain and improve its position on the Russian market in Moscow.

2.2 Methodology

In accordance with the aim of the diploma thesis, the author is analyzing the current position of the L'Oréal Paris brand, with focusing on online promotion tools.

To gather information in the thesis, quantitative research in a form of online survey of a group of potential Russian brand buyers (women 18-30 years old, living in Moscow).will be used.

The questionnaire consists of closed questions along with the Lykert scale. The results will be presented in the form of tables and figures.

In addition, data from the Internet, including official L'Oréal website, internet magazines, and researches will be used.

The recommendations of the thesis will be based on the results of an analysis of the brand development tools that L'Oréal Paris currently uses; analysis of the main competitor brands; and the results of the survey.

The results of the thesis can be used in the practical activities of a cosmetic organization. At the same time, these results can be used by the media in generalization and explanation of the main trends in the Russian perfume and cosmetic market.

3 Literature Review

3.1 Brand

Over the course of the past decade, companies have come to the realization that one of the most effective tools they have to hedge against risk is the portfolio of relationships that consumers form with the company's brands. Strong relationships guarantee cash flows in the form of brand loyalties and trial of new brand extensions, create supply-side cost advantages through evangelism and word-of mouth advocacy, and protect shareholder value in the wake of the crises that inevitably befall brands. (Fournier, Breazeale and Fetscherin, 2012)

The word "brand" is derived from the Old Norse brand meaning "to burn," which refers to the practice of producers burning their mark (or brand) onto their products. (Gordon and Taylor, 2009) Italians are considered among the first to use brands in the form of watermarks on paper in the 1200s.

However, in mass-marketing, this concept originated in the nineteenth century with the introduction of packaged goods.

During the Industrial Revolution, the production of many household items, such as soap, was moved from local communities to centralized factories to be mass-produced and sold to the wider markets. When shipping their items, factories branded their logo or insignia on the barrels they used. Eventually these "brands" became trademarks—recognized symbols of a company or product that have been established by use. These new brand marks enabled packaged-goods manufacturers to communicate that their products were distinctive and should be trusted as much as (or more than) local competitors. Campbell Soup, Coca-Cola , Juicy Fruit gum, Aunt Jemima, and Quaker Oats were among the first products to be "branded."

According to the American Marketing Association (AMA), a brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." (Gaetjens, 1960).

Technically speaking, then, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand. In fact, however, many practicing managers refer to a brand as more than that—as something that has actually created a certain

amount of awareness, reputation, prominence, and so on in the marketplace. (Keller, Parameswaran and Jacob, 2015)

By creating perceived differences among products through branding and by developing a loyal consumer franchise, marketers create value that can translate to financial profits for the firm.

The reality is that the most valuable assets many firms have may not be tangible ones, such as plants, equipment, and real estate, but intangible assets such as management skills, marketing, financial and operations expertise, and, most important, the brands themselves. (Keller, Parameswaran and Jacob, 2015)

Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. But, as marketers have rushed to build equity though their brand relationships, they have also come to realize that the creation of value through brand relationships is a difficult and challenging task. Brand relationships are complex psychological and cultural phenomena. They must be carefully created, astutely nurtured, and judiciously leveraged if they are to thrive. They require an organization and internal culture aligned in terms of relationship principles and ideas. Today's brandscape, enabled through social media and web 2.0 technologies, has fundamentally changed the face of branding, further complicating the relationship-building task. (Fournier, Breazeale and Fetscherin, 2012)

3.2   Brand elements

The main reason of having a brand is providing differentiation among the products. In English, the origin of word 'branding' comes from the cattle stigmatization by peasantry on posture and this word refers to that origin. The main concept during the branding process perceived as stigmatization program as well, differentiates the produced product in the mind of the consumer. Branding the produced product just as cattle stigmatization in the farm, provide differentiation from other products even if it is so similar to the others. (Courses.lumenlearning.com, 2021)

The key to creating a brand, according to the AMA definition, is to be able to choose a name, logo, symbol, package design, or other characteristic that identifies a product and distinguishes it from others. These different components of a brand that identify and differentiate it are brand elements. In creating a brand, marketers have many choices about

the number and nature of the brand elements they use to identify their products. (Keller, Parameswaran and Jacob, 2015)

For instance, the brand logo, tagline, color palette, all the marketing, and promotional materials, letterheads, signage, messaging and communication, and so on are all tangible representations of the brand that make up its sensory identity in the market and in the minds of the customers.

There is an overview of different types of brand elements in a Table 1.

Table 1Different Types of Brand Elements

BRAND ELEMENT	Example
1)BRAND NAME	On the facade, naming a brand may seem quite easy and simple. But coming up with an iconic and innovative brand name is very difficult. For example, brand names such as Chevy, Coca-Cola, Häagen-Dazs, and Target.
2)LOGO	When we see a computer with lit up apple on the back of its screen, we know the Apple brand without even a brand name written with it.
3)THEME LINE	Essentially, theme lines such as "Just do it." for Nike or "Don't leave home without it." for American Express help to quickly state the brand position memorably in the minds of the customers.
4)SHAPE	The distinctive shape of the Coca-Cola bottle or the Volkswagen Beetle that are both trademarked elements of those specific brands.
5)GRAPHICS	Louis Vuitton's stylized flower pattern makes their luggage uniquely identifiable amongst other products in the market.
6)COLOR	Sephora cashiers wear one black glove with which they handle products before giving them to customers making it the brand's crucial Brand Element.
7)SOUND	Famous examples include "Um um good" for the Campbells brand or the Intel Inside music tone.
8)MOVEMENT	Lamborghini, the automobile brand has trademarked the upward motion of its car doors.
9)SMELL	For instance, scents, such as the rose-jasmine-musk of Chanel No. 5 is trademarked or the fresh handmade aroma of Lush Cosmetics.
10)TASTE	KFC has trademarked its special recipe of 11 herbs and spices for fried chicken since its inception McDonald's is quite famous for their French fries.

Source: www.marketing91.com

According to Author's research resulted in the Table 1, brands can be represented in many ways that go beyond just a name, tagline or a logo. Whether it is through the smell or movement, companies should strive to involve all the senses to create a richer and more memorable brand experience for all the customers.

3.3 Brand equity

The concept of brand equity appeared about thirty years ago and even then was the subject of controversy by marketing experts, because the term can be interpreted in different ways. S.A. Starov in his textbook «Brand Management» (2010) notes that the disagreements are related to the multifacetedness of the concept, as well as the dependence of interpretation on the purposes of its use.

Whereas the Keller brand equity model focuses largely on emotions (Keller and Swaminathan, 2020), David Aaker says it's much simpler than that: it's all about recognition (1996). The most successful brands are those that drive recognition in the emotional part of the brain that makes split-second decisions about what to buy.

Aaker (1996) sees brand equity as a mixture of brand awareness, brand associations and brand loyalty. All these add up to the value provided by a brand's goods or services. The Aaker's Model helps to create a brand strategy made up of various components that separate a brand from its competition and advance it.

According to Baker's definition, the brand's equity is to understand consumer expectations (Baker, 2014). The author emphasizes that the success of the company directly depends on the ability to predict and meet all the needs of the consumer. Some other researchers define brand equity as a difference in terms of consumer between branded and unbranded products with roughly the same functional characteristics. In other words, it is about comparing products identical in every way except the brand.

One of the best-known authors in the field of brand management, Aaker (1996) defines the brand's equity as a set of assets that strengthen the brand and expand its potential. In other words, the brand's equity allows to distinguish the brand among the rest, to increase awareness and activity of consumers. According to the explanation that brand equity is a set of assets, it means that the management of brand equity involves investment to create and enhance these assets.

Table 2 The major asset categories

1.Brand name awareness	- Anchor to which other associations can be attached - Familiarity-looking - Signal of substance/commitment - Brand to be considered

2.Brand loyalty	• Reduced marketing costs • Trade leverage • Attracting new customers • Create awareness • Time to respond to competitive threats
3.Perceived quality	• Reason-to-buy • Position • Price
4.Brand associations	• Reason-to-buy • Creative positive attitude/feelings
5. Other proprietary brand assets	• Competitive advantage

Source : Aaker,1996

Doyle (2012) believes that the brand's equity is primarily related to financial performance, that is, in this case, the value of the brand, which is an asset reflected in accounting.

It is important to note that many researchers emphasize the «relationship» nature of the brand's equity.

Thus, Srivastava in his work, published by the American Marketing Association, divides market assets into «relationshipal» and intellectual. The «relationship» assets, to which the author also refers to the brand's equity, are the result of relations established with external stakeholders. The brand's equity, according to the author, is a reflection of the relationship between the firm and its customers (consumers). Most fully all aspects of the brand's equity reflects P. Feldwick's (2002) definition, according to which the brand's equity is understood as:

1) Total brand value (financial aspect).

2) The degree to which buyers are loyal to the brand, which is determined by the price premium, which buyers are willing to pay extra for the purchase of this particular brand (brand equity from the company's position). Thus, the brand equity allows the company, first, to set a higher price for branded goods, and secondly, to save the consumer when the market conditions change.

3) Brand image: a set of perceptions and associations of the buyer, arising in relation to the brand (brand equity from the position of the consumer).

S. A. Starov (2010) notes that there is a causal relationship between the three aspects of the brand's equity. Thus, the brand image predetermines the consumer's loyalty to the brand, which, in turn, affects the value of the brand.

Within the framework of this work, the author will be interested in the brand equity from the consumer's point of view, as this aspect of brand equity is primary, forms consumer loyalty and increases the value of the brand, while increasing the value of the brand is certainly the goal of any company.

When it comes to creating and promoting a brand, values come to the fore. Values in this case are not even the quality or functionality of the products or services offered, but the intangible aspect that distinguishes one product from another, all other things being equal. This additional, crucial characteristic encourages the customer to choose a certain brand.

The value of the brand is a certain emotional background, which is created around the company, its products and services. It adds to their advantages. Thus, if the work on promotion of the brand is effectively carried out, its value and value are formed, the user of the product/services receives with them an additional benefit, feels belonging to a certain social cell, confident in reliability and quality, feels prestige.

At the same time, intangible value has a direct impact on the price of the brand, increasing it. Therefore, competently placing values, companies are trying to make above the material value of the brand.

Consumers are expecting and demanding more from brands today. If they do not see the value in an item, they will not pay a premium price for it. There is a stronger sense of competition among the brands as consumers have more flexibility in their purchases. As the market expands and options increase, consumers have become more unpredictable. Managing brand relationship is purely about the consumer. If a business wants to maintain the consumer-brand relationship, they must create and provide value.

3.4 Loyalty segmentation

Modern marketing, as noted by many experts, is becoming more customer-oriented. Organizations that aim for long-term profits seek to build long-term mutually beneficial relationships with consumers. Managing customer loyalty can help create and develop such relationships.

Consumer loyalty, in the author's opinion, can be defined as voluntary and long-term loyalty of the company, based on both rational and emotional values of the firm and its goods/services for the buyer, manifested in the consistency of purchases from the organization. To increase/maintain consumer loyalty, many organizations develop and use so-called customer loyalty programs (customer incentive programs). They are a set of

marketing activities developed by the company's representatives and aimed at creating long-term, mutually beneficial relationships with consumers in order to strengthen their position in the market.

Programs to encourage customers are becoming more and more diverse, because to retain customers are not enough simple bonus savings or discounts.

In order to increase the impact of these programs, companies often resort to the traditional marketing method: segmenting consumers. However, it is likely that such segmentation does not always achieve the expected effect. The customer incentive program in this case will not be as effective as possible. In this regard, within the framework of this article, the author considers exactly those options for segmenting consumers that take into account customer loyalty.

Segmentation refers to the division of the entire company's customer base into separate groups on certain characteristics. This process is carried out as part of measures to increase the profitability of the brand. It is especially important to make a competent segmentation of consumers within the motivational system.

The goal of dividing customers into groups is to increase the company's interaction with the market, consumers and partners. If segmentation is done correctly, within one group customers have similar consumer preferences, requirements for goods and services, tastes and financial opportunities.

The features of loyalty segmentation:

1. By identifying priority groups of customers, the company can focus its efforts and investments on achieving the fastest possible payback, increasing profits, and popularizing the brand. This is achieved by meeting the needs of buyers.

2. Choosing the company's global marketing concept. Business management can implement such concepts - «Differential Marketing,» «Market Coverage,» «Focus on the Target Group,» «Niche Marketing.» The final choice depends on the results of dividing the customer base into groups.

3. Knowing consumer preferences, business can determine current market trends, form business priorities.

When the company's management knows how many percent of buyers fall into different categories, it has the opportunity to make quantitative calculations about the return on investment, profit forecast, further development of the company.

3.5   Channels for building a brand

A brand of business can be one of its most valuable assets. A global study of over 300,000 people and 1,500 brands found that meaningful brands outperform others on the stock market by 206% over a ten-year period (Havas Media, 2017).

Historically, marketers used broadcast media to build brand. Today, though, more than two-thirds of marketing managers believe that digital and social media were the best channels for building a brand (Figure 1). This figure becomes higher for marketing professionals that are using digital or social media channels. (Deloitte,2018)

Figure 1Best channels for building brand.
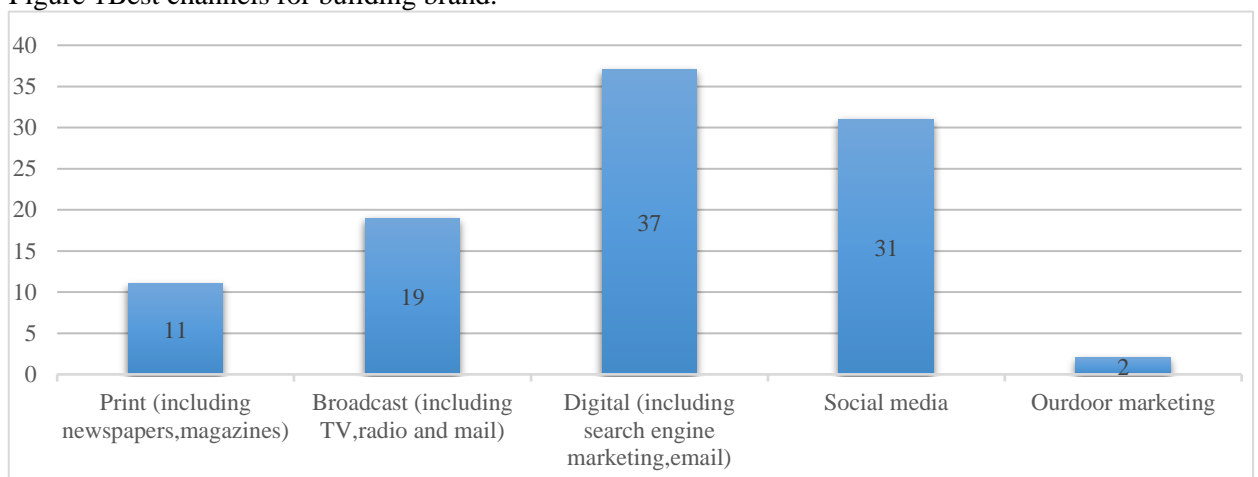
Source: Deloitte, 2018

Indeed, Deloitte's analysis shows that businesses using social media marketing are more likely to experience improvements in brand performance. Businesses that had allocated at least some of their marketing budget to social media or digital channels were 1.34 times more likely to report that their brand performance had improved in the last year. For example, those investing in social media marketing 77% experienced improved brand performance over the past year compared to 57% of businesses not using social media. (Deloitte,2018)

Similar results have been found elsewhere. For example, in Deloitte's 2016 Media Consumer Survey more than half of customers said that their perception of a company's brand improved based on their use of social networking sites.

Online promotion is part of digital marketing. The Oxford Marketing Dictionary defines the term as: Digital Marketing is the use of digital technology in the development, distribution and promotion of products or services. At the same time, digital technologies

include the Internet (websites, e-mail), as well as wireless and mobile technologies, digital television, both cable and satellite.

More and more companies are redistributing their marketing budget in favor of digital resources. Whereas digital was once just part of a marketing strategy, companies now have separate digital units to make the most of digital opportunities to keep consumers connected at all stages of consumption and to stimulate sales.

One of the most popular models is so-called «digital marketing trifecta» (digital marketing trifecta). According to this model, all digital media can be divided into three groups: paid, purchased and own.

Table 3 Types of digital media

1) Paid digital media	All paid services and tools that companies use to increase traffic to their resources (sites, blogs, social media groups). The peculiarity of this type of digital media is that they allow to significantly increase the coverage of a particular advertising campaign, to increase brand awareness. Examples of paid digital media are native advertising on social networks, contextual advertising.
2) Acquired digital media	The entire set of actions of Internet users in relation to the brand: likes, reposts, reviews, comments on social networks and on the company's website, as well as mention of the company's products by bloggers. In other words, it is advertising generated not by the brand, but by its audience. Acquired media are considered the most valuable, as they contribute to the formation and consolidation of the brand image, provide long-term recognition. However, they require the most customer engagement and depend heavily on the success of the company's use of paid and own media. It is also noted that online interaction with the brand often leads to a decision to buy.
3) Own digital media	Any platforms that belong to the company (official site, pages in social networks, blogs). A key feature of their own digital media is that they are created and completely controlled by the company itself. In addition, it is worth noting that this type of digital media is extremely important for building a long-term relationship with the consumer. In addition, their own media tend to be the most cost-effective.

Source: Guseva, 2011

All three types of digital media must be closely interconnected and subject to one holistic strategy. Each of the elements of «marketing digitals trifecta» promotes the brand, but only using all three elements together can achieve a synergistic effect. Also, the classification of digital solutions may be based on characteristics such as the nature of communication (one-sided or two-way) and the source of control, i.e. whether the channel is controlled by a company or an audience. The company's one-way communication channels with the consumer of one-way communication and the high level of control by the company are characterized by the official website and e-mail mailing. (Guseva, 2011)

The company's website can be described as the «home» of the company in the online space, its business card.

Companies use e-mail s for various purposes: information, promotion, maintenance of relations with the consumer, call to visit the official website of the company. Search engine optimization (SEO) and contextual advertising (SEA) also refer to channels with a one-way nature of communication. SEO is a set of measures that allows to bring the site in line with a certain search query and thereby increase its place in the search issue. SEA is a contextual advertisement purchased by the company from a search service. Contextual advertising is displayed selectively for those visitors who may be interested in the company's products or services based on the history of their search queries.

More recently, one-way communication was the only way the brand interacts with consumers online. However, the development of social networks has allowed companies to reach a new level of contact with consumers and conduct bilateral communication with them. Thus, the company's monologue turned into a dialogue between the company and the consumer. On social media, the company naturally has less control as power shifts to consumers who generate content by discussing the brand, sharing their impressions of it.

Researchers note that social media is a new way to reach, hear and connect with consumers. What's more, research confirms that one of Facebook's most popular social networks allows marketers to increase brand awareness. (Deloitte, 2018)

In addition to social networks, many companies maintain blogs, which also have a two-way communication, that is, they allow companies to have a dialogue with the consumer. However, in this case, companies have a lot of control because the blog is usually part of an official site where the company can easily moderate comments.

3.6   Techniques of getting customer interactions

Today it is difficult to deny the importance of developing digital strategies, as we live in an age of digital revolution, thanks to which the consumer experience has completely changed and has long gone beyond retail stores.

Michelle Evans, who is responsible for researching how digital technologies affect consumers and the commercial activities of companies (Global Head of Digital Consumer Research of Euromonitor International), uses the concept of digital consumer in its reports. Digital consumers can be all Internet users, mobile telecommunications, owners of various digital gadgets and those who use the Internet to make purchases.

Today, 46% of the world's population uses the Internet, but by 2022 this figure will reach 58%. Michelle Evans argues that the rapidly growing number of Internet users around the world and the development of digital technologies are completely transforming the sphere of trade and the consumer's path to purchasing. In this regard, consumer expectations about how the company builds its interaction with them are also transforming: tomorrow consumers will expect companies to use digital solutions before, during and after they make a purchase.

In her report Top Five digital consumer trends in 2017, Michelle Evans identifies 5 major trends in digital marketing that companies should pay attention to:

1) In recent years, the smartphone has become an integral part of everyday life of consumers all over the world. Today, 80% of Internet users also use smartphones to access the Internet. Since the smartphone is always at hand, some consumers are already switching from shopping with a computer to shopping with a smartphone: today, 20% of Internet users make weekly purchases with a smartphone. In particular, trade through messengers is also developing.

2) Today, in addition to computers and smartphones, there are many channels for e-commerce: various applications and devices that have the ability to connect to the Internet and other devices, such as: watches, e-books, household appliances (such as washing machines, refrigerators). All of these devices could be an important tool for marketers. This trend of the emergence of an increasing number of different things that have access to the Internet has been called "the Internet of Things. Such devices, according to experts, have great potential for interaction between companies and consumers. For example, because such devices collect data, companies can take a more personalized approach to consumers.

3) Today there are many different mobile platforms for payment: mobile applications, payment through the website, payment from a smartphone through the mobile version of the site, platforms in social networks, payment by smartphone directly in the store. All these are quite familiar things for consumers. However, thanks to technology, more and more places continue to appear where you can make payment: for example, payment directly in the fitting room or payment from the driver's seat.

4) Artificial intelligence can significantly improve the way consumers interact with technology. The ability of artificial intelligence to analyze Big Data allows it to predict consumer behavior and provide recommendations based on individual consumer preferences, which, in turn, maximizes the customer's purchasing experience. Some

examples of the use of artificial intelligence, gaining popularity in trade - chatbots, virtual assistants and robots.

5) For commercial brands, virtual and augmented reality technologies have great potential in terms of creating consumer engagement. Virtual and augmented reality allow consumers to escape from the daily routine for a while, attract them with the expectation of some adventure. If this experience is interesting enough, consumers are likely to want to share it with friends and acquaintances .

Many companies, from beauty brands to home furnishing brands are already experimenting with virtual and augmented reality technologies to «make» the consumer visualize or even experience what they are going to purchase.

For example, the cosmetic brand Sephora uses augmented reality technology, giving potential buyers the opportunity to use the app to see how they will look different shades of lipstick or different types of false eyelashes from the Sephora line. The app also provides «virtual tutorials» that teach consumers, for example, how to properly apply a particular cosmetic product.

All of the above trends show that thanks to the development of technology, the purchasing experience and expectations of buyers are undergoing significant changes, and to cope with the competition, companies need to adjust to these changes. High-tech solutions are not yet common in the Russian market, so the focus of the research is focused on the most commonly used channels and tools.

3.7   Advertising: offline and online

Recently, many new and interesting things have happened in the world of marketing. Analysis of last year's trends will help to adjust the focus correctly in 2021, especially against the background of strengthening of the position of the online advertising market, when the task of synchronization online and offline and adequate assessment of the effectiveness of both channels becomes important.

With consumption declining, the advertising market has refocused. Priorities of those media and communication channels that better build either knowledge of the product or sales have increased. According to the digital data (Deloitte,2018),for example, video and audio (they are more often used by importers), the best-performing product, less than others have lost ground; graphical formats showed the strongest drop; and text formats that are effective just before purchase (often used by dealerships) show significant growth.

The picture is quite predictable and corresponds to crisis trends: companies traditionally invest less in the future and collect more current demand.(Deloitte,2018)

Types of advertising delivery, offline and online channels of communication differ significantly from each other in efficiency assessment, different turnovers and budgets.

It is believed that the Global Network can assess, calculate and predict everything. Therefore, Internet marketers calculate and evaluate each advertising channel. It is possible to measure the effectiveness of offline advertising through e-marketing.. (Poshataev, 2019)

The current level of Internet penetration and customer engagement allow us to consider the usage of measuring techniques using search monitoring and data parsing, in-site web analytics, phone tracking of offline advertising, mobile technologies, docking with CRM/ERP systems.

There are a large number of tools to measure the effectiveness of offline advertising, aimed at attracting visitors to dealerships :

1. Polls or questionnaires. All companies (or almost all) use this method. The downside of this method is the small reliability of the data. Customers do not always remember where and when they saw the ads. In addition, if company has placed layouts in several magazines, it is unlikely to know which edition the buyer saw the ad in.

2. Codes to track offline advertising. A simple enough way is to specify a code in the advertising layout or place a coupon, which the buyer will present to the DC to get a discount, a special offer, etc. After linking the code to CRM, the marketer can build a report on how many coupons have placed orders in the CC and how much.

3. Switching company's phone number. If the advertising of the DC is mainly aimed at attracting calls, it is needed to keep track of which advertising company came from this or that call. To do this, company can apply a technology similar to call tracking on the Internet. Several phone numbers are purchased, a new number is integrated into each ad message, and everything can be processed in one call center.

4. Internet address in offline advertising. Often, in addition to the phone number in the advertisements, companies specify the address of the site. At the same time, it is important for a marketer to determine after which ads, as well as how many people came to our site. For most advertisers, the statistics system

of their site allows to see the so-called «direct entry» of visitors. This kind of traffic assumes that the person interested in the information keeps the address of the site in his head and dials it in the browser alone.

5. Setting indirect targets. A landing page provides information about company's goods, the address and, perhaps, the number of a single call center, etc. The purpose of the page is to make visitors aware of the proposal. Contact details are not collected here, codes are not issued, etc., that is, there is no specific target action. Tools are easy to measure the effectiveness of such a page and incoming traffic.

6. Code to track online advertising. The code is generated based on the advertising source (for example, depending on the site from which the transition was made, or the keyword in the contextual advertisement, UTM tags, or the additional key in the link). The buyer, when making a purchase offline, indicates the code that is entered into the CRM, and thus a report on the most profitable advertising sources can be formed.

We live in a multi-channel world; successful companies never use one advertising channel attracting. Usually it is 4-5 channels that interact with each other (complementing each other), and it is important to choose a marketing mix working for each company based on analysis of the effectiveness of online and offline channels of communication. All data needs to be cited as analytics, Metrika, Omniture, Clicktracks, Coremetrics, Unica, Webtrends, or self-written. The most important thing is to be able to create correct reports, based on which to make decisions about the effectiveness of marketing mix.

Unfortunately, analytics is often used solely for the sake of analytics, so in order to be a really effective tool for building the entire chain, they should establish its connection directly with the company's activities .(Tarasova,2016)

3.8 «New influencers» as a connection to customers

The power to influence what a brand means to others is something that poses a dilemma and an opportunity at the same time.

It is needed to identify a group of engaged consumer activists around the world who appear to lead the wider population to reward or punish good or bad corporate behavior. Influencers define and shape the environment in which companies operate, by providing a window into the likely attitudes and behaviors of consumers in the future. This group has

wider social networks than regular consumers do have and routinely take part in conversations with friends and colleagues about news/current affairs, public services, products and corporate behavior. Furthermore, they use their wide social networks to broadcast their views and to urge consumers to complain and boycott the products or services of companies, which have failed to meet acceptable standards of behavior. (Bollen,2008)

Critically, the wider consumer audience actively seeks out the views of influencers and is willing to be led by them.

Celebrity attraction is just one of many technical techniques that can be used to solve certain tactical tasks. For example, a brand strategy may be to attract a specific new audience where current positions are not strong enough. Then a person who enjoys authority in this category of people can help to attract her attention.

A great illustration is the Mercedes AMG Roadster campaign with Peter Fonda. He is the iconic actor of the «hippie» generation, the most interesting segment for luxury sports cars. First the company should define a business goal, and then to find a way to achieve it. If the target is in their 60s, attracting a celebrity during their youth can be a very effective solution.

Since the involvement of the celebrities in the campaign is one of the many manifestations, it, along with the obvious advantages, has its drawbacks.

Not all brands can really compete in attractiveness with star people and on their background can easily fade. In this regard, it is extremely important that as a result of the work done, the celebrity would not overshadow the brand, and did in this duet work, as it is called, «for two» - and showed itself, and the brand advertised.

Among the main mistakes that brands make, starting a collaboration with a well-known person can be singled out the following.

Error number 1. The star «clogs» the brand, and it is not clear what is advertised in principle

Non-obvious, at first glance, «compatibility» of the star with the brand allowed interesting to build communication, comically beating the stereotypical heroic roles of the actor in action movies. In the ad, Norris appears in a slightly exaggerated image of a man who can cut a fish or fry a steak with a single blow.

Error number 2. The star does not fit the brand

There are many examples of multimillionaire stars pretending to be consumers of super-affordable goods, Olympic champions who eat space food on the clock,etc.

Many research methods allow us to objectively assess the degree of compliance.

Error number 3. Photographing/shooting a celebrity in such a way and from such an angle, that it ceases to be like itself

Error number 4. Inorganic integration

With the rapid development of social networks, the category of «celebrity» traditionally occupied by representatives of the acting profession and variety, added influencers (bloggers). The peculiarity of working with bloggers is not only the orientation to the degree of its fame, but also the reach of its audience. After that, comes another risk factor: organicity. If the company is integrating into the format of video blog, given the abundance of advertising messages in principle, it is most important that the blogger organically inserted the company's content into his feed. The success of such cooperation will depend entirely on this.

3.9   Cosmetics Marketing & Industry Trends

Despite the fact that the cosmetic market in Russia is oversaturated with all sorts of brands from low price segment to luxury, and consumers have considerable room for choice, new players, nevertheless, continue to enter the market. In general, the competitive environment in the coming years will only intensify, in particular, the struggle between Russian and foreign brands will intensify. While foreign brands will continue to focus on creating new products, local manufacturers will try to strengthen their position in the low-price segment.

The author notes that one of the reasons of the growth in cosmetic industry is the influence of social networks: attractive images on Instagram of women with perfect skin tone and immaculate makeup inspire young women to use all possible remedies of decorative cosmetics to achieve the same effect. According to a review of the cosmetics industry in Russia, published in May 2017 by Euromonitor International, beauty and personal care companies are increasingly trying to attract consumers of the younger generation by targeting their marketing campaigns.

Thus, traditionally buyers came to the cosmetics store, tried the products directly there and only then formed their impressions about it. Today, the Internet is the primary means for buyers to collect and analyze information about cosmetics and an integral part of the process of making a decision to buy.

In this regard, the way digital marketing tools transform this sphere and influence the formation of consumer attitudes towards the brand is particularly interesting to study. A 2014 Euromonitor International study found a fairly strong influence of digital technologies on consumers' decision to buy decorative cosmetics.

Therefore, it is especially important for cosmetic companies to be integrated into the digital environment, to use digital technologies, to create high-quality online content that can interest customers.

3.10 Brand valuation

Assessing the value of a brand is crucial for any business. After all, any company has not only monetary, but also material and intangible assets. Intangible assets are represented by brands, slogans, marketing strategies, logos, original packaging, etc.

The brand itself is not an intangible asset. These rights are subject to evaluation. That is, the objects of evaluation may be the exclusive right or right to use the trademark. In the first case, the valuation is made for the purpose of registering it, making a share capital or alienating the trademark. In the second - for the conclusion of license agreements. (Shakhovskaya, 2017)

The approaches and methods of assessing brand value, enshrined in the Federal Assessment Standards (FSO), are inextricably linked to factors affecting its value.

Thus, brand value is determined in three approaches - profitable, costly and comparative.

When assessing a brand with a comparative approach, it is necessary to find not just the value of a similar trademark, but the value of the transaction (depending on the volume of rights assessed - the alienation of rights or the transfer of the right to use under a license) with a similar trademark. Moreover, due to the inaccessibility of such data, a comparative approach to brand evaluation does not apply.

It is also necessary to understand that a cost-effective approach is not applicable when assessing the right to use (license). To date, there is no single proportion between the cost of exclusive law and the cost of an intellectual property license. Therefore, it is not possible to allocate a share of the costs incurred to create a brand for the cost of the license. Thus, a costly approach to brand evaluation is only applicable when the exclusive right is assessed. (Shakhovskaya, 2017)

The most universal and in most cases the only applicable approach to brand evaluation is a profitable approach. It calculates the share in the company's revenue, which is included in the trademark. Often, as such a share is taken the rate of royalties, fair for this trademark. Its value is affected by the industry, which uses the trademark, its level of profitability, the amount of value assessed by trademark rights and its value.

3.11 Repositioning a brand

The next social networks in Russia were chosen for the study: Facebook, Instagram and YouTube. It is important to emphasize that despite VKontakte's status as the most popular social network in Russia; many cosmetic brands are not represented there. The situation with Odnoklassniki is the same. Therefore, Facebook was chosen for the current study. Based on information gathered in the second chapter, the thesis's author made assumptions about positive impact of online promotion tools on the brand's equity.

As soon as the main targeted group of L'Oréal Paris's brand is women from 12 to 55+ years old, it is needed to analyze which social networks are popular there and what is the average daily reach of women.

Figure 2Russia's most-used social platforms between women aged from 12 to 55+, in thousands.(Data is based on average daily reach)
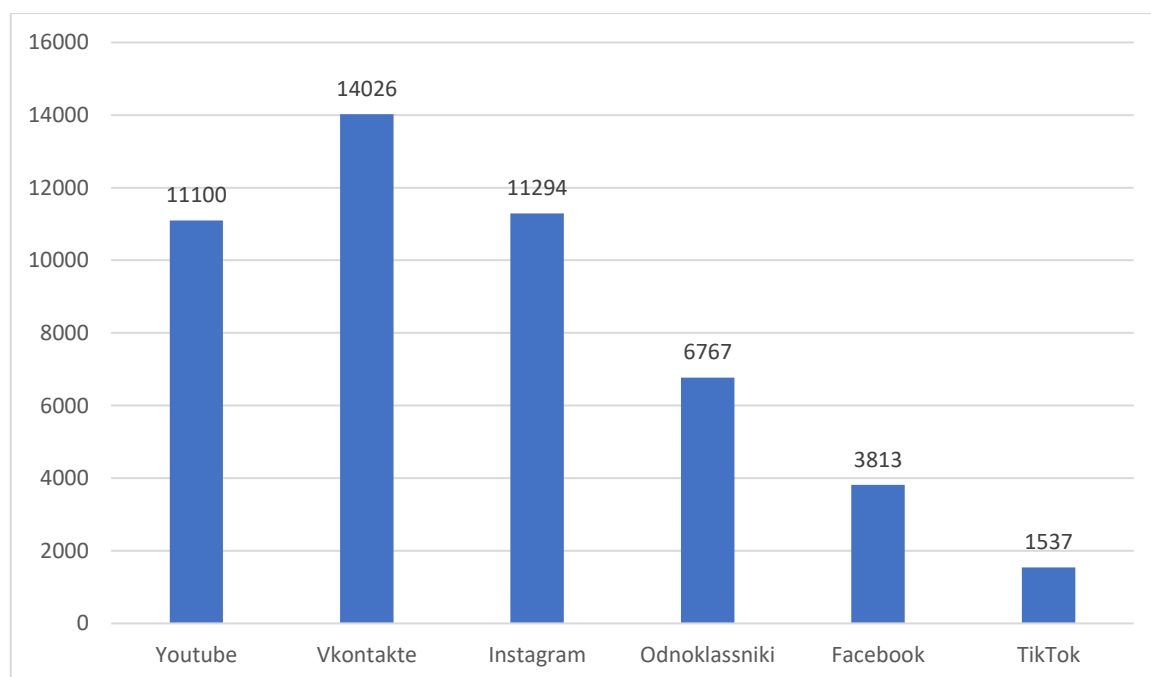
Source : Mediascope,2020

First, it was found out that the market of decorative cosmetics is characterized by stable growth and high competition due to the oversaturation of brands. In such conditions, it is difficult for brands to attract and retain the attention of consumers.

Secondly, the peculiarity of consumer behavior in this market is that traditionally the impression of the brand was not formed without directly testing the products on themselves, but the rapid development of the Internet has transformed this process: today consumers can make up their attitude about the cosmetic brand, never contacting it in an offline environment. Given these two circumstances, an effective strategy of online promotion for brands in this market is especially relevant.

Further, the most commonly used online promotion tools in the Russian cosmetic market were analyzed and hypothesis about their positive impact on the brand's equity elements was formulated. Thus, in the future, the impact on the brand's equity elements of the following tools will be investigated: the official website, the Facebook community, the Instagram account, the Youtube channel, cooperation with celebrities, reviews from beauty bloggers, information e-mails and mailings with promo codes.

4 Practical part

4.1 About the company L'Oréal

4.1.1 Portfolio of brand L'Oréal Paris

Since ancient times, women's desire for beauty has been known. Cosmetic products are the first thing to resort to. This gives a huge boost to the development of the cosmetic market. In the last decade, the perfume and cosmetics industry has undergone significant changes in the range of products, the approach to consumer service, methods and forms of product promotion.

On the Figure 3 it is shown, that the cosmetic market shows strong development over the period 2010-2019. This is L'Oréal's estimate of the global cosmetic market in 2019 based on manufacturers' net prices.

Figure 3Growth of the worldwide cosmetic market over 10 years (in %)
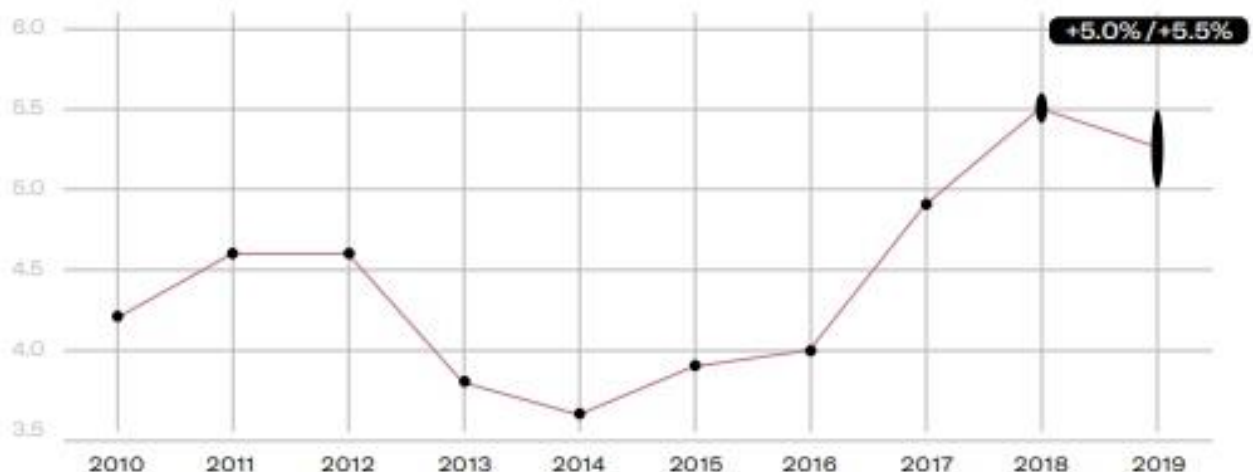
Source: L'Oréal Group, 2019

According to L'Oréal Group Annual report (2019),for the period 2010-2019 there is an increase in online sales +27% growth in worldwide online cosmetics sales, while the share of e-commerce in the beauty market shows +14%.

Russia, Turkey, Ukraine and Romania boosted the performance of the Eastern Europe Zone. L'Oréal Paris, L'Oréal Luxe and Active Cosmetics Divisions won market share, with, at the Group level, gains in makeup, skincare and hair.

E-commerce continued to grow strongly, and now represents 10% of sales in this Zone. According to the data, in the end of 2019 the weight of Eastern Europe in L'Oréal sales represents 6,4%.

According to L'Oréal Group Annual 2019 report, Russia is still a new market for the company, while L'Oréal Paris seeks to strengthen its positions there.

By 2024, the market could grow to $863 billion, adding just over 7 percent annually. The positive dynamics are influenced by consumer interest in high-tech innovative products, natural and organic products, and an increase in the number of elderly people around the world, which contributes to the increase in demand for anti-ageing cosmetics. In addition, the drivers of the market are online trade, duty-free trade and the growth of disposable income in the whole world.

To date, L'Oréal (all divisions) has 86,000 employees, 47 factories in 22 countries and 36 world-renowned brands sold in 150 countries.

The company's operating profit for the past year was 4.92 billion euros, which corresponds to 18.3% of sales revenue. There is also a positive trend in this indicator: compared to 2017, profit increased by 5.3% (4.67 billion euros).

The increase is due to the following factors. First, these are e-commerce indicators, which improved by 40.6%, and their revenue amounted to 11% of the group's sales. Second, growth in the duty-free market reached 27.1%, and revenue exceeded 2 billion euros.

L'Oréal's global flotilla of brands is organized as 4 complementary Divisions, with each one developing a specific vision of Beauty for its respective market: Professional Products Division, Consumer Products Division, L'Oréal Luxe and the Active Cosmetics Division.

In this Diploma Thesis, the research brand is L'Oréal Paris, which is a part of Consumer Products Division in L'Oréal Group.

L'Oréal Paris main goal is to offer women and men around the world the best innovative beauty products - quality, effective and safe; necessary to meet the diversity of beauty desires and needs in all corners of the world. Thus, the mission of the L'Oréal Paris brand is to make beauty accessible to everyone.

In order to express themselves, L'Oréal Paris use their slogan "Because You're Worth It" since 1973, which is recognized and positively responded to by 80% of women (L'Oréal Paris, 2017). This slogan is associated with every product and advertising that L'Oréal Paris produces, where it is often expressed by well-known and glamorous spokespersons. L'Oréal Paris is known for using glamorous celebrities as spokespersons for their brand to be perceived as more trustworthy and well-liked by their customers.

The beauty industry is changing rapidly; trends are constantly changing, but the reliable and balanced business model of L'Oréal, working with all categories of operations, goods, price in the market. In the face of a growing cosmetic market and increasing competition, a real war of brands begins. Often just brands - words, symbols, images, sounds and ideas - and are the main motive of purchasing decisions.

4.1.2 SWOT analyses of L'Oréal Group

L'Oréal is the leading name in the cosmetic and beauty world. Their extensive portfolio of hair, skin, and makeup products is the reason why. This brand is the only one offering so many inexpensive as well as luxurious beauty options.

Although the company has many strengths, it has a few concerning weaknesses and threats. The SWOT analyses of the L'Oréal Group is presented below in a Table 4.

Table 4SWOT analyses of L'Oréal Group

Strengths: A powerful portfolio of brands	1. A variety of beauty and cosmetic products. 2. High quality. 3. International access. 4. Moving into organic. 5. Endless research.
Weaknesses: An outcry of hair and skincare products	1. Growing saturation. 2. Shrinking profit margins. 3. Slow divisions.
Opportunities: Niche markets.	1. Industry expansions. 2. Create new products. 3. More organic.
Threats: A cash flow issue	1. Quick changes. 2. Tricky cash flow.

Source: Author,2021

L'Oréal has countless products; therefore, the profits are divided into these different segments. However, if something happens to the economy, the company will have a problem.

Moreover, the economy is not always steady. It depends on several factors. While one country can be flourishing, another one may be quickly on the decline. If L'Oréal does business in declining economies, it will affect cash flow. It is not as if beauty products are an absolute necessity. Therefore, if people do not have extra cash to spend on the products, they will not.

4.1.3 PESTLE analyses of L'Oréal Group

The PESTLE analysis For L'Oréal Group is presented below in the Table 5.

Table 5PESTLE analyses of L'Oréal Group

Political	Economical
1. Consumers increasingly conscious of values and political affiliations of brands	1. Beauty and cosmetic industry immune to economic downturn 2. Rise of the middle class to spur growth in the cosmetic market
Social	Technological
1. Consumers becoming conscious about product formulations	1. Alignment with digital innovation 2. Focus on research and innovation to drive competitive edge and maintain leadership position
Legal	Environmental
1. Regulatory and consumer pressure on sustainable supply chains	1. Promoting sustainable innovation in product Formulations 2.Environmental and sustainability management initiatives

Source: Author,2021

4.1.4 Porter's 5 forces analyses

To keep the international leading position of the company, it is vital importance to analyze different factors from that industry creating an impact on the company. Porter's five forces analysis is conducted to understand the dynamics of the cosmetics industry so that strategic planning can be done accordingly.

(1) Competitive Rivalry

The competition in the global cosmetics industry is of the highest level because of the strength of the competitors in the industry. The major international brands in the cosmetics industry include L'Oréal, Maybelline, Dior, Chanel, Urban Decay, Lancérne, and Estee Lauder (Zion Market Research, 2019). L'Oréal is leading the market with the highest market share due to its range of products and brand reliability. The other brands also have international presence and acceptance, which is the reason for fierce rivalry in the global cosmetics industry. Although the competition is high but the competition is not negatively impacting the current state due to the massive growth of the industry. Despite increasing the number of companies, the number of buyers is also increasing which is neutralizing the negative impact of high competition.

(2)Bargaining Power of Suppliers

The suppliers have low bargaining power because the raw materials used in the cosmetics industry are not rare and the suppliers are also available in abundance which makes it easy for the companies to negotiate. Due to such massive growth and sales of the cosmetics companies, the suppliers focus on giving the highest value to get the contract of international brands. This value of the companies for the suppliers in the cosmetics industry is the reason that the companies negotiate through a dominant approach. Therefore, the bargaining power of the suppliers is low due to their high dependence on the companies.

(3)Bargaining Power of Buyers

There are multiple international and local brands available for the buyers to buy from. The switching cost is also not high from one cosmetic brand to another cosmetic brand although there is a factor of brand loyalty due to skin sensitivity. But the overall factors are not so impactful that it restricts the buyers to a particular brand so closely. The availability of the same quality brand with the same or even competitive pricing has increased the bargaining power of the buyers. The cosmetic companies have to keep in mind the bargaining power buyers while developing the products and setting the prices for the products.

(4)Threat of New Entrants

The hurdles for the new entrants in the cosmetics industry are there but some of them are negated due to the exceptional growth of the cosmetics industry. The expertise is requiring manufacturing the cosmetics products and the testing of the different products is a complex process requiring skills and capital. The issue of banning animal testing in the cosmetics industry has further intensified the complexity of the operations in the cosmetics industry, which is a hurdle for the new entrants. The fast market growth neutralizes the negative intensity of the hurdles, which is the reason that the threat of new entrants in the global cosmetics industry is moderate.

(5)Threat of substitutes

The skin and beauty care products have become a need and there is no chance that the people would not be concerned about the beauty, skin, and personal care. This need requires the beauty, skin, and personal care products in the industry, which keeps the threat of substitutes low. It is important to note that the way and products have changed and evolved but the need for beauty care products is there and it will remain there with radical or incremental innovations in the products and processing of the cosmetics.

4.2   Marketing strategy of L'Oréal Paris

The perfume and cosmetic products belong today to the pre-choice products. This applies to expensive perfumes and cosmetics of prestigious world brands.

The degree of prestige perfume and cosmetic products are divided into different price categories, and, based on this, is promoted in the market through various marketing tools.

Thus, if for the goods of the cheapest price spectrum is enough ordinary advertising and information campaign, then for goods of medium and higher «luxury» price categories requires a whole range of marketing activities.

 For these two price categories, especially for «luxury» optimal are periodic events. Event marketing is very effective for the first price category of this product, but in its case, because it itself is quite expensive and covers a limited local audience; it is effective only at the initial stage of bringing new products to market. For the lower middle price category is important work with wholesalers, and for them should organize presentational events. As for expensive products, here the manufacturer should address directly to consumers and organize event-events for them, tying either to the release date of new branded products, or to events related to the brand as a whole.

L'Oréal Paris manages various PR activities, for example, shareholder fairs, sponsoring various fashion shows, events including the Cannes Film Festival, or launching competitions for hair stylists and makeup artists.

In any case, event-marketing events L'Oréal Paris should be addressed very precisely to acquire non-situational consumers, and permanent, committed to the brand.

4.3   Digital marketing strategy of L'Oréal Paris

Digital technologies enable consumers, whether fans, ambassadors or influencers, to receive rich content from their favourite brands and become ambassadors for those brands. L'Oréal has developed digital factories with advanced audiovisual capabilities to create highly personalized, consumer-oriented social content. At the heart of consumer engagement is the community manager, who manages and mediates discussions on social media and builds a close relationship between the brand and its consumers. Their role is crucial to audience development and brand visibility.

Investments in digital marketing bring results: more than a billion people a year visit the sites and pages of L'Oréal in social networks, so the sales on the Internet in the first

quarter of 2018 alone increased by 34%. Now they make up a significant share in the company's total sales and significantly affect the dynamics of growth.

This paragraph will examine the online promotion tools that decorative cosmetics brands use in the Russian market as part of a strategy to promote their products. Some of them are familiar to most companies and consumers, and some - more innovative. Several ways of online promotion are considered on the example of L'Oréal Paris, as it is not only the market leader, but also the most digitalized company on the cosmetic market.

 The company operates a digital department, the task of which is to make the most of the opportunities of modern technologies for interaction with the consumer.

As stated on the company's website, the boom in digital media, social networking and online sales allows beauty brands to reach a new level of customer relationships and makes marketing much more efficient.

L'Oréal also emphasizes that the Internet is the key to conquering the younger generation and it is this channel that needs to be chosen to interact with a young audience, as it is people who are literally born with access to the Internet and see it as one of the main sources of new information. For cosmetic brands, it is an opportunity to be even more convincing, using the power of recommendations of loyal consumers in social networks, which are trusted by young people beauty bloggers and star ambassadors of the brand.

Below the analyses of L'Oréal digital applications is performed.

1. Chat bots. The company is paying a lot of attention to the introduction of communication with the consumer of artificial intelligence in its process. At the moment, L'Oréal is collaborating with computer developer AI Automat Technologies Inc, with which L'Oréal is launching a ChatBot Beauty Glitter on Facebook. The new feature will allow users to consult with the bot when choosing cosmetics. The bot will ask the consumer a few questions aimed at compiling the buyer's profile and clarifying his personal characteristics, after which the buyer will receive personal recommendations regarding the choice of brand and a particular product, based not only on individual preferences, but also on material capabilities. However, the simpler bots L'Oréal has been using for a long time. For example, in the official Maybelline New York VKontakte group, users can use a chat bot to find the most appropriate tonal tool by simply writing «hello» in the community messages, and then answering a few questions about their skin type and preferences.

2. Mobile applications. More than 20 apps on AppStore are released by L'Oréal. Some of them are focused on professionals: for example, help hair stylists to diagnose the client's hair, or provide facial massage lessons for beauticians with the help of professional products L'Oréal, or give advice on the prevention of musculoskeletal disorders, which are the cause of three-quarters of professional diseases of hairdressers.

However, most applications are designed to interact with the end consumer.

(1) In December 2014, the smartphone app Makeup Genius, based on augmented reality technologies, was launched for the L'Oréal Paris brand. This application allows user to «example» on yourself different makeup in real time, just looking at the front camera of the smartphone. In addition, the app provides the opportunity to instantly make a purchase of your favorite cosmetic product. At the same time, world celebrities were invited to advertise this application: Eva Longoria, Julianne Moore, Barbara Palvin.

(2) A year earlier, L'Oréal Paris released the app Color genius or Duty free Make up by L'Oréal Paris, allowing user to choose a suitable make-up from the photo of the outfit. Basically, the app is aimed at those who are on the journey, and allows them to pick up cosmetics in the nearest store Duty Free. The app provides 3 options: make-up tone in tone, harmonious combination and makeup in more contrasting colors. World stars and local celebrities also participated in the promotion of the app. For example, in Russia, a commercial, which was part-time lesson on makeup, involved a well-known beauty blogger Estoniana, whose number of subscribers on YouTube exceeds 600,000.

(3) Another application launched 2 years ago from L'Oréal Paris called Shade genius allows user to pick up the perfect tonal product, attaching to the face a special map of shades, which could be obtained in the network stores RIV GOSH. The app also allowed users to make a purchase as soon as the tonal tool was matched.

According to a study conducted by Euromonitor International (2019), consumers who regularly use the Internet both to search for information about products and services, and in general any necessary information, show a greater propensity to actively interact with brands in social networks. It also means that consumers for whom the Internet is a convenient

source of information collection are also willing to share information from brands with their social media contacts.

Today, most brands, including cosmetics brands, have their own pages on social networks and On YouTube. It is needed for the thesis to make an overview of official Instagram account, Facebook account, YouTube account, and official website in Russia.

1. Instagram. As about L'Oréal Paris official Instagram account, there are 9,2 million followers. The main content of the account is presenting new products (photo of a product or a photo/video how it looks like on a model).However, with such a huge audience the average views for the post is between 3K-50K.Moreover,the author can state that the Instagram account is not getting customer interactions. The average amount of comments under the post is between 20 to 70.In author's opinion, the account is not used properly, it does not involve customers into the topic .When appearing into user's Instagram feed, posts look like a paid ads, which is likely to make users just skip the post.

Image 1L'Oréal Paris Instagram account
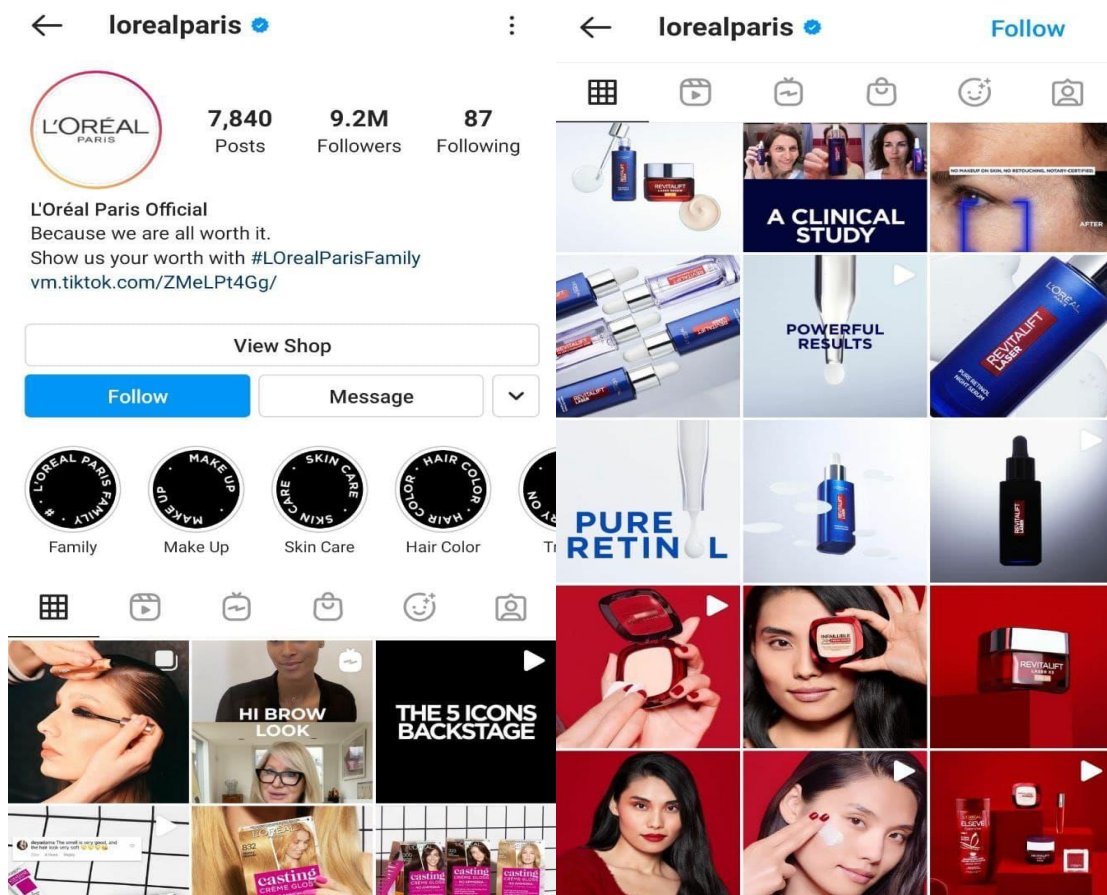
Source: L'Oréal Paris, 2021

Moreover, L'Oréal Paris does not have Instagram account in Russian language. As a contrary, L'Oréal Professionel brand has an Instagram account in Russian language, where they educate hairdressers to work with their products.

2. YouTube. YouTube account of L'Oréal Paris in Russian language has 209K subscribers. On this channel, users can find videos on makeup, skin and hair care tricks, interviews with international experts, short sketches from the lives of L'Oréal Paris famous beauty ambassadors and much more. In author's opinion, the content of YouTube account in Russia involve customers much more, than the official Instagram account in English language. YouTube account shows beauty ambassadors, which are popular stars or actresses in Russia. Moreover, it covers interesting topics about beauty care and shows new cosmetic trends. It tries to interact with customers, not just shows pictures of products as Instagram account does.

Image 2L'Oréal Paris YouTube account
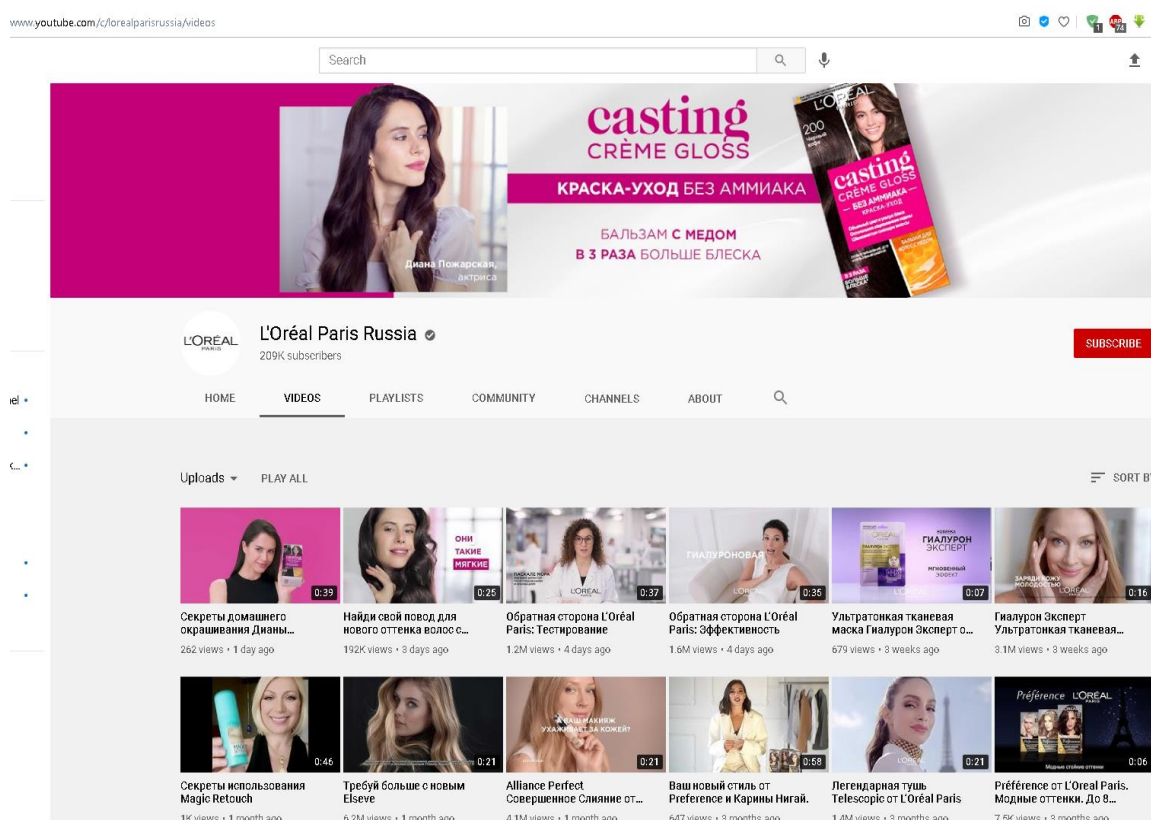
Source: L'Oréal Paris, 2021

3. Official website. The website introduces all the products of the L'Oréal Paris brand; shows places where it is possible to buy the product; lets users try new hair color or to put a make up on. In addition, there is a blog on the website, which contains

advises on a skin care and hair care, and it introduces new makeup trends of a season. However, L'Oréal Paris does not directly sell products in its brand sites.

Image 3L'Oréal Paris website
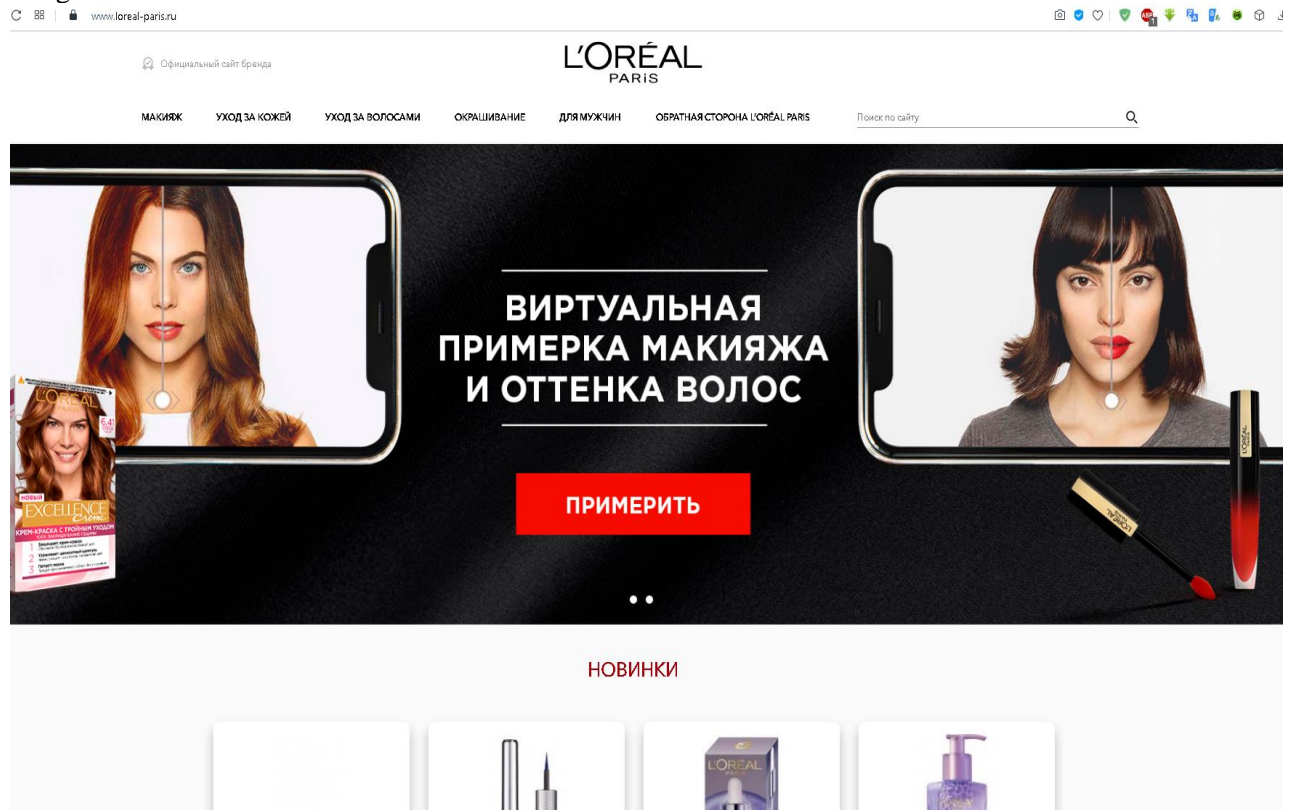
Source: L'Oréal Paris, 2021

4. Facebook account. Facebook account of L'Oréal Paris in Russia is not developed enough. Moreover, last time content was published there about a year ago ,in February 2020. Videos on a Facebook account get less than 1000 views per video. In author's opinion, the account is not used properly, it does not involve users into the topic. Probably, L'Oréal Paris decided not to develop Facebook account on the Russian market because Facebook is not popular in Russia.

Image 4L'Oréal Paris Facebook account
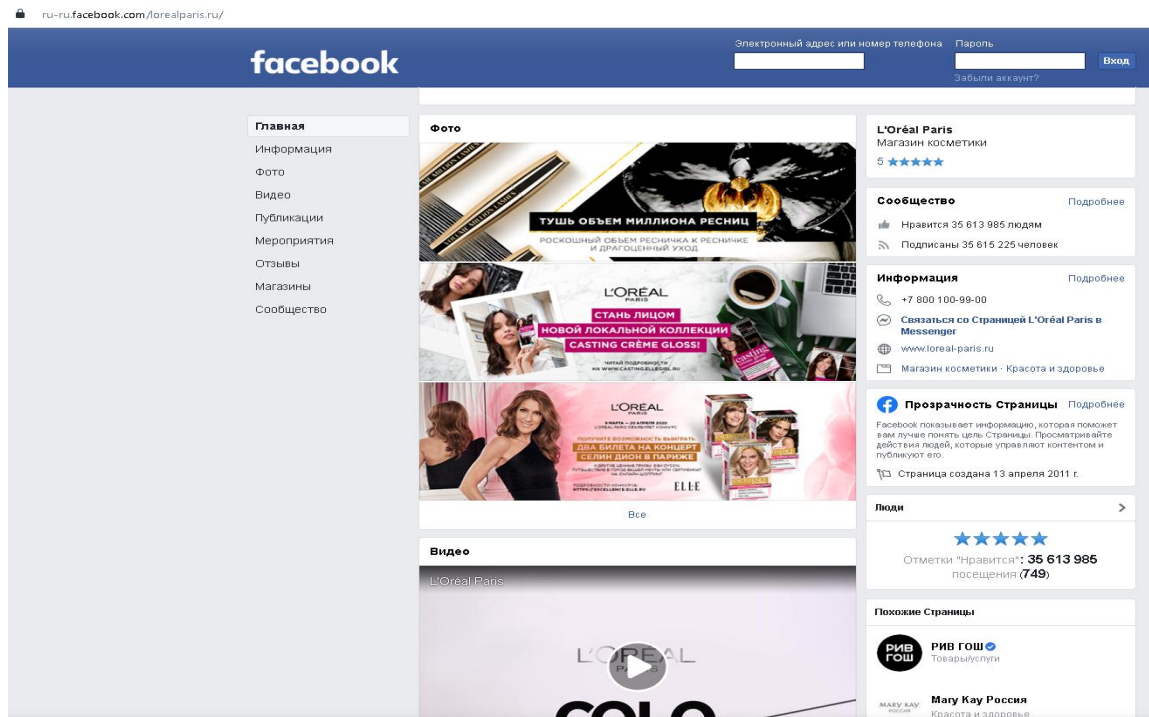
Image 5Videos on the L'Oréal Paris Facebook account
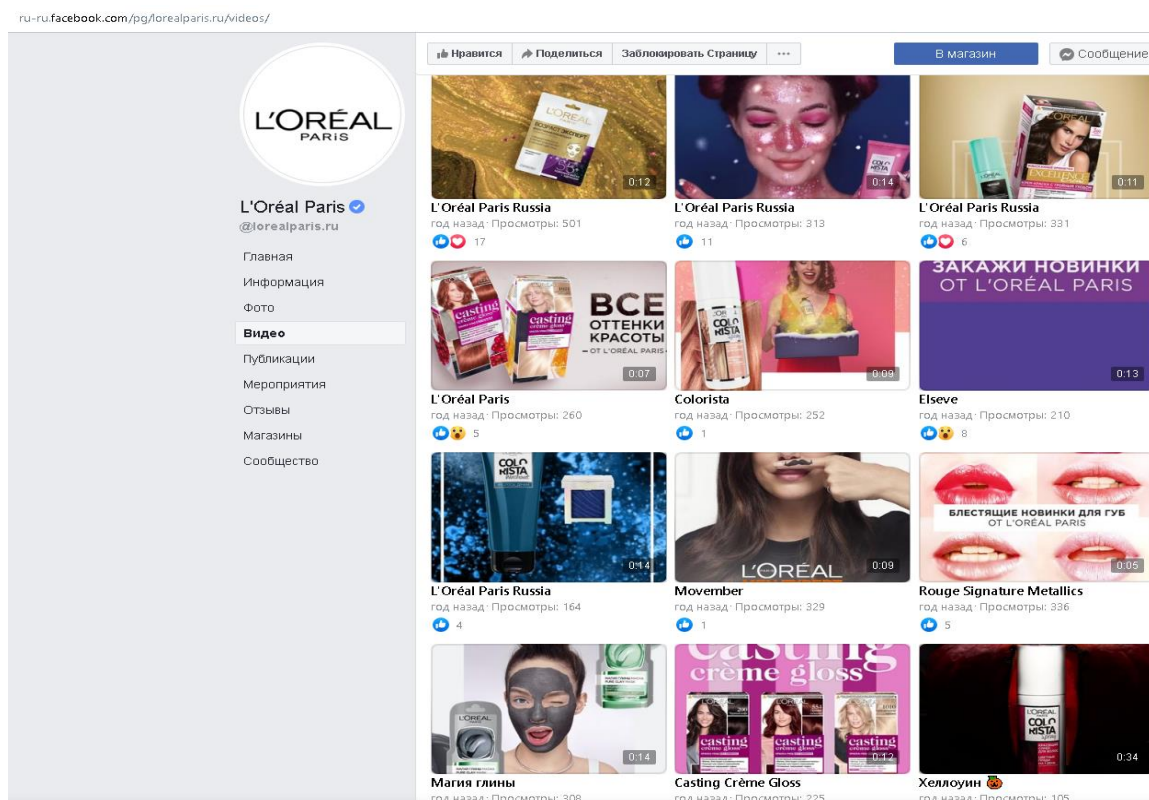
As e-commerce platforms become more diverse, L'Oréal Paris products are becoming increasingly personalized, winning over consumers particularly in emerging

markets, and in areas with few retail outlets. What sets these platforms apart is the services provided, enhanced by artificial intelligence. They allow consumers to try out products and obtain personalized advice before buying. The Group offers more than 20 services via mobile apps, websites, social media and tablets in-store.

With new technologies, the beauty market is witnessing a true revolution. Following the acquisition of ModiFace in 2018, L'Oréal is pursuing initiatives to strengthen its innovation strategy, identifying new startups with a view to creating the next generation of beauty products and innovative services. The partnerships formed with distributors also play a significant role in transforming the customer experience.

Overall, one could assume that the set of digital marketing tools brings various benefits. For the website and e-mail marketing, these are reaching the targeted customer segments and informing them about the organization's performance and news, which may lead to increased sales. Further, social media brings benefits like building a platform for sharing news, accessing data by receiving opinions, and staying connected with customers. While its mobile applications carry benefits such as creating noise, interacting with customers, and cosmetics advertisement.

4.4   Brand ambassadors of L'Oréal Paris

In this role, beauty bloggers co-create content with the brand, covering color cosmetics at events and for digital platforms such as YouTube or Instagram content, the website, etc.

Historically, L'Oréal Paris has used spokespeople who are celebrities and actresses. But influencers have a different value because they are the voice of consumers. They can help the brand to craft better campaigns, content and products and get live feedback in the process. Through them, L'Oréal Paris can reach communities it couldn't reach before, and make the face of L'Oréal Paris more inclusive.

For example, speaking to Marketing Week in 2017, L'Oréal Paris's general manager for the UK Adrien Koskas says the brand is shifting more of its budget away from traditional media to social influencers after seeing an uplift in sales. The brand had previously revealed that its first influencer campaign had caused its True Match product to become the best-selling foundation in the UK.

"We have rejigged our investment from traditional media to social media and influencers and we are seeing a positive impact, especially when it comes to make-up," he says.

"The great thing about influencers is that we sometimes do social promotions where they talk about the products and tell their followers they can use a discount code to buy it online at a specific retailer. We can then track that code, and we've seen a fantastic uplift in sales. The impact [from those campaigns] is immediate and working really well for us."

The L'Oréal Paris official website contains Influencers commitments:

1. Influencers are committed to expressing their thoughts in an original style and publishing creative, interesting and useful content.

2. Influencers can share honest opinions about L'Oréal Paris products, while refraining from publishing libelous information.

3. Influencers should be open about the nature of their relationship with L'Oréal and disclose their commercial interests to the audience in order to ensure full transparency regarding paid content or personal interests (paid collaboration, #SponsoredBy, etc.)

According to the analyses of social networks for Russian audience (Instagram, YouTube and TikTok),the author can conduct that L'Oréal Paris actively uses brand ambassadors and their possibility of sharing discount codes ;making creative content; creating concourses with brand's gifts. Moreover, the activity under such posts is often on the highest level. It helps to involve people into some interactions with the post.

After analyzing of TikTok videos with tag L'Oréal Paris, the author found out that one of the beauty products of L'Oréal Paris (Infalible foundation) became viral there; therefore, videos got millions of views and interactions with the content. In this case, it is impossible to find out who created the first video and whether it was a brand ambassador or an ordinary person who liked the product.

4.5 Promoting tools analyses for L'Oréal Paris

Kotler (2002) reveals 5 primary promotional tools able to pass the message to the target customers, which company can influence. Table 6 demonstrates that L'Oréal uses all of the tools, which could be great potential to attract different target groups; however, the analysis reveals some criticism.

Table 6L'Oréal Paris promoting tools

Advertising	L'Oréal Paris uses TV and magazine ads with the brand ambassadors and celebrities , which together with TV, is the most prospective instruments for building awareness. However, L'Oréal's advertising is criticized for a lack of evidence for some of the anti-aging products. Moreover, some advertising campaigns with celebrities were removed because of over airbrushing. Therefore, it could be stated that L'Oréal Paris advertisement does not fully comply with the Food and Drug Administration law and the international advertising standards code.
Sales Promotion	Promotions, in-store materials, and the possibilities to test the products before in the stores, according to Doyle (2012) work on behavior, not only the mind as does advertising. However, as L'Oréal's retailors offer discounts and samples it might happen that they attract clients who tend to switch brands often according to deals and thus L'Oréal Paris could lose money.
Public Relations (PR)	L'Oréal Paris manages various PR activities, for example, shareholder fairs, sponsoring various fashion shows, events including the Cannes Film Festival, or launching competitions for hair stylists and makeup artists.
Sales Force	The beauty advisers in stores are talking directly to customers, which according to L'Oréal's employees, does not carry the potential. Therefore, L'Oréal Paris might be wasting resources.
Direct Marketing	L'Oréal Paris uses the e-mail news marketing, which might be very informative, but less public. Thus, it might not contribute to its aim greatly.

Source: Author,2021

4.6 Role of innovations in L'Oréal Paris

At the end of 2018, L'Oréal created its capital investment fund, BOLD (Business Opportunities for L'Oréal Development), which aims to acquire minority shares in innovative companies and brands with high-growth potential and to invest in new business models that combine innovation and sustainable development. The fund boosts L'Oréal's open innovation strategy, which aims to build strong ties between the Group and a global ecosystem of agile and innovative startups. It is also a testament to L'Oréal's commitment to providing concrete support for new technologies in the field of sustainable development.

According to the L'Oréal Group Annual Report (2019), about 985 million euros (3.3% of sales) were invested in Research & Innovation. This approach guarantees the high quality and safety of L'Oréal products. With a positive result, the innovation immediately starts into production and goes on sale. The buyer gets all the latest technology proven and still «hot».

L'Oréal Paris focuses on all segments of the Russian market in its marketing activities. Depending on what special properties a group of consumers in a particular cosmetic product is looking for, L'Oréal Paris offers appropriate series of products. Moreover, the company tries to inform consumers about its products in the best possible way, to change their attitude to L'Oréal products for the better, to increase the intensity of consumption of goods and to change the style of consumption (from purchases on special occasions - to regular purchases).

4.7   Brand valuation of L'Oréal Paris

L'Oréal Paris brand occupies a stable position in the beauty industry.

According to L'Oréal Group Annual reports, L'Oréal rating ranks in the top 100 most valuable brands, where it takes 48th place. Since 2002, the brand has had a positive trend. The company's brand value is increasing annually by almost 4%.

The reason for the rapid growth of the brand can be justified by the following factors: relevance and authenticity of the offered products' rapid response to market changes.

Figure 4Brand value of the leading personal care brands worldwide in 2020(in million U.S. dollars)
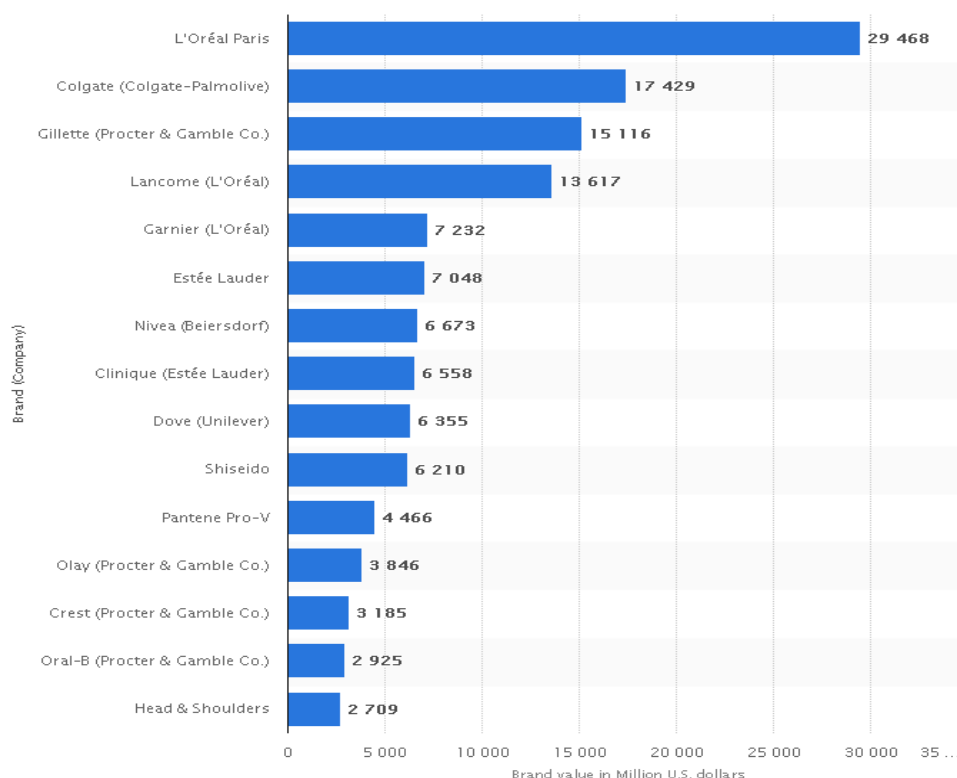
Source : Statista,2020

According to Statista, L'Oréal Paris brand value in 2020 is 29,468 million dollars.

However, it's hardly possible to say that there is any particular value of a brand, because a brand is a unique asset and the determination of its value is also special in connection with the existence of many goals and methods. Therefore, no one can say for sure that one brand value is correct, and the other is not. Companies need to create a sustainable brand platform. A company hedges itself against many risks. Engaged in this procedure, the company not only meets the needs of the market, but competently builds a development strategy for the company as a whole

In their annual reports, L'Oréal Group constantly evaluates its brands in order to:

- form the right decisions while planning the budget;

- assess the effectiveness of marketing;

- focus on the unique methods of increasing the value of the brand in order not to reduce costs and increase sales;

- optimize a distribution of a budget when drawing up the brand portfolio;

- determine the market value of the business.

4.8   Competition strategy for L'Oréal Paris

Today the cosmetics sector is a global industry, in which the strategic positions of competitors in this geographical or national market are determined by their global positions as a whole.

As a competitive advantage, L'Oréal Paris creates its products based on high scientific technologies and is a world leader in the cosmetic market. In each of the geographical markets, L'Oréal Paris offers several assortment groups of products, predetermined taking into account the specific characteristics of a particular market.

The product item offered by the L'Oréal Paris brand to consumers consists of four main assortment groups:

1) Hair products;

2) Facial skin care products;

3) Make-up products;

4) Nail products.

Main L'Oréal Paris competitors are analyzed in a Table 7.

Table 7L'Oréal Paris Competitors

Company-competitor	Types of products	Competitive advantage
MAC	It produces a wide range of products for all ages. The various products of MAC serve the demand of consumers and professional makeup artists. The products of MAC are Prep + Prime, Pro Longwear, Lightful C, Mineralize, and Studio.	It is the leading professional makeup authority in the world.
Maybelline	Maybelline produces various products for eyes, faces, and lips.	Maybelline also provides makeup tips through their step by step guidance in their tutorials; Various products.
Dior	Their main products are fashion accessories for men and women, fragrance, makeup products, skin care products, jewelry, timepieces, and baby products. Dior provides various products for face, eyes, lips, and nails.	Wide range of products.
Clinique	This brand is best suited for this having sensitive or problematic skin. It is considered as one of the biggest skin care and cosmetic brands in the world.	The products of Clinique are free from allergies and fragrance. Clinique is one of the fastest growing personal and cosmetic companies.
Nivea	The various products of body care are crème smooth foaming silk body wash, crème soft smooth foaming silk body washes, foaming oil body wash, enriched rich lotion, men body wash and many more.	Wide range of products.
Garnier	Garnier's various products for hair care and style needs are Anti-Frizz, color care, curls, daily use, moisturize, straightening, texture, and volume. The skin care products produced by Garnier are anti-aging, cleanse, even skin tone, exfoliate, eye, makeup remover, and sun protection.	Various available brands and products.
Yves Saint Laurent	Yves Saint Laurent produces various makeup products for face, eye, lips, and nails. It also produces various beauty accessories.	Wide range of products.
Avon	Avon produces various products like makeup, skin care, perfume, toiletries, and fashion.	Wide range of products.

Source: Author,2021

In order to counter the competitive advantages of these companies, it is necessary to understand what factors are associated with their relative superiority.

All the companies-competitors from the table above have an external competitive advantage and adhere to a differentiation strategy. These firms are in the same zone as L'Oréal Paris. Thus, according to analyses, MAC, Maybelline, Dior, Clinique, Nivea, Garnier, Yves Saint Laurent, Avon have the relative superiority in individual assortment groups.

4.9   L'Oréal Paris market segmentation in Russia and Moscow

Pride and Ferrell (2006) define segmentation as separating a market into segments with specific needs, characteristics, and behaviour that may be targeted by distinct marketing strategies.

It could be seen that L'Oréal Group segments its customers into various groups.

L'Oréal's global flotilla of brands is organized as 4 complementary Divisions, with each one developing a specific vision of beauty for its respective market: Professional Products Division, Consumer Products Division, L'Oréal Luxe and the Active Cosmetics Division.

In this Diploma Thesis, the research brand is L'Oréal Paris, which is a part of Consumer Products Division in L'Oréal Group.

As soon as L'Oréal Paris brand is not the only L'Oréal brand, it is impossible to analyze its market segmentation without other L'Oréal Group brands.

Firstly, using demographical segmentation L'Oréal attracts people of different gender (women and men), age (young and older), and race (diversity) by offering a complex product portfolio brands among 4 divisions. This way, a large number of people could find a suitable cosmetic product to fit their demands.

Concerning the psychographic segmentation, the Group attracts different social classes by offering products for both the middle class (the consumer product division products) and the upper social class (L'Oréal Luxe division products). Additionally, L'Oréal attracts people of different personalities and lifestyles, which includes travel retail consumers purchasing in duty- free shops or natural cosmetics lovers. This way, customers' buying behavior might be stimulated as clients can self-reflect in the beauty products.

Regarding the behavioral segmentation, L'Oréal Group groups customers based on the benefits they demand from the products. For example, within the skincare business

segment, these might be people seeking products for anti-aging, cleansers, moisturizers, anti-imperfections, and others. Overall, one can conclude that the use of multiple customer segmentation bases is due to the actuality that the customer target group of L'Oréal are a mix of demographic, psychographic, and behavior segmentations.

L'Oréal Group products can meet almost all possible needs that arise or may arise in cosmetics buyers, taking into account differences in the personal income and sum of the money they are willing to spend on cosmetics. Prices vary according to the type of brand of goods. The main types of brands and their ratio to price levels are described in Table 8.

Table 8Main types of brands and their ratio with the price levels

Price levels	Types of brands
Level 1:0 Senior and high	Type 1:Brands bearing the names of famous designers
Level 2:High and medium	Type 2: World-renowned brands whose products are made based on the latest technology.
Level 3: Medium and low	Type 3: Brands whose products optimally combine relatively low prices and high quality, the basis of which is the use of advanced scientific achievements.

Source: Author,2021

The cosmetic products of L'Oréal Group have great diversity; therefore, the company has production for people with all levels of income. According to the Table 8, L'Oréal Paris brand offers products of Type 2 and 3.

Consider this classification using the example of the ten main brands of the L'Oréal Group, whose products are sold by the Group's four main divisions in the cosmetics sector. These units are:

1. Mass Market Products: Offers brands whose products are available at a price to most customers and are distributed through mass-market channels (supermarkets, department stores, kiosks, specialty stores L'Oréal).

2. Products for salons: offers brands of specific hair products designed for use by professional hairdressers, stylists, hair diagnostics and treatment specialists and other specialists.

Today, the Russian cosmetic market is represented by a wide range of products of well-known companies all over the world.

In the past 5 years, in Moscow, due to the growth of incomes of the population, the needs of buyers have increased significantly. The structure of the cosmetic market has been formed, depending on the groups of consumers and their needs, as well as the consumer properties of certain cosmetics.

However, Russia adjoins the upper third of states, where incomes are distributed with a strong bias towards the wealthy segments of the population. Moreover, Russian regions are developed unequally, while a level of life in Moscow and in smaller Russian cities differs significantly.

In the COVID-19 crisis, the main problem will be that savings statistics will mask inequality. Part of the population will become even more dependent on loans. Another group of the population, which has not lost in income, now, on the contrary, can increase the total volume of their savings. The experience of other countries suggests that the first group includes the most socially unprotected people, since low wages are typical for specialties that do not imply remote work. On the contrary, middle-class groups work more remotely and spend less because of self-isolation, so they have excess account balances. (Forbes, 2020)

This year, an increase in the income gap is expected not only between the poorest and most affluent segments of the population, but also within the middle class - between the upper and lower group, since many of its representatives - businessmen - have lost income . (Forbes, 2020)

Thus, certain segments of the market have been formed. The search and study of target market segments is carried out through market segmentation, which represents, on the one hand, a method for finding market parts and identifying the objects to which the marketing activities of companies are directed.

5 Results and discussion

5.1 Analysis of the survey

For the survey were chosen women 18-30 years old, who live in Moscow. Questions of the survey were distributed through social network Vkontakte. The quantity of the respondents is 150.

Figures 5 and 6 show the distribution of respondents by age and income, respectively. It is worth noting that all respondents are in the study age or in a young professionals group. However, after the age of 25 years old respondents their amount is declining. The author supposes, that women of this age spend less time in social networks than women of the study age; therefore it is harder to ask them to participate in the survey.

Figure 5Age of respondents
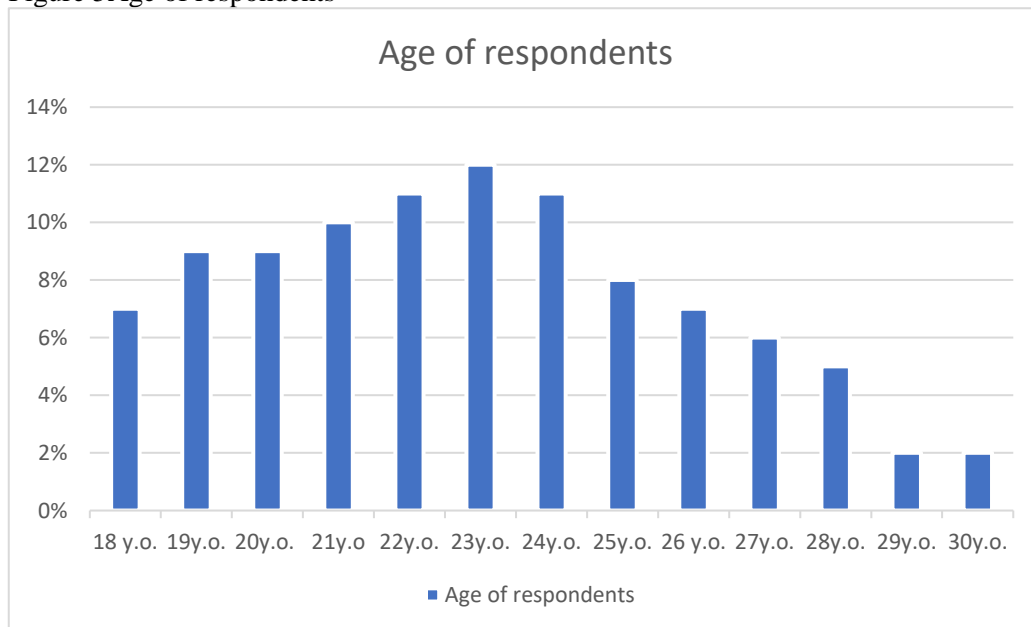
Source : Author,2021

According to results of the survey, only 4% of respondents can afford not deny anything at all. However, 46% of respondents have enough money for products and clothing. In terms of financial status, respondents are mostly middle-income, which is typical for this age group. In addition, the average level of income of respondents suggests that representatives of this age group may be interested in both cosmetics of mass-market brands and luxury brands.

Figure 6Respondents financial position
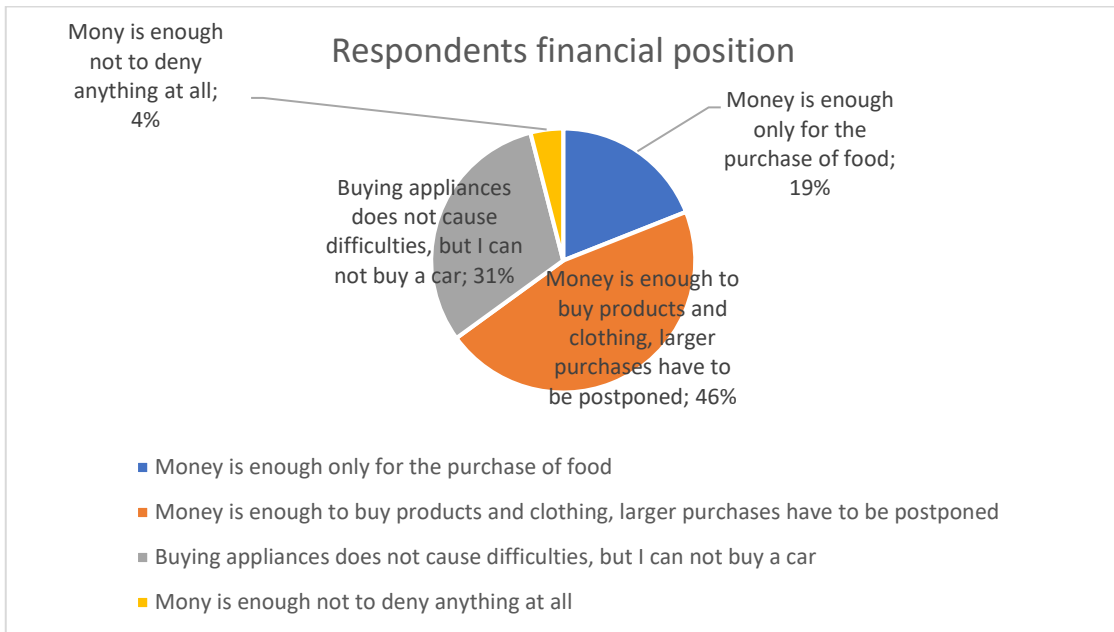
Source : Author,2021

Figure 7 shows, that 34% of respondents regularly use cosmetics of L'Oréal Paris brand. Moreover, 47% of respondents have experience with this brand. And only 19% have never used it. Surprisingly, 100% of respondents have heard about L'Oréal Paris brand. Therefore, the author can conclude that L'Oréal Paris is a well-known brand on a Russian market.

Figure 7Acquaintance with L'Oréal Paris brand
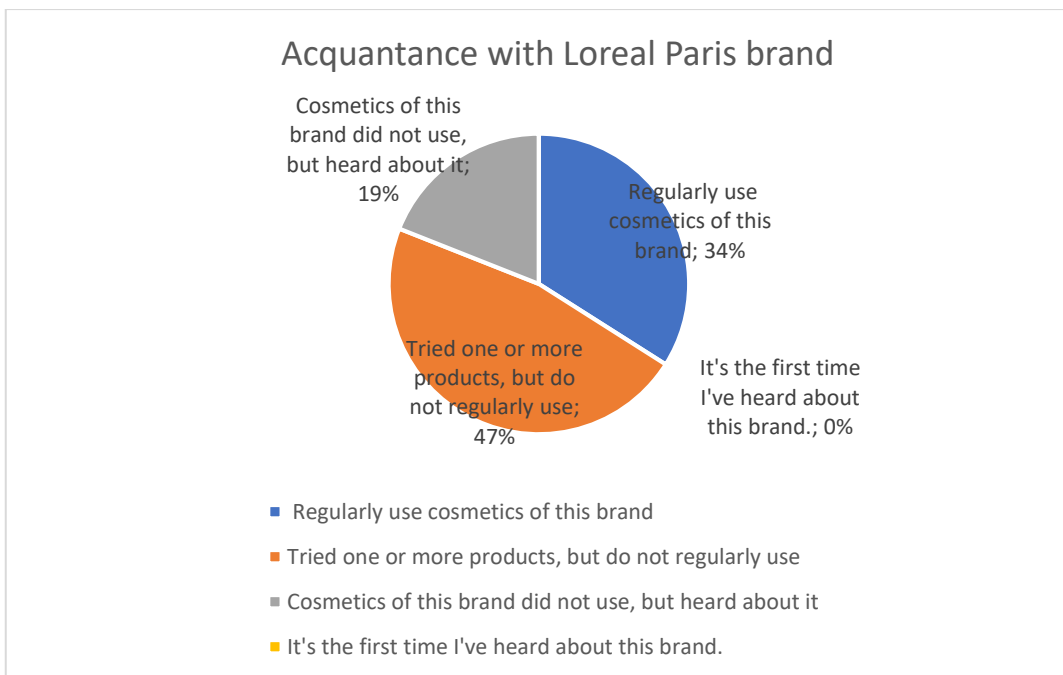
Source : Author,2021

The aim of the next task was to find out whether respondents valuate L'Oréal Paris brand from their consumer point of view positive or negative.

Here and in all the tables below, 1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree .The analyses of respondent's answers for the next questions are presented in a Table 9.

Table 9Valuation of L'Oréal Paris brand from the consumer point of view

	1	2	3	4	5
I have a pretty clear idea of brand X	0%	0%	14%	46%	40%
Brand X is a high quality brand	0%	2%	9%	37%	52%
Brand X fully meets the needs of consumers	0%	7%	11%	46%	35%
Brand X maintains high standards	0%	4%	17%	24%	55%
My opinion about brand X is positive	0%	0%	9%	30%	61%
I would like to purchase a product of this brand	0%	6%	21%	42%	31%
Brand X gives me positive associations	0%	%	8%	9%	83%

Source : Author,2021

According to the results of Table 9, L'Oréal Paris brand is valued positive (between Agree and Absolutely agree).

Therefore, for 14% of respondents it is difficult to answer whether they have a pretty clear idea of brand L'Oréal Paris. Surprisingly, only 2% disagree with statement that L'Oréal Paris is a high quality brand. In addition, 7% of respondents think that the brand does not fully meets the needs of consumers. As about desire to buy a product of a brand, 27% do not want it.

However, Brand L'Oréal Paris gives consumers positive associations in the absolute amount.

The author supposes, that it is the result of advertising and using different marketing tools. Moreover, L'Oréal Paris has a well-known slogan.

Next, the popularity of the usage of official websites of cosmetic brands will be analyzed.

Figure 8Official websites of cosmetic brands usage
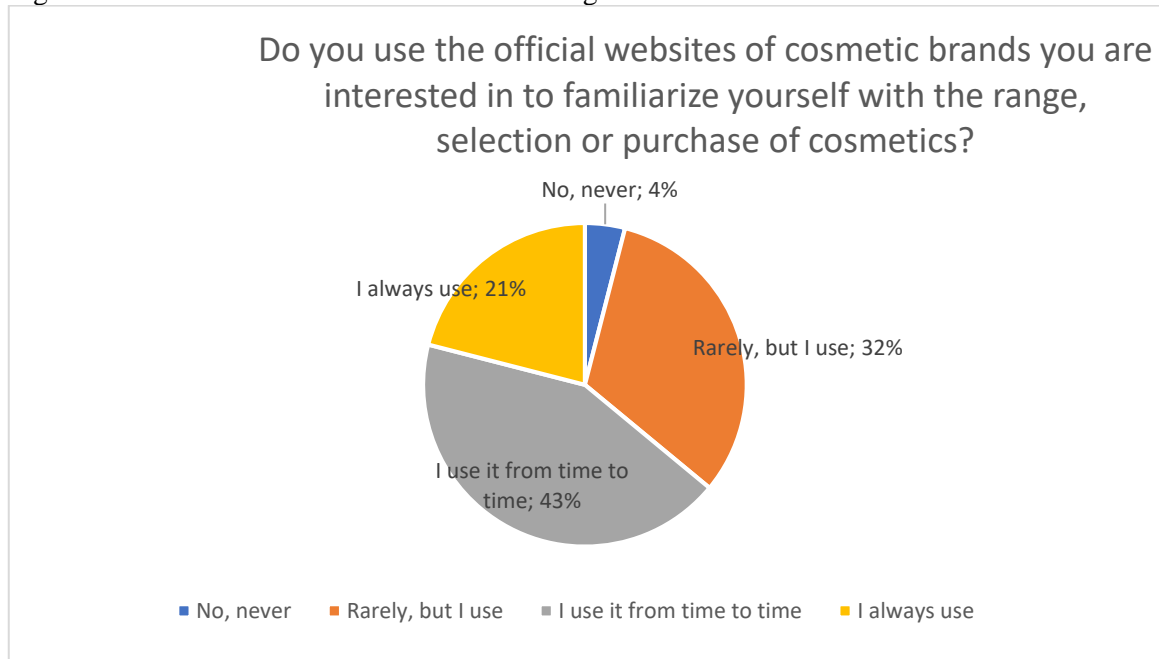
Source : Author,2021

According to analyses, only 4% of respondents never use official websites of cosmetic brands they are interested to familiarize themselves with the range, selection, or to purchase cosmetics. As others respondents use it at least from time to time, therefore the official website of cosmetic brand valuates as important tool to familiarize customers with the products.

The aim of the next task was to find out whether respondents are aware of L'Oréal Paris official website, or no. Here, 1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree.

The analyses of respondent's answers for the next questions are presented in a Table 10.

Table 10Acquaintance with L'Oréal Paris website in Russia, respondents answers.

	1	2	3	4	5
I know brand X has an official website.	0%	0%	12%	39%	49%
I think most women know that the X brand has an official website	0%	0%	24%	28%	48%

Source : Author,2021

Therefore, almost half of respondents are aware of L'Oréal Paris official website and suppose that most of women are aware of that.

Table 11Analyses of Facebook community L'Oréal Paris in Russia, respondents answers.

	1	2	3	4	5
After visiting the site, I got a clearer idea of brand X	4%	9%	24%	26%	37%
Site content (visual design and information on the site) indicates the high quality of brand X	0%	13%	16%	27%	44%
Website of a brand X fully meets the needs of consumers	8%	7%	17%	32%	36%
Website is made up to high standards	3%	9%	31%	28%	29%
I like the website of Brand X	7%	7%	31%	24%	31%
My opinion about the site of the brand X positive	1%	7%	30%	29%	33%
I would like to purchase a product that I saw on the site	3%	3%	18%	31%	45%
Website gives me positive associations	0%	0%	31%	33%	36%

Source : Author,2021

According to Table11, 37% of respondents get a clearer idea of the L'Oréal Paris brand. More than 44% state, that site content is of a good quality. 31% of respondents like the website, and 36% have positive associations with it.

Next, the popularity of the e-mail marketing for cosmetic brands will be analyzed.

Figure 9E-mail marketing for cosmetic brands, respondents answers.
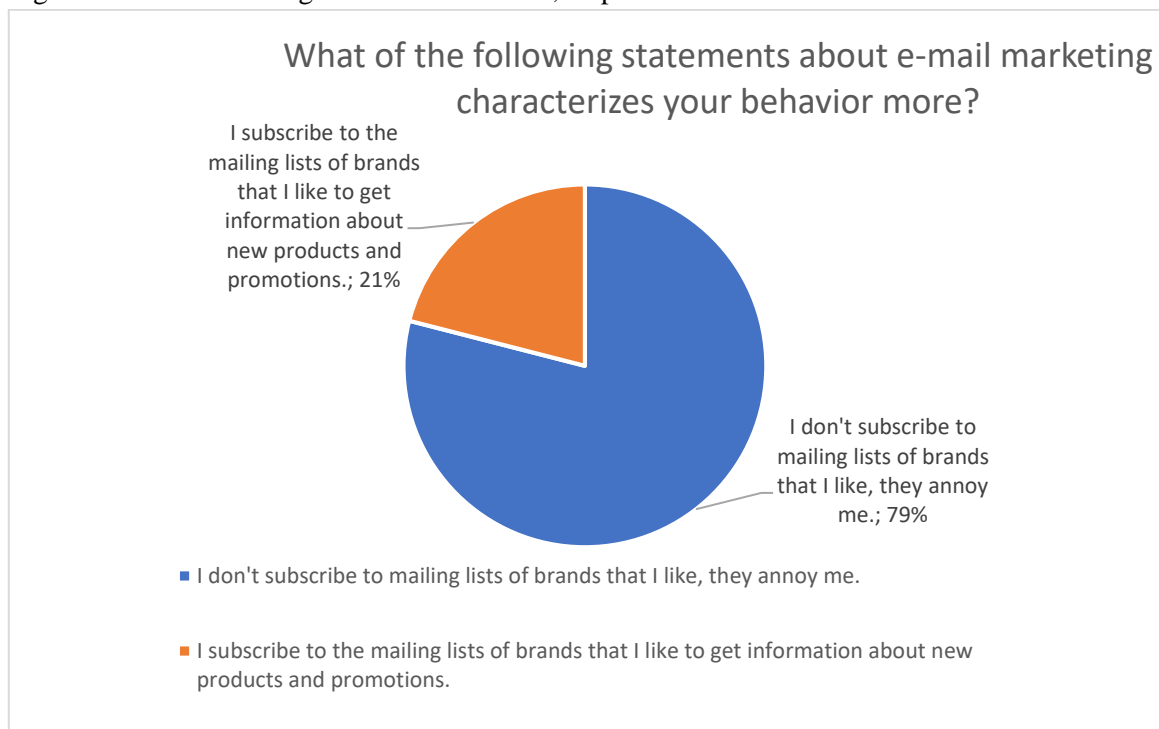
Source : Author,2021

According to analyses of e-mail marketing for cosmetic brands popularity on the Russian Market, it annoys 79% of respondents. However, these people can miss the opportunity to get information about new products or sales, as well as to get

promo codes.

The aim of the next task is to find out, whether respondents would buy L'Oréal Paris productions if they get a promo code, which gives a 15% discount.

The task is "Imagine that you have received a promo code to buy L'Oréal Paris products, which gives a 15% discount. Please assess how much you agree with the following statements (1 - absolutely disagrees, 3 - difficult to answer, 5 - absolutely agree)".

Table 12Promo code possibilities

	1	2	3	4	5
This newsletter motivates me to learn more about the brand's products	4%	8%	13%	21%	54%
This discount is likely to draw my attention to this brand	2%	9%	14%	28%	47%
The fact that such a mailing is available is indicative of the high standards of service for the X brand	9%	14%	18%	36%	23%
This newsletter is designed to meet the needs of Consumers	6%	7%	21%	21%	45%
I'd love to have such a promo code.	0%	4%	13%	31%	52%
My opinion on this newsletter is positive	0%	2%	24%	25%	49%
I'd use this promo code to buy Brand X products.	12%	17%	23%	25%	23%
This newsletter causes me positive emotions	1%	8%	21%	34%	36%

Source : Author,2021

Therefore, the newsletter causes positive emotions for about 70% of respondents. A half of respondents would like to get this promo code. However, only 23% of them absolutely agree to use the promo code to buy products of a brand. On the contrary, 47% of respondents states that the discount is likely to attract their attention to the brand.

As a conclusion, according to the Figure 9 and Table 12, the newsletter may be evaluated positive, only if it contains promo code and does not annoy subscribers too often.

Next, Instagram and Facebook accounts of L'Oréal Paris are analyzed.

Figure 10Social media for cosmetic brands, respondents answers.
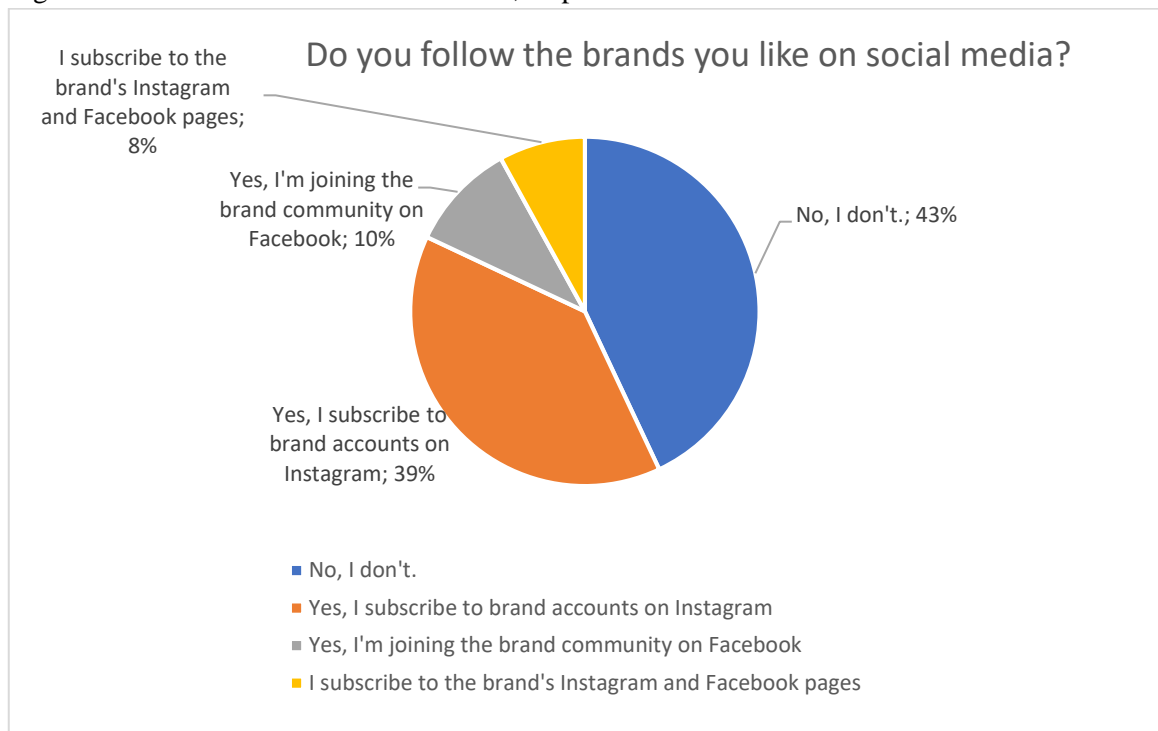
Source : Author,2021

According to analyses in Figure 10,only 10% of respondents join brand communities on Facebook.Moreover,43% of respondents do not follow brand accounts on social media at all.

Hovewer,39% subscribe to brand accounts on Instagram. Therefore, it is important to analyze the opinion on respondents on the Facebook community and Instagram account of L'Oréal Paris.

According to previous author's research of Facebook community of a brand, Facebook account of L'Oréal Paris in Russia is not developed enough. Moreover, last time content was published there about a year ago, in February 2020. Videos on a Facebook account get less than 1000 views per video. In author's opinion, the account is not used properly, it does not involve users into the topic. Probably, L'Oréal Paris decided not to develop Facebook account on the Russian market because Facebook is not popular in Russia. However, the survey about Facebook community is performed below.

Table 13Acquaintance with L'Oréal Paris Facebook community in Russia, respondents answers.

	1	2	3	4	5
I know brand X has an official community on Facebook	25%	18%	27%	16%	14%
I think most women know that brand X has an official community on Facebook	31%	27%	24%	10%	8%

Source : Author,2021

According to Table 13, Facebook community of L'Oréal Paris is not popular in Russia. Only 14% of respondents are aware of the community. Moreover,31% of respondents suppose that almost nobody in Russia knows about the community.

Table 14Analyses of Facebook community L'Oréal Paris in Russia, respondents answers.

	1	2	3	4	5
After visiting the brand community on Facebook, I know a lot about brand X	22%	24%	28%	19%	7%
After visiting the brand community on Facebook, I got a clearer idea of brand X	15%	9%	14%	31%	31%
The content of the brand community on Facebook (visual design and information on the site) shows the high quality of the brand X	11%	28%	29%	18%	14%
In the community on Facebook I can get all the necessary information	24%	21%	29%	13%	13%
I like the brand X community on Facebook	13%	4%	30%	31%	22%
My opinion on the X- brand community on Facebook is positive	11%	13%	27%	25%	24%
I'd like to buy a product that I saw in the X- brand community on Facebook	14%	17%	37%	15%	17%
The X-brand community on Facebook gives me positive Emotions	27%	18%	26%	12%	17%

Source : Author,2021

According to the Table 14, Facebook community gives positive emotion only to 17% of respondents. Only 26% can state, that they know a lot about the brand after visiting the brand community. In addition, only 22% of respondents like the Facebook community of L'Oréal Paris brand. The most popular answer is "difficult to answer".

Table 15Acquaintance with L'Oréal Paris Instagram account, respondents answers.

	1	2	3	4	5
I know brand X has an official Instagram account.	2%	7%	12%	32%	47%
I think most women know that brand X has an official Instagram account	2%	4%	22%	31%	41%

Source : Author,2021

Therefore, more than 40% of respondents are aware of L'Oréal Paris official Instagram account and suppose that most of women are aware of that.

Table 16 shows their opinion on Instagram account of L'Oréal Paris,

Table 16Analyses of Instagram account of L'Oréal Paris, respondents answers.

|	1	2	3	4	5
After visiting Instagram account, I know a lot about brand X	5%	9%	24%	37%	25%
After visiting the Instagram account, I got a clearer idea of brand X	0%	10%	16%	28%	46%
Instagram account content (visual design of posts and	6%	7%	17%	36%	34%

information content) shows the high quality of the X brand					
You can find out all the information you need in your Instagram account	15%	9%	41%	17%	18%
I like the X brand's Instagram account	6%	7%	31%	27%	29%
My opinion on the X brand account is positive	6%	7%	30%	28%	29%
I'd like to buy a product that I saw on the X brand's Instagram account	17%	12%	34%	25%	12%
The X brand group on Instagram causes me positive emotions	6%	7%	31%	34%	22%

Source : Author,2021

According to Table 16,the valuation of Instagram account of a brand is on the level between "it's hard to answer" and "I agree with the statement". According to the previous author's research, L'Oréal Paris does not have Instagram account in Russian language. Therefore, only 18%of respondents can find all the necessary information about the brand on the Instagram account. Moreover, only 22%of respondents can state that Instagram account causes them strong positive emotions.

Next, YouTube account of L'Oréal Paris is analyzed.

Figure 11YouTube for cosmetic brands, respondents answers.
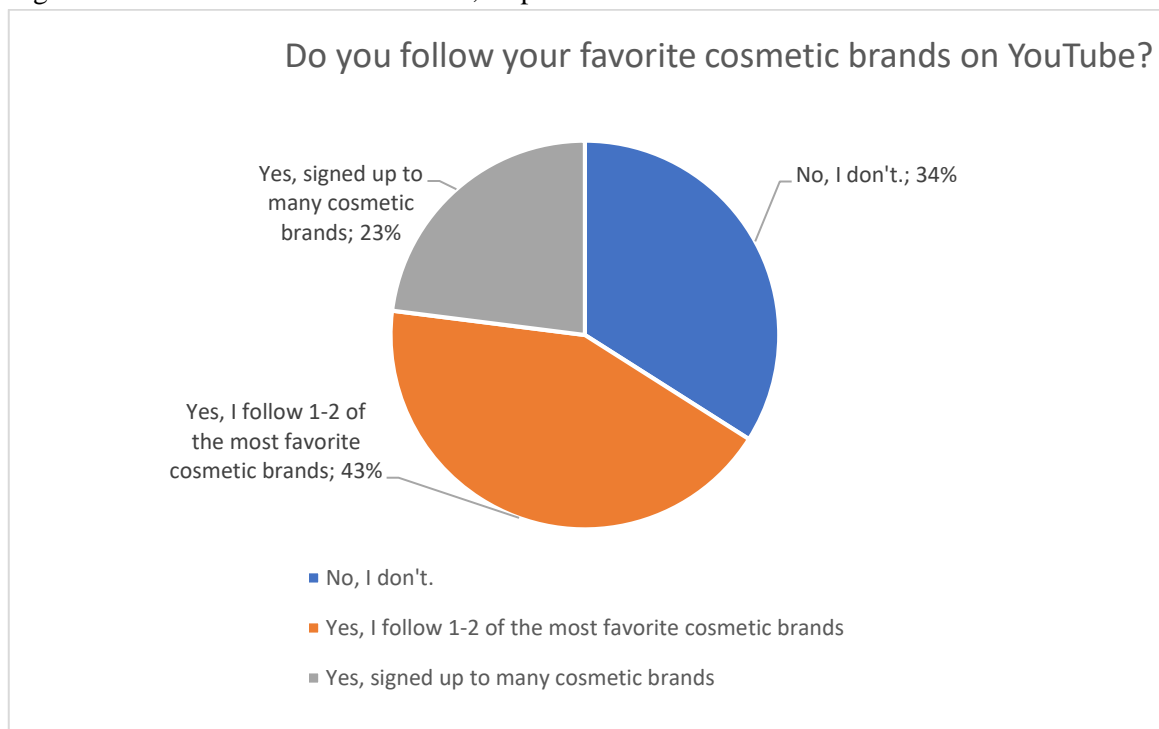
Source : Author,2021

According to Figure 11, 43% of respondents follow the most favorite cosmetic brands;23% follow many cosmetic brands, and 34% of respondents don't follow any brand.

Table 17Acquaintance with L'Oréal Paris YouTube channel, respondents answers.

	1	2	3	4	5
I know brand X has a YouTube channel.	3%	12%	12%	32%	41%
I think most women know that brand X has a YouTube channel	0%	4%	32%	41%	33%

Source : Author,2021

Therefore, more than 40% of respondents are aware of L'Oréal Paris official YouTube channel and suppose that most of women are aware of that.

Table 18Analyses of YouTube channel of L'Oréal Paris, respondents answers.

	1	2	3	4	5
After visiting the channel on YouTube and watching the video I know a lot about brand X	4%	9%	14%	30%	43%
After visiting the YouTube channel, I got a clearer idea of brand X	1%	10%	8%	28%	53%
The content of the YouTube channel shows the high quality of the brand X	3%	14%	19%	37%	27%
On YouTube-brander X you can get useful information	6%	7%	21%	21%	45%
I like the X brand channel on YouTube	0%	4%	13%	40%	43%
My opinion on the YouTube channel of the X brand is positive	0%	2%	24%	45%	29%
After visiting the channel, I wanted to buy a product of the X brand	12%	17%	23%	26%	22%
The X brand channel on YouTube causes me positive emotions	0%	7%	22%	35%	36%

Source : Author,2021

According to Table 18, 43% of respondents can state that they know a lot about the brand after watching videos. Moreover, 37% states that the content of the YouTube channel shows the high quality of the brand. For 36%, it causes positive emotions. However, only 22% of respondents would like to buy a product of a brand after visiting YouTube channel.

In conclusion, YouTube channel is valued positive, on the level between "I agree" and "I absolutely agree".

Next, L'Oréal Paris cooperation with celebrities and beauty bloggers is analyzed.

Figure 12Celebrities for cosmetic brands, respondents answers.
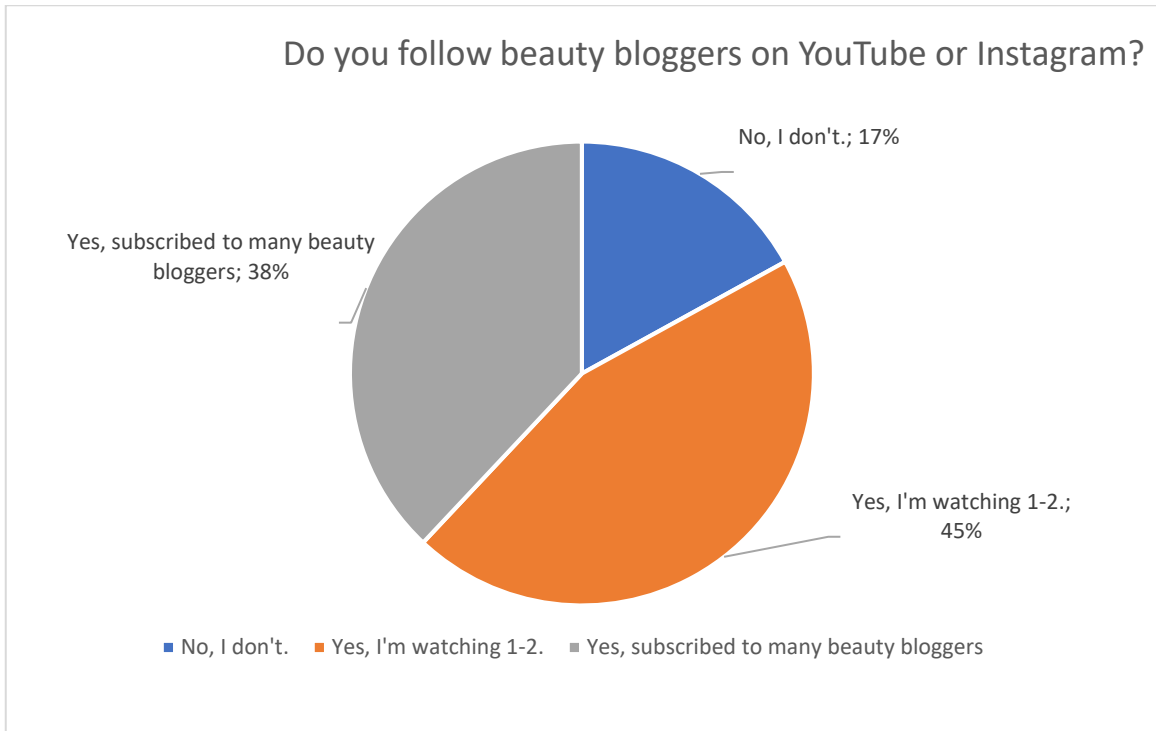
Source : Author,2021

According to Figure 12, 45% of respondents watch 1-2 bloggers; 38% are subscribed to many beauty bloggers; 17% of respondents do not follow beauty bloggers on YouTube and Instagram.

Table 19Acquaintance with L'Oréal Paris cooperation with celebrities, respondents answers.

	1	2	3	4	5
I know brand X collaborates with celebrities	5%	9%	22%	33%	32%
I think most women know brand X collaborates with celebrities	10%	11%	32%	29%	18%

Source : Author,2021

According to Table 19, more than 33%of respondents are aware that L'Oréal Paris works with celebrities. Only 5%are not aware of it.Moreover,18% of respondents think that most women are aware of that cooperation with L'Oréal Paris. However, for 32% it is hard to answer the question.

Table 20Acquaintance with L'Oréal Paris reviews from beauty bloggers, respondents answers.

	1	2	3	4	5
I know that beauty bloggers do reviews on the products of the X brand	5%	4%	18%	33%	40%
I think most women know beauty bloggers are doing reviews on the X brand products	10%	10%	25%	29%	26%

Source : Author,2021

According to Table 20, 40%of respondents are aware that beauty bloggers do

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reviews on the products of L'Oréal Paris. However, 5 % have never seen those posts,

Next,the level of the trust to bloggers is analyzed.

Table 21Analyses of L'Oréal Paris cooperation with celebrities, respondents answers.

	1	2	3	4	5
If my favorite beauty blogger speaks well about X brand products, it motivates me to read the brand's products in more detail	4%	9%	12%	31%	44%
From bloggers' reviews about the brand, you can get a lot of useful Information (e.g. how to be used by these products)	0%	0%	15%	32%	53%
I like the collaboration of the X brand with beauty bloggers	3%	6%	19%	37%	35%
After watching a positive review from a beauty blogger, I would like to buy a product of the X brand	6%	5%	22%	25%	42%
Reviews from beauty bloggers and collaboration with the X brand cause me positive emotions	0%	4%	15%	34%	47%

Source : Author,2021

Accorfing to Table 21, 44% of respondents are motivated to read about brand's products,if their favourite blogger speaks well about it .Over 53% state,that bloggers revievs give them useful information. Over 35% like the collaboration of L'Oréal Paris and beauty bloggers. Moreover,42% of respondents feel the desire to buy a product of a brand after reading positive review from a beauty blogger. In addition, 47% of respondents state that they get positive emotions of reading reviews about the L'Oréal Paris brand.

Therefore, the cooperation of L'Oréal Paris with celebrities can be evaluated Very good. In author's opinion,in order not to lose customers,the company should increase amount of brand ambassadors.

In the end of the survey, respondents were asked to complete table about their thoughts of L'Oréal Paris brand one more time. The author compared results with Table 9 in the beginning, and created Table 22.

Table 22Valuation of L'Oréal Paris brand from the consumer point of view

	1	2	3	4	5
I have a pretty clear idea of brand L'Oréal Paris	-	-	-14%	-18%	+32%
Brand L'Oréal Paris is a high quality brand	-	-2%	-3%	+1%	+4%
Brand L'Oréal Paris fully meets the needs of consumers	-	-7%	-6%	+2%	+12%
Brand L'Oréal Paris maintains high standards	-	-4%	+7%	-3%	-
My opinion about brand L'Oréal Paris is positive	-	-	-6%	-	+6%
I would like to purchase a product of this brand	-	-	-8%	-3%	+11%
Brand L'Oréal Paris gives me positive associations	-	-	-5%	-	+5%

Source : Author,2021

According to Table 22, the respondent's opinion about L'Oréal Paris after the survey changed to the better. Over 32% can state that after the survey they have a clearer idea of the brand. In addition, there is an increase in 11% in the question about possible purchase. Moreover, +5% have positive associations about the brand.

Therefore, the official website, e-mail marketing tools, Facebook community, Instagram account, YouTube channel, and cooperation with bloggers were analyzed.

Respondents evaluated the official website, promo codes, Instagram account and YouTube channel positively. Moreover, the collaboration of L'Oréal Paris with bloggers showed great results. However, Facebook community of L'Oréal Paris can not be evaluated positively. After the survey, the respondent's opinion about L'Oréal Paris brand changed to the better.

5.2   Results of the survey

The results of the survey confirmed that online promotion tools generally have a positive impact on the brand's equity under study (such as brand name awareness, brand loyalty, perceived quality and brand associations). Thus, after demonstrating to respondents various online tools of online promotion of L'Oréal Paris, they assessed their knowledge about the brand, perceived quality and general attitude to the brand higher than appreciated them before learning about the tools of online promotion. It was also possible to identify which of the tools demonstrated led to these improvements.

 It is worth noting that among the tools considered online promotion was not found a single one that would not have a positive impact on at least one element of brand equity.

1.   Social media. Instagram account. Thus, the knowledge about brand, as well

as the attitude to it is positively influenced by Instagram account, which confirms the existing statistics, according to which representatives of the digital generation are exposed to the great influence of this social network, especially in matters in one way or another concerning appearance. In addition, Instagram has a positive effect on the perceived quality of the L'Oréal Paris brand.

2.   Social media. YouTube channel. The content of the L'Oréal Paris YouTube channel has a positive effect on the perceived quality of a brand, which is probably due to the fact that it is easier to emphasize the quality of a brand in the videos. YouTube channels also have a positive impact on consumers' knowledge of the brand.

3.   Social media. Facebook community. "Useless», among social networks in the context of this study showed itself the social network Facebook. The image of the social network Facebook, in general, can be called more premium than, for example, the image of the most popular in Russia social network VKontakte. However, it is hard to compare Instagram account, YouTube channel, and Facebook community because L'Oréal Paris stopped posting content in Facebook community of Russia a year ago.

4.   Website The brand's official website has a positive impact on both perceived quality and brand attitudes. Thus, visitors judge the quality of the brand by the quality of the site, but the formation of knowledge about the brand site is not conducive.

5.   Celebrities and bloggers Joint projects with celebrities positively affect the attitude of consumers to brand. The reason for this may be that most young people enjoy following the lives of celebrities: they are subscribed to them on social networks.

6.   Reviews from beauty bloggers. As for the reviews from beauty bloggers, they showed a strong influence. Perhaps this result is because the group of questions related to the reviews of beauty bloggers was associated with a hypothetical situation, that is, respondents were asked to imagine that their favorite beauty bloggers are doing a review on products. First, reviews from beauty bloggers are quite long, and secondly, the respondent would have to look at the product of the brand, made by a beauty blogger, who he likes, which is almost impossible to provide in the context of this survey.

The positive influence on the attitude to the mass-market brand L'Oréal Paris may be due to the fact that, unlike the situation with luxury brands, consumers of the younger generation consider the experience of a beauty blogger with mass-market cosmetic products relevant to themselves, because they can afford to buy this brand. At the same time, consumers do not expose themselves to significant financial risk in case the recommended

product does not suit them. In this regard, viewing reviews from beauty bloggers really gives rise to positive associations with the brand and even the desire to buy it in the consumer's mind.

7.   E-mail promo codes. One of the effective tools, according to the analyzed data, were e-mail mails with promo codes for discount. They have a positive impact both on the attitude to a brand and on their perceived quality. Young consumers believe that mailings with promo codes show that the brand adheres to high standards and cares about its customers. In addition, promo codes positively affect consumers' knowledge of a brand, as they stimulate the transition to the site and more detailed familiarization with the products.

8.   Newsletters. However, newsletters sometimes cause not positive emotions, but negative, perhaps, because consumers of the digital generation have developed a kind of «immunity» to a lot of information constantly coming to them, and they pay little attention to it.

Thus, all the tools of online promotion, one way or another, have a positive impact on the elements of the brand's equity from the consumer's position on the cosmetic market.

At the same time, a cosmetic brand, trying to attract young consumers, should pay special attention to the development of Instagram account, as well as do not neglect e-mail with discount promo codes, which have demonstrated a positive impact on all elements of the brand's equity. In addition, it is necessary to pay attention to the official website (in particular, its quality), as it has a positive impact on the perceived quality of the brand of decorative cosmetics, and on the attitude to the brand.

In conclusion, even if the study found no obvious problems in the L'Oréal Paris brand, the brand's equity can be increased by developing the tools of online promotion, improving their perceived quality, informational content and general attitude to them.

5.3   Limitations of the survey

In general, this thesis confirmed that online promotion tools have an impact on the brand equity from the consumer's position in the cosmetic market. However, it has several limitations.

First, in order to test the hypotheses, the study was conducted among women of the digital generation (18-30 years old) living in Moscow; therefore, the results of the study can not be safely extrapolated to all Russian consumers of decorative cosmetics of this

generation without additional research. In addition, to generalize the results, it is worth conducting a similar study on a larger sample.

Secondly, not all online promotion tools from many existing ones were tested as part of this thesis. Only the main tools that L'Oréal Paris uses were chosen. However, the hypothesis can be used to test the impact on brand equity elements of other online promotion tools.

Thirdly, the study did not control what content affected respondents. It is difficult to say whether the improvements in the evaluation of the researched elements of brand equity are the result of the brand's availability of these online promotion tools or certain content that respondents have encountered when opening a website, Instagram account and other tools under study. It is also possible to conduct additional research on the content of the instruments directly, the impact of which on the elements of the brand's equity was revealed in the current study.

In addition, the developed model can be tested in other markets, as well as in other age groups.

Thus, a formalized structured online survey was chosen as a method of data collection (due to the need to collect data in a short period of time). Then, the study group (women from 18 to 30 years old living in Moscow) was determined. The results of the quantitative survey were presented in tables and figures, with subsequent analyses and results.

5.4   Recommendations

The research found no obvious problems in the tools of online promotion of L'Oréal Paris brand. However, further development of the tools of online promotion, improvement of their perceived quality, informational content and general attitude to them, can increase the brand's equity.

The growing market poses leading brands like L'Oréal Paris opportunities to grow the business across many verticals. Nowadays, the cosmetic industry faces many challenges around transparency, accuracy and trust that translates into challenges in the shopping behavior. It is crucial for makeup brands to address these challenges to truly improve brand transparency, brand love and trust, and ultimately, brand growth.

It is possible to drive brand loyalty by using powerful technology and creative marketing campaigns. The customer is often influenced for purchasing through brand

promotions and the online experience. Therefore, the possible marketing campaign is presented below.

1. Subscription service. Subscription boxes are a good way to introduce new products to the customers. L'Oréal Paris should launch a subscription service worldwide and particularly in Russia, where a shopper receives a box of 5–10 sample sized products every month for a flat fee. The goods should be chosen based on the profile the user completes before joining, therefore it can be personalized. Fun cards with tips and tricks should also be included based on the shopper's face shape, skin tone, features, etc. For example, if the customer is more interested in skincare, then it could be the focus of the monthly theme. This will allow users to try new products as well as learn more about what suits their features. As consumers can try more and more products, they will be more likely to trust both the products and the brand.

2. User-generated content. L'Oréal Paris should launch a User-Generated Content section in the homepage of the website where it presents everyday women using brand products from uploads on social channel such as Instagram. User-generated content section can also be linked to the product pages where the user would be allowed to see the actual shade of the product on an everyday woman. For example, if the shopper is on the product page for a specific foundation, and if someone has uploaded a picture using it, the shopper would be able to click it and see what it actually looks like. This will build brand trust and credibility around online shopping while also driving useful content for L'Oréal Paris.

   Therefore, consumer can see products on actual people and not just influencers, which will help L'Oréal Paris to become the brand for the everyday woman.

3. Boosting product reviews. According to the results of the survey, biggest part of Russian digital generation relies on product reviews prior to purchasing so this is a critical element in driving conversions. Many products on the website of L'Oréal Paris lack product reviews, creating a lack of trust around the product. L'Oréal Paris should focus on building as many product reviews on their website as possible. A strong CRM system, which follows up with the user post purchase asking for reviews, is one way to remind users to leave reviews. Providing incentives such as 10% off next purchase or free samples upon next order can stimulate more users to leave reviews. This will help to address brand trust and product identity.

4. Improving product pages. The product pages are very important in creating brand

equity; therefore, each page should be compelling enough to convert the user. Product pages of L'Oréal Paris are clean and easy to read, but adding some more information can help boost. First, many of the product images are of the bottle/ packaging itself. The products are not displayed on an actual person/ model, which makes it even harder to judge the colors online so displaying products on an actual person would be helpful. Next, as discussed in the previous problem, every product page must have a decent number of reviews to help build trust. Third, product pages could also benefit from a "similar product recommendations" section since people generally like to compare goods before purchasing. It is a great way to keep the user more engaged on the website.

Therefore, online marketing strategy for driving the campaign is developed. The campaign should be positioned around empowering women to be able to find and experience makeup products that truly suit their tone, style and characteristics through improved experience, accessible information, and trials. It will also encourage people to share real-life images of the products in use to help support other women. The core messaging for all the campaigns should also focus on the theme of "there's a better way to beauty."

Online channels for the campaign:

- Instagram. Instagram can be used to advertise the launch of the subscription service while also encouraging people to contribute to the UGC feed which will connect to the website homepage and product pages. In addition, there should be strong referral program for subscriptions. Also, randomly selected weekly/ monthly winners who can win cosmetics will boost activity in Instagram account.
- YouTube ads. 10 second non-skippable ads will be created encouraging people to join the subscription service. Ads will also be used to spread awareness for the new product launches and exclusive lines for the new target audiences.
- Email marketing. People who take the time to leave reviews can benefit from exclusive deals, promos and samples.

Also, joint projects with celebrities and bloggers positively affect the attitude of consumers to brand. L'Oréal Paris should more actively participate in fashion events, as it will increase the market presence of the brand. As for the reviews from beauty bloggers, they showed a strong influence in the current research. In this regard, viewing reviews from beauty bloggers gives rise to positive associations with the brand and even the desire to buy it in the consumer's mind.

In addition, according to the author, a promising direction is the creation and distribution of videos with a viral effect. The viral effect occurs when users show each other ads themselves, thereby saving money for the company on its distribution. An example of a viral video in the cosmetics industry is the promotional video "NIVEA MEN: Men! This is your creme to fight dark spots ", in which the image of a" real man "is humorously played on. Therefore, this video has already gained more than 2.4 million views on YouTube.

After analyzing of TikTok videos with tag L'Oréal Paris, the author found out that one of the beauty products of L'Oréal Paris (Infallible foundation) became viral there; therefore, videos got millions of views and interactions with the content. That is a one more promising direction to increase brand's equity from the consumer's perspective.

Therefore, the possible marketing campaign to drive consumer loyalty and engagement was developed. Even if the research found no obvious problems in the L'Oréal Paris brand, further developing of online promotion tools can increase the brand's equity.

6 Conclusion

In today's environment, when digital technologies have a strong influence on consumer behavior, companies producing and selling cosmetics need to integrate online promotion tools into the overall strategy of promoting their brands. For these purposes, it was necessary to investigate how Russian consumers of decorative cosmetics perceive certain tools of online promotion and how these tools affect the brand's equity from the consumer's point of view.

Despite the fact that the influence of traditional marketing tools on the brand equity from the consumer's point of view has been repeatedly studied, data on digital marketing tools (in particular, online promotion) are not available due to the rather sharp digitalization of all spheres of society. Companies often use online promotion tools without a clear understanding of how they affect consumer perception of brands. This research was conducted in order to fill the existing gap and analyze how online promotion tools affect elements of the brand's equity from the consumer's perspective on the example of the L'Oréal Paris brand in the Moscow cosmetic market.

In order to gather data, the quantitative research was conducted through a formalized online survey among women 18-30 years old living in Moscow. The questionnaire was designed to use developed and already tested scales that measure selected elements of the brand's equity from the consumer's perspective. The sample was formed by a quota method, the survey was sent through the social network VKontakte.

The conducted analysis showed that elements of the brand's equity significantly increase under the influence of online promotion tools. Therefore, research confirms that certain marketing efforts positively affect the elements of brand equity, which then leads to the growth of the brand's equity itself.

Tools such as Instagram, e-mails with promotional codes for discounts and the official website of the brand were particularly influential: their positive impact was confirmed for almost all elements of the brand's equity. An important discovery is the strong dependence of the brand on perceived quality: so, if consumers do not characterize the brand as good and desirable and do not find positive associations with the brand, perhaps it is necessary to work on the perceived quality of the brand.

The research can be repeatedly conducted on other digital marketing tools, in other markets or in other target audiences.

However, it may be assumed that not everyone has easy access to technology, for instance, elderly people. Also, the Internet might be limited by speed or accessibility (for example, proxy restrictions in China). Therefore, if L'Oréal Paris employs a digital marketing only, it is likely to be missing on some customer segments. For this reason, and because it might be hard when its products are not entirely online, the L'Oréal Group does not completely switch to digital marketing. Instead, it uses a mix of digital and promotional tools to follow both the younger people's trend of digitalization and to keep the middle aged and elderly customers, who might prefer the more formal and traditional printed promotion instead. This way brand awareness is maintained among the wide customer portfolio.

As one could strongly believe that younger consumers of cosmetics do seek trends and advice on the Internet, the L'Oréal Group is increasing its social media. It allows customers to stay updated, informed about the news, and raise their viewpoints. Moreover, the beauty bloggers that L'Oréal works with try, evaluate, and share the Group's cosmetics with their followers. These both contribute to the brand awareness among the younger ones.

Correspondingly, new mobile applications enable people to try products and see themselves in real time without wearing them, match nail color with their outfits, or watch online diagnoses, advice, and video tutorials. Thus, customers are entertained and educated.

At the same time, L'Oréal Paris maintains its traditional promotional tools such as TV ads, print ads, and billboards as complementary strategies to the digital marketing. This way L'Oréal Paris does not lose the rest of its target group as it represents a constant stream of revenue.

Overall, it could be seen that L'Oréal Paris puts a significant emphasis on digital marketing, as currently it belongs to one of its main approaches, which may represent numerous opportunities for addressing both customers and other stakeholders.

According to the author's research, the L'Oréal Paris brand has a strong background, because most of the participants have a positive experience with the brand.

Therefore, the possible marketing campaign to drive consumer loyalty and engagement was developed. Even if the research found no obvious problems in the L'Oréal Paris brand, further developing of online promotion tools can increase the brand's equity.

Nowadays, consumer experience has been transformed by digital technologies, and interaction with consumers in the online environment has become no less important than in offline communication. The results of the thesis can be used by managers of cosmetic brands, to accumulate and strengthen the brand's equity.

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8 Appendix

Appendix 1. Survey

1. What is your gender?
1) Male (please, don't follow next questions)
2) Female

1. What is your age?

3. What city do you live in (Please spell out the full name in Russian letters)

4. What states your financial situation?
1) Money is enough only for the purchase of food
2) Money is enough to buy products and clothing, larger purchases have to be postponed
3) Buying appliances does not cause difficulties, but I can not buy a car
4) Money is enough not to deny yourself anything at all

5. Choose the statement that best describes the level of your acquaintance with the X brand:
1) Regularly use cosmetics of this brand
2) Tried one or more products, but do not regularly use
3) Cosmetics of this brand did not use, but heard about it
4) It's the first time I've heard about this brand.

6. Please assess how much you agree with the following statements (1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree)

     1   2   3   4   5
Brand X is familiar to me

The official website of brand X
1. Do you use the official websites of cosmetic brands you are interested in to familiarize yourself with the range, selection or purchase of cosmetics. *
1) No, never
2) Rarely, but I use
3) I use it from time to time
4) I always use

2. Please assess how much you agree with the following statements (1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree).

     1   2   3   4   5
I know brand X has an official website.

I think most women know that the X brand has an official website

-----
Now, please visit the link to evaluate website later.
https://www.loreal-paris.ru

       1   2   3   4   5

After visiting the site, I got a clearer idea of brand X

Site content (visual design and information on the site) indicates the high quality of brand X

Website of a brand X fully meets the needs of consumers

Website is made up to high standards

I like the website of Brand X

My opinion about the site of the brand X positive

I would like to purchase a product that I saw on the site

Website gives me positive associations

E-mail brand X

1. What of the following statements characterizes your behavior more:

1) I do not subscribe to mailing lists of brands that I like, they annoy me.

2) I subscribe to the mailing lists of brands that I like to get information about new products and promotions.

2. Please assess how much you agree with the following statements (1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree). *

       1   2   3   4   5

I know that brand X has a subscription to e-mail newsletter

I think most women know that the X brand has a subscription to e-mail newsletter

3. Imagine that you have received a promo code to buy brand X products, which gives a 15% discount. Please assess how much you agree with the following statements (1 - absolutely disagrees, 3 - difficult to answer, 5 - absolutely agree). *

       1   2   3   4   5

This newsletter motivates me to learn more about the brand's products

This discount is likely to draw my attention to this brand

The very fact that such a mailing is available is indicative of the high standards of service

This newsletter is designed to meet the needs of consumers

I would love to have such a promo code.

My opinion on this newsletter is positive

I would use this promo code to buy X products.

This newsletter causes me positive emotions

Brand X on social media

1. Do you follow the brands you like on social media? *

1) No, I do not.

2) Yes, I subscribe to brand accounts on Instagram

3) Yes, I am joining the brand community on Facebook

4) I subscribe to the brand's Instagram and Facebook pages

2. Please assess how much you agree with the following statements (1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree). *

       1   2   3   4   5

I know brand X has an official community on Facebook

I think most women know that brand X has an official community on Facebook

-----

Now, please visit the link to evaluate Facebook community later.

https://ru-ru.facebook.com/

       1   2   3   4   5

After visiting the brand community on Facebook, I know a lot about brand X

After visiting the brand community on Facebook, I got a clearer idea of brand X

The content of the brand community on Facebook (visual design and information on the site) shows the high quality of the brand X

I like the brand X community on Facebook

My opinion on the X brand community on Facebook is positive

I would like to buy a product that I saw in the X brand community on Facebook

The X-brand community on Facebook gives me positive emotions

       1   2   3   4   5

I know brand X has an official Instagram account.

I think most women know that brand X has an official Instagram account

-----

Now, please visit the link to evaluate Instagram account later.

https://www.instagram.com/lorealparis/

       1   2   3   4   5

After visiting Instagram account, I know a lot about brand X

After visiting the Instagram account, I got a clearer idea of brand X

Instagram account content (visual design of posts and information content) shows the high quality of the X brand

You can find out all the information you need in your Instagram account

I like the X brand's Instagram account

I would like to buy a product that I saw on the X brand's Instagram account
The X brand group on Instagram causes me positive emotions

3. Do you follow your favorite cosmetic brands on YouTube? *
1) No, I do not.
2) Yes, I follow 1-2 of the most favorite cosmetic brands
3) yes, signed up to many cosmetic brands

4. Please assess how much you agree with the following statements (1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree). *

	1	2	3	4	5

I know brand X has a YouTube channel.
I think most women know that brand X has a YouTube channel

Now, please visit the link to evaluate YouTube channel later.
https://www.youtube.com/channel/UCRfUVODxZ8ajO6L6SsJ_w7g

	1	2	3	4	5

After visiting the channel on YouTube and watching the video I know a lot about brand X
After visiting the YouTube channel, I got a clearer idea of brand X
The content of the YouTube channel shows the high quality of the brand X
On YouTube-brander X, you can get a useful information
I like the X brand channel on YouTube
My opinion on the YouTube channel of the X brand is positive
After visiting the channel, I wanted to buy a product of the X brand
The X brand channel on YouTube causes me positive emotions

Celebrities and beauty bloggers
1. Do you follow beauty bloggers on YouTube or Instagram? *
1) No, I do not.
2) Yes, I am watching 1-2.
3) Yes, subscribed to many beauty bloggers

2. Please assess how much you agree with the following statements (1- absolutely disagree, 3 - difficult to answer, 5 - absolutely agree). *

	1	2	3	4	5

I know brand X collaborates with celebrities
I think most women know brand X collaborates with celebrities

1 2 3 4 5

I know that beauty bloggers do reviews on the products of the X brand

I think most women know beauty bloggers are doing reviews on the X brand products

3.Look at the collaboration of the brand X with beauty bloggers Please rate how much you agree with the following statements (1 - absolutely disagree, 3 - difficult to answer, 5 - absolutely agree). *

1 2 3 4 5

If my favorite beauty blogger speaks well about X brand products, it motivates me to read the brand's products in more detail

After watching the review from the beauty blogger, I got a clearer idea of the X brand

Product reviews by bloggers witness the high quality of the X brand

From bloggers' reviews about the brand, you can get a lot of useful Information

Collaborating with beauty bloggers, the brand does everything to satisfy the consumer's needs

I like the collaboration of the X brand with beauty blogger.

After watching a positive review from a beauty blogger, I would like to buy a product of the X brand

Reviews from beauty bloggers and collaboration with the X brand cause me positive emotions

Final

1. Now please rate again, as far as you agree with the following statements (1 - absolutely disagree, 3 - difficult to answer, 5 - absolutely agree)

1 2 3 4 5

Brand X is familiar to me

I know a lot about brand X

I have a clear idea of brand X

Brand X is a high quality brand

Brand X fully meets the needs of consumers

Brand X adheres to high standards

Brand X is good

My opinion of Brand X is positive

I would like to buy a product of this brand

Brand X causes me to have positive associations

When I think about this brand, I have positive thoughts

Appendix 2. L'Oréal Paris Corporate Brand Identity Matrix

	Value Proposition	Relationships	Position

EXTERNAL	• Biggest beauty brand in the world - focusing on hair colour, cosmetics, hair care & skin care. (L'Oréal Paris, 2017b)
	• Best in beauty available for everyone (L'Oréal, 2017c)
	• Helping women embrace their unique beauty and reinforce her self-worth (L'Oréal Paris, 2017b)
	• Making scientific innovations accessible for everyone (L'Oréal, 2013b)
	• Dedicated to celebrate the diversity of beauty (L'Oréal Paris, 2017b)
		• Customers
		  ○ *Interacting with customers*
		  ○ *Do the best to help customers*
		• Distribution channels *(innovative with products, trust & long-term partnership)*
		• NGOs *(CSR & ethical principles)*
		• Spokespersons *(inspirational & glamorous)*
		• Employees *(responsible, passionate, aspirational & innovative)*
		• Investors/shareholders *(CSR, trust & market leader)*
			• Global leader in the world of beauty trends (L'Oréal Paris, 2013c)
			• Being *"a total beauty care company combines the latest in technology with the highest in quality for the ultimate in luxury beauty at mass"* (L'Oréal Paris, 2017b)

	Expression	**L'Oréal Paris' Core**	**Personality**
INTERNAL / EXTERNAL	• Global beauty brand • The name L'Oréal Paris and its France heritage • Slogan: Because You're Worth It (L'Oréal Paris, 2017c) • Well-known and glamorous spokespersons (L'Oréal Paris, 2017b; L'Oréal Paris, 2013a) • CSR: Commitment to female empowerment (L'Oréal Paris, 2017a)	*"L'Oréal Paris is sculpting the future of beauty"* (L'Oréal Paris, 2013c) • Innovativeness (L'Oréal, 2017c) • Diversity • A better world • Self-confidence: *"Because You're Worth It"* (L'Oréal Paris, 2013c)	• Diversity • Self-confidence • Innovative • Experienced • Aspirational • Responsible • Passionate • Glamorous • Empowering
	Mission & Vision	**Culture**	**Competences**

INTERNAL	Mission
	*"**Beauty for All**: Offering all women and men worldwide the best of cosmetics innovation in terms of quality, efficacy and safety to satisfy all their desires and all their beauty needs in their infinite diversity."*
	(L'Oréal, 2015a)
	
	Vision
	"Our vision, is the idea that beauty is accessible to all, a real way to affirm and accept ourselves as we are, to allow us the opportunity to really be ourselves."
	(L'Oréal Paris, 2013a)
		• Six founding values:
		  ○ Passion for beauty
		  ○ Innovation
		  ○ Entrepreneurial spirit
		  ○ Open-mindedness
		  ○ Quest for excellence
		  ○ Responsibility
		• Ethical principles: Integrity, Respect, Courage and Transparency (L'Oréal, 2017d)
			• Focused on beauty in more than one century
			• Expertise within infinite diversity of women's beauty desires (L'Oréal, 2017e)
			• Provide accessible luxury for those who demands excellence in beauty
			• Teams of researchers using latest scientific innovation to develop unique and visionary products (L'Oréal Paris, 2013b)

Source: L'Oréal, 2019