Marketing Strategy Research in China's Medical Aesthetics Industry: A Comparative Analysis of YS Medical Aesthetics Chongqing Branch and Y Medical Aesthetics Company

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Abstract. With the rapid growth of China's medical aesthetics sector, the challenge faced by providers, like competition, information asymmetry, persistent trust and safety concerns becomes more intensive. These factors undermine the long-term viability of growth strategies which driven primarily by traffic and price elements. This paper compares the marketing strategies of YS Medical Aesthetics Chongqing Branch (a chain clinic) and Y Medical Aesthetics Company (an experience-oriented local provider) to examine how service firms can differentiate under following constraints. Using a qualitative comparative case-study design integrating with the STP framework, the 7Ps service marketing mix, and experiential marketing theory. The findings show that YS's Chongqing branch benefits from chain-level resources and standardized service delivery; however, weak articulation of after-sales value and gaps in digital promotion planning can erode satisfaction and reduce repeat purchases. In contrast, Y Company prioritizes a six-dimension experience design-scene, emotion, product, action, service, and relationship-which helps to reduce perceived risk. Yet, limited creativity, insufficient professional image building, and weak customer interaction constrain customer loyalty and referrals. Based on these insights, the study proposes an integrated optimization pathway that combines experience-driven 7Ps, customer-journey-based CRM, after-sales governance, and compliance-oriented trust communication.

Keywords: Medical Aesthetics; Marketing Strategy; STP; 7Ps; Experiential Marketing; Customer Loyalty.

1 Introduction

China's medical aesthetics industry has emerged as one of the most dynamic segments of the consumer health market. The demand has been propelled by rising disposable income, the diffusion of beauty-oriented content, and the rapid expansion of "light medical aesthetics" services, which offers a minimal downtime and a more flexible way of consumption. Yet, despite its attraction to consumer, the uncertainty of outcomes,

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informative asymmetry between customer and providers remains it as a high-perceived-risk and credence-dominant service. In this context, trust is more than a desirable brand attribute, it is also a prerequisite for market exchange.

However, building trust in China's medical aesthetics industry is difficult through traditional approaches that focus on improving product or service quality alone. According to information asymmetry theory, when consumers cannot easily evaluate quality before making purchase, lower-quality providers may gain an advantage over higher-quality competitors unless uncertainty is reduced through credible signals or effective regulatory mechanisms [1]. This means, for credence services such as medical aesthetics, the risk of opportunistic behavior may driven consumers to reduce the risk of fraud and inconsistent qualities though factors like institutional reputation, and third-party verification [2]. In this setting, online informational and emotional support plays a significant role in shaping trust and behavioral intentions, making digital interaction an increasingly important component of competitive strategy in China's medical aesthetics industry [3]. Meanwhile, the strengthening of China's regulatory environment and tighter oversight of advertising have made aggressive discounting and traffic-driven customer acquisition strategies less sustainable over the long term, while also increasing compliance risks related to safety, professionalism, and post-treatment assurance [4]. As a result, compliant and evidence-based trust communication has become strategically more important.

Against this backdrop, this paper conducts a comparative case study between the Chongqing Branch of YS Medical Aesthetics and Y Medical Aesthetics Company to address three questions: how their segmentation and positioning choices differ, what strengths and weaknesses characterize their marketing mixes and experience designs, and which optimization pathway is most feasible under intensified competition and stricter compliance requirements. Methodologically, the study synthesizes two MBA dissertations as structured case evidence and analyses them through the integrated lens of STP (segmentation-targeting-positioning), 7Ps (product, price, place, promotion, people, process, and physical evidence), and experiential marketing theory [5-7]. The remainder of the paper profiles the firms and compares their positioning and marketing strategies and further proposes optimization recommendations and concludes with implications and limitations.

2 Company Profiles and Brand Positioning

2.1 YS Medical Aesthetics Chongqing Branch: Brand Development Status

YS Medical Aesthetics is an international chain medical aesthetics brand with early establishment and multi-market expansion. The Chongqing branch benefits from headquarters-level brand reputation, technical resources, and promotional support, as well as standardized management systems typical of chain operators [8]. The branch is located near a major commercial district in Chongqing, which provides natural access to high-traffic and comparatively high-spending consumers. Operationally, it possesses stable staffing and relatively strong technical capability supported by equipment,

specialist resources, and institutionalized service processes [8]. As a chain branch, YS's core advantage is its ability to scale and stabilize service delivery through standardized procedures and brand-backed signaling of professionalism.

2.2 Y Medical Aesthetics Company: Brand Development Status

Y Medical Aesthetics Company is a local provider that initially relied on partnerships with banks, insurance firms, and other financial institutions to introduce customers through "experience projects" and then convert them via membership mechanisms [9]. While this strategy supported early customer acquisition, the case notes that increased internet penetration and intensified competition have weakened Y's relative online influence compared with larger or more digitally sophisticated competitors [9]. As a result, Y must defend its position by strengthening perceived experience value and trust-building mechanisms rather than competing directly on scale or traffic.

2.3 Brand Positioning: YS's Chain-Quality Service and Y's Light-Aesthetics Experience

YS's brand positioning can be characterized as chain-based high-quality medical aesthetics services that supported by a wide range of treatments and a standardized service system. However, the YS case suggests that because its post-treatment care has not been clearly developed and managed as a core component of the brand's value proposition, customer's satisfaction, perceived service quality, and overall brand positioning are constrained by this weakness [8].

In contrast, Y positions itself within the light medical aesthetics segment and emphasis on the concept of customer experience. This approach believes that experience marketing is particularly important in this sector, as it may addresses consumers' psychological needs for reassurance, involvement, and relational support [9]. In other words, Y differentiates itself by creating service experiences that help reduce consumer anxiety and foster emotional attachment, rather than relying primarily on the advantages of chain-based resources.

2.4 Summary: Resource-Based Advantage and Experience-Based Advantage

Overall, YS adopts a resource and system driven chain model that relies on the support of cross-location brand reputation, and standardized training and processes to signal professionalism and deliver consistent service. However, customer feedback suggests that weak post-treatment follow-up and after-sales service can still limit customer satisfaction and trust [8]. In contrast, Y competes through experience led differentiation. It has expanded through partnerships with banks, insurers, and other financial institutions, supported by membership conversion. However, in an increasingly internet-driven market, Y faces disadvantages in scale and visibility, making experience design and relationship-based reassurance central to its positioning [9].

These cases are selected because they operate in a similar market context but follow different strategic logics. They both positioned within China's high-risk and information-asymmetric medical aesthetics sector, where consumers depend heavily on online touchpoints and seek reassurance beyond functional claims [9]. Meanwhile, they represent two distinct archetypes that YS as a scalable chain that builds credibility through institutionalized standardization, and Y as a local provider that reduces anxiety and builds loyalty through experience and membership among similar consumer groups. This contrast may help to explain how resources and experience led strategy shape STP choices, marketing mix execution, and trust-building under stronger competition and tighter compliance requirements.

3 Market Positioning Analysis Using STP

3.1 Segmentation

In terms of consumers, YS segments its customers into three age-based groups with different motivations. First, students aged 24 and under are considered highly sensitive to price and promotions. Second, working professionals aged 24 to 44 are considered to have greater purchasing power and to place more emphasis on technical competence and service quality. Third, consumers aged 45 and above are considered more likely to seek anti-ageing treatments and subtle enhancements [8]. By contrast, Y focuses only on the younger white-collar segment, which values convenience, lifestyle fit, and low-risk entry treatments, consistent with its light medical aesthetics and experience-led positioning [9].

Geography further differentiates the two brands. The YS Chongqing branch is CBD- and core-district focused, shaped by site selection and the natural catchment of high-traffic commercial areas; it uses chain-brand signals to attract higher-spending consumers in central urban districts [8]. By contrast, Y's segmentation is more geographically scalable: it relies less on a single prime-location catchment and more on partnerships, customer conversion, and repeatable experience design-allowing expansion across multiple submarkets, and potentially across cities, as long as the experience remains consistent [9].

3.2 Targeting

YS's case identifies the 24-44 working-professional segment as its "main battlefield", as this segment tends to prioritize service and technical reliability and is less price-sensitive than students [8]. This supports a targeting logic focused on increasing average order value and repeat purchase via reliable processes and traceable outcomes.

Y's targeting logic is consistent with "high-frequency, low-downtime" light medical aesthetics as an entry point, where experience design can shorten decision cycles and improve store-visit conversion [9]. This aligns with the experience-economy view that staged experiences can be the core basis of differentiation in mature competitive markets [7].

3.3 Positioning

YS positions itself around chain, quality, and reliability, drawing on institutional factors such as brand reputation and standardized service system to reinforce customer's trust [8]. The case further suggests that this positioning could be enhanced by reinforce after sales value more clearly, for instance, introduce the concept of after-sales service manager to the institution, so as to narrow the gap between promised professionalism and post-purchase perceptions [8].

In contrast, Y positions itself closer to the idea of light aesthetics in form of a lifestyle. It argues that a multi-dimensional experience should extend across the full customer journey to reduce uncertainty and strengthen loyalty [9]. However, at the meantime, the case highlights that Y's insufficient professional image building may weaken the credibility of its positioning, particularly in the sector that consumers place strong trust in institutional reputation and physicians' qualifications [9].

4 Comparative Analysis of Marketing Strategies

4.1 Product and Service Strategy

Both YS and Y operate in a highly trust-sensitive, information-asymmetric service context, which means their product/service strategies must reduce perceived risk and deliver reassurance alongside clinical outcomes. Each therefore seeks to build perceived value beyond functional treatment attributes, but they do so through different strategic mechanisms [8,9]. YS competes primarily through scale and standardization which offers broad project coverage supported by specialized departments, equipment, and chain-level resources, which strengthens service consistency and process control in line with the 7Ps logic [8]. However, this same standardization can dilute differentiation if the portfolio appears homogeneous or if services are not communicated in consumer-friendly terms. In contrast, Y competes through experience-led differentiation, explicitly structuring its offering around a six-dimension experiential model (scene, emotion, product, action, service, and relationship) that integrates treatment with reassurance, participation, and social meaning [9]. This approach aligns with experiential marketing theory, which argues that experience design can create differentiated value when consumers cannot confidently evaluate quality ex ante [7]. The trade-off is that Y's differentiation is only sustainable if experience delivery remains creative and consistent; otherwise, the experience promises risks being perceived as superficial or unreliable [9].

4.2 Price and Promotion

In both cases, pricing outcomes are inseparable from trust and perceived fairness, because uncertainty about quality increases consumers' reliance on price cues and promotional framing [8,9]. Yet the firms differ in how price supports their broader positioning. YS adopts an accessible mid-range pricing logic but is strongly influenced

by consumers' promotion sensitivity, with conversion frequently driven by discounts and campaign offers [8]. This creates a strategic vulnerability: heavy promotion dependence can trigger perceptions of unfairness among existing customers and intensify price-based rivalry, undermining long-term customer equity. By comparison, Y is theoretically better placed to sustain a value premium if its experience design reliably reduces anxiety and builds emotional attachment, as experiential marketing predicts [6]. However, the Y case also suggests that experience-based premiums are fragile; when creativity is limited or service details are inconsistent, consumers quickly reinterpret premium pricing as unjustified-especially in a low-trust environment where skepticism is easily activated [9].

4.3 Channels and Communication

Both firms rely on multi-touchpoint decision journeys in which online information and interpersonal cues shape credibility and conversion, but they privilege different communication mechanisms [8,9]. YS uses multiple acquisition and communication channels, yet its case highlights weaknesses in digital promotion planning and a shortage of "compound" talent who understand both medical aesthetics and digital growth. These capability gaps reduce the brand's ability to create resonance and guide consumers through online-mediated evaluation and decision-making [8]. In contrast, Y depends more on an "in-store experience → word-of-mouth → membership retention" pathway [9]. This logic can be effective because trust transfer in credence services often occurs through peer recommendations and community interaction, which can substitute for limited ex ante evaluability [3]. Nevertheless, Y's channel advantage is conditional: if customer interaction is insufficient or membership operations create pressure rather than belonging, the social diffusion that experience strategies require is weakened and retention becomes harder to sustain [9].

4.4 People, Process, and Physical Evidence

Both cases confirm that people, process, and physical evidence are critical trust-building levers in medical aesthetics, where consumers often infer quality from controllable service cues and professional signaling [2]. However, the firms diverge in where execution risks accumulate. YS benefits from chain-based controllability through staff training, standardized processes, and managed physical evidence (environment and service display), which supports reliability and reduces variability in service encounters [8]. Its main weakness lies after the procedure: the case indicates that post-treatment follow-up and after-sales experience can become bottlenecks, meaning repeat purchase depends on closing the post-treatment loop with traceable follow-up and governance [8]. Conversely, Y's case points to weaknesses in professional image building and customer interaction [9]. Because the sector is strongly credibility-dependent, insufficient professional signaling undermines the plausibility of its "light aesthetics" proposition, while limited interaction reduces belonging and therefore loyalty-weakening the relational foundation that its experience-led strategy depends upon [9].

5 Strategy Optimization Recommendations

5.1 Build "Experience-Driven 7Ps"

For YS, the priority is to embed experience design into 7Ps execution rather than treating "experience" as occasional events. In product strategy, YS should translate treatment projects into personalized "solution narratives" that clearly define expected outcomes and include appropriate risk disclosure, reducing ambiguity and perceived opportunism in a credence-based service setting [8]. In pricing, it should reduce reliance on blunt discounting and instead use tiered benefit structures-such as bundled follow-up services or periodic management subscriptions-to protect fairness perceptions and strengthen retention [8]. In promotion, YS should shift communication away from price-led hooks toward verifiable professionalism and compliant trust signals, which is increasingly important under tightening regulatory governance [4,10]. Finally, while maintaining standardized processes, YS should introduce "human touchpoints" at key anxiety peaks-during consultation, immediately after treatment, and at milestone follow-ups-to increase felt reassurance and reduce post-purchase regret [8].

For Y, the strategic direction is the reverse. It should introduce stronger 7Ps discipline to make experience innovation replicable and measurable. Specifically, the six experience modules should be converted into standard operating procedures, training modules, and quality indicators, so that experience delivery is less dependent on individual staff performance and more consistently executed across encounters [9].

5.2 Build Customer-Journey CRM and After-Sales Governance

YS should operationalize and "productize" its proposed after-sales positioning for instance, an after-sales manager model-into a governance system: pre-treatment risk disclosure checklists, post-treatment follow-up nodes, outcome evaluation standards, complaint-handling time limits, and remedy pathways. This converts trust from a slogan into a traceable mechanism that reduces uncertainty and protects reputation [8].

Y should reduce pressure-style membership operations and shift toward community companionship, education, and respectful autonomy to rebuild belonging. Strengthening interaction is particularly important because reciprocity and community support can shape trust and behavioral intention in medical-aesthetics communities [3,9].

5.3 Close the Digital Capability Gap through Structured Training and Compliant Trust Communication

YS's bottleneck is digital capability and compound talent. A feasible path is to establish a structured monthly content plan, consultation SOPs, and conversion tracking, supported by targeted upskilling for marketing teams [8]. Here, training insights from a comparable medical-aesthetics digital training case suggest the importance of needs-

based design, interactive methods, and feedback/evaluation mechanisms linked to real job performance [11].

Both firms should also strengthen compliance-oriented trust communication-clear disclosure of qualifications, appropriate risk communication, and avoidance of misleading promises-consistent with regulatory emphasis on safety and standardization [4,10].

6 Conclusion

This study compares the marketing strategies of YS Medical Aesthetics Chongqing Branch and Y Medical Aesthetics Company in China's medical aesthetics industry. Under the context of intensified competition, tighter regulations and highly information asymmetry, the article examines how firms can build trust and stand out without depending on low prices or traffic-based growth. The article integrating with the STP framework, the 7Ps, and experiential marketing theory, compares the two firms' segmentation, positioning, and overall marketing strategies.

The findings show that YS benefits from chain-level resources, a stronger brand reputation, and more standardized service system, which help it perform in a more professional and reliable image. However, weak after-sales service and limited digital promotion reduce customer satisfaction, repeat purchases, and trust.

By contrast, Y focuses on experience-led marketing strategy through concept of light medical aesthetics and a more engaging customer journey, which helps reduce customer's uncertainty and create emotional connection. However, its weaker professional image, limited interaction with customers, and less distinctive online presence reduce its ability to build loyalty and gain referrals.

Overall, the study suggests that effective marketing in this industry depends on combining reliable service quality with strong customer experience, better relationship management, stronger after-sales support, and clear, trustworthy communication that meets regulatory requirements.

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