

Digital Transformation and its Impact on International Marketing Strategy of Multinational Companies in Cosmetics Industry

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Abstract

Purpose of the article Nowadays digital transformation is becoming a vital topic in the business world. Not only it affects the business environment in general, but also business and marketing strategies that multinational companies use need to be adjusted in order to meet customer requirements, needs and desires. The paper examines how digital transformation and more specifically use of online marketing tools can affect the marketing strategy of multinational companies in the cosmetics industry. Based on content analysis of the sample of selected companies within cosmetics industry, it is possible to evaluate the significant impact of digital transformation on the development of marketing strategies and the move to effective online communication, which empowers companies to strengthen the brand and increase revenues.

Methodology/methods Content analysis based on quantitative research of the sample of selected ten big-gest multinational cosmetic companies in the world is used in order to examine the impact of digital transformation on international marketing strategies of multinational companies within the cosmetics industry. Furthermore, qualitative research using analysis of qualitative secondary data is used as well in order to define and set criteria for evaluation. These criteria are divided into two main categories. Offline marketing channels and its evolution with the arrival of digital transformation in terms of companies' revenues, customers' popularity and brand awareness. And online marketing channels, namely Facebook and Instagram, and its development and impact on companies' overall revenues, customers' popularity and brand awareness.

Scientific aim On the sample of selected ten biggest cosmetic companies show the impact of digital transformation on international marketing strategies of multinational companies in the cosmetics industry.

Findings The paper shows that with the digital transformation there comes a huge boom of social media usage as well. It is not limited only on personal usage of social media but highly influences the social media in terms of business operations. Companies use Facebook Business Manager and Instagram for business in order to boost their sales, maintain customers' base and develop brand awareness. Consequently, offline marketing channels decline. On the contrary, multinational companies understand the importance of the combination of both online and offline channels and apply complex marketing strategy including both communication categories, with a bigger emphasis on online marketing channels that are also easier to be used worldwide.

Conclusions Digital transformation brings new insights into understanding and creation of marketing strategies of multinational companies. Multinational companies in the cosmetics industry invest in online marketing tools rather than into offline channels. They stick to this trend in order to boost revenues, increase brand awareness and customer's popularity and loyalty towards their products. However, these companies still combine both online and offline channels in order to achieve their marketing goals. This paper can be beneficial for both managers and researchers. On the contrary, there are only two main criteria for evaluation in this paper. It would be wise to focus on more criteria in order to get an even bigger picture. Also, results are applicable to multinational companies, whereas small and medium-sized enterprises would need a different approach when it comes down to the evaluation of marketing strategies, mainly due to its limited funds.

Keywords: digital transformation, marketing strategy, multinational company, digitalization, marketing, management, strategy, international

JEL Classification: M31

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